

REPORT OF GENERAL MANAGER

APPROVED

NO. 07-146

DATE June 20, 2007

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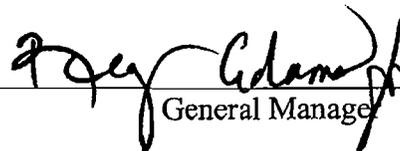
**BOARD OF RECREATION
and PARK COMMISSIONERS**

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SUBJECT: GRIFFITH PARK TRAIN RIDE PROPOSED RATE INCREASE

R. Adams _____
J. Combs _____
H. Fujita _____
S. Huntley _____

J. Kolb _____
*F. Mok see for FM
K. Regan _____
M. Shull _____



General Manager

Approved

Disapproved

Withdrawn

RECOMMENDATION:

That the Board approve the proposed ticket price increase for the Griffith Park Train Ride to be effective July 1, 2007.

SUMMARY:

GP Rah Enterprises, LLC, concessionaire of the Griffith Park Train Ride, has proposed a rate increase for the train rides located in Griffith Park (Griffith Park & Southern Railroad and Travel Town Museum). The current ticket prices and proposed increased prices are as follows:

| | <u>Current Price</u> | <u>Proposed Price</u> |
|---------------------------------|----------------------|-----------------------|
| Single Ticket | \$2.00 | \$2.50 |
| Group Tickets (15 or more) | \$1.50 | \$2.00 |
| Senior Ticket (Age 65 or older) | \$1.50 | \$2.00 |
| Christmas Ride To Santa | \$6.00 | \$7.00 |
| Christmas Ride Digital Photo | \$4.00 | \$5.00 |

The last ticket price increase was approved by the Board on September 4, 2002 (Board Report No. 02-322) and became effective on November 1, 2002 ("Train Ride to Santa" price was more recently increased on October 20, 2004 [Board Report No. 04-307]). The increase brought the standard train ride ticket prices up to the current level. As the costs of fuel, materials, and labor have risen since the last price increases in 2002 and 2004 respectively, the proposed price increase will allow the concessionaire to maintain the current level of service as well as

REPORT OF GENERAL MANAGER

PG. 2

NO. 07-146

introduce the ability to accept credit/debit cards from the public (the cost for accepting credit/debit cards is approximately \$0.25 per transaction).

The proposed price increase will continue to ensure that the train rides are priced for families and park visitors and are comparable to current prices of miniature train rides in other cities. The following are current comparable per-ride prices:

| | |
|---|--------|
| S&S Shortline Train Park (Farmington, UT) | \$4.50 |
| Stanley Park Train (Vancouver, Canada) | \$4.30 |
| Irvine Park Railroad (City of Orange) | \$4.00 |
| Sonoma Traintown (Sonoma) | \$3.75 |
| Little Toot Railroad Company (Flora, IL) | \$3.00 |
| Redwood Valley Railroad (Berkeley) | \$2.00 |
| Balboa Park Railroad (City of San Diego) | \$1.75 |

It should be noted that the Redwood Valley Railroad staff is composed of unpaid volunteers, allowing the prices to be kept to a minimum. Also, the Balboa Park Railroad is owned and subsidized by the San Diego Zoo, and employees operate the ride and perform all the maintenance and training, allowing costs to be kept to a minimum.

The price increase will allow the concessionaire to offer an improved "Christmas Ride to Santa" with high-quality digital photographs. These improvements will include additional décor, additional staff, and an upgrade of the concessionaire's ticket-selling capability to allow for reservations. Irvine Park Railroad offers a similar activity at \$8 per ticket and \$6 per photograph (Polaroid).

FISCAL IMPACT STATEMENT:

Based on the 2006 gross sales of tickets, the proposed rate increase would generate approximately \$25,000 in additional rent per year. Pursuant to Board-approved policy, 90% will be deposited into the Department's General Fund and 10% will be deposited into the Concession Improvement Account.

Report prepared by Désirée Guzzetta, Management Assistant, Concessions Unit