

APPROVED
SEP 02 2015

REPORT OF GENERAL MANAGER

BOARD OF RECREATION
AND PARK COMMISSIONERS

NO. 15-201

DATE September 2, 2015

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK - CONCESSION OPERATION OF MINIATURE TRAIN RIDES - 2015-16 CHRISTMAS TRAIN RIDE AND TICKET PRICE

R. Barajas
H. Fujita
*V. Israel



K. Regan
N. Williams



General Manager

Approved /

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board approve the proposal, and corresponding ticket price, from GP Rah Enterprises, LLC, (Concessionaire) to operate the 2015-16 Christmas Train Ride in Griffith Park, every evening, beginning November 27, 2015 through January 3, 2016, from 5:00 p.m. to 9:00 p.m., weather permitting.

SUMMARY:

GP Rah Enterprises, LLC (Concessionaire), the current operator of the Concession Operation of Miniature Train Rides in Griffith Park (Concession), has operated the Griffith Park Train Ride (Griffith Park) at the Los Feliz Boulevard entrance of Griffith Park and the Travel Town Museum Train Ride (Travel Town) since 2000, offering rides on miniature railroad cars that carry approximately 500,000 passengers per year.

From 1991 to 1999, the previous Concession operator offered a Christmas Train Ride at Griffith Park. The event ceased after the 1999 holiday season due to the effect of heavy traffic from the Los Angeles Department of Water and Power (LADWP) Holiday Light Festival, which made it difficult for visitors to access the train ride facility. Beginning in 2003 and through the 2012 holiday season, the Christmas Train Ride operation was moved to the Travel Town location by the current Concessionaire.

The most recent price modification was approved by the Board on June 20, 2007, which increased the ticket price for the Christmas Train Ride from Six Dollars (\$6.00) to Seven Dollars (\$7.00) (Report No. 07-146).

REPORT OF GENERAL MANAGER

PG. 2

NO. 15-201

The Christmas Train Ride ceased operating after the 2012 holiday season when the Concessionaire's request for a ticket price increase was not approved by the Department and the Concessionaire found that revenue growth was hampered by the limited capacity at Travel Town compared to the larger Griffith Park location.

2015-16 Christmas Train Ride Proposal

For the 2015-16 holiday season, the Concessionaire has proposed the return of the Christmas Train Ride to the original Griffith Park location. With the LADWP Holiday Light Festival discontinued, the Los Feliz Boulevard entrance to Griffith Park will no longer be impacted by excessive traffic and the Griffith Park location will be more accessible during the holiday season. The proposed new location can accommodate larger numbers of visitors than the Travel Town location.

The Christmas Train Ride will showcase a Christmas theme decorated "Griffith Park and Southern Railroad" train ride over one (1) mile of track, across a bridge, through a forest and an "Old Western Town". The Christmas Train Ride will be operational from November 27, 2015 through January 3, 2016. There is no charge for infants eighteen (18) months and younger for the Christmas Train Ride.

The Concessionaire has proposed that the Christmas Train Ride for the 2015-16 holiday season be produced without the "Visit with Santa" feature. Previous Christmas Train Ride events did include the Visit with Santa, but decor and labor costs have made it prohibitive for the Concessionaire to provide the feature this season. The Concessionaire stated that the Visit with Santa may resume in future Christmas Train Ride events. Since the 2015-16, Christmas Train Ride does not have a "Visit with Santa" feature, the ticket price will be reduced from Seven Dollars (\$7.00) per person to Four Dollars (\$4.00) per person.

According to Section 8 ("Operating Responsibilities") of the Concession Agreement, prices charged "...shall not exceed prevailing market prices for the same standard grade of service or merchandise at similar venues in the surrounding community."

The only venue in Southern California with a similar attraction is the Irvine Park Railroad where the Train Ride to Santa will cost Twelve Dollars (\$12.00) per person and a photo with Santa will cost Ten Dollars (\$10.00) during the 2015 holiday season.

FISCAL IMPACT STATEMENT:

With a larger patron capacity in 2015-16 at the Griffith Park location, the Department anticipates exceeding the 2012 holiday season sales of Eight Thousand Five Hundred (8,500) tickets and estimates that the proposed 2015-16 Christmas Train Ride will generate approximately Ten Thousand Dollars (\$10,000.00) in additional revenue to the Department or ten percent

REPORT OF GENERAL MANAGER

PG. 3

NO. 15-201

(10%) of estimated gross revenue of One Hundred Thousand Dollars (\$100,000.00). Ninety percent (90%) of revenue received, Nine Thousand Dollars (\$9,000.00) is deposited into the General Fund and ten percent (10%) of the revenue received, One Thousand Dollars (\$1,000.00), is deposited into the Concession Improvement Account.

This Report was prepared by Mark Stipanovich, Management Analyst II, Partnership and Revenue Branch, Concessions Unit.