

REPORT OF GENERAL MANAGER

NO. 15-107

DATE May 20, 2015

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK PONY RIDE, INC. – APPROVAL OF PRICE INCREASE

R. Adams _____
R. Barajas _____
H. Fujita _____

*V. Israel _____
K. Regan _____
N. Williams _____

General Manager

MAY 20 2015

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board approve the proposed ticket price increase for the Griffith Park Pony Ride, from Three Dollars (\$3) to Four Dollars (\$4) per ride, effective upon Board approval.

SUMMARY:

The Concessionaire of the Griffith Park Pony Ride has been in operation since 1980, offering a variety of pony rides including a pony sweep for toddlers, walking and trotting ponies for children under eighteen (18) years of age and one hundred (100) pounds, and a pony-pulled wagon for adults and children.

The Concessionaire currently charges Three Dollars (\$3) for all rides. The last price increase, from Two Dollars (\$2) to Three Dollars (\$3) per ride, was approved by the Recreation and Park Commission on January 3, 2007 (Report No. 07-09).

According to the Concession Agreement between the City and the Concessionaire, the standard to be used for the approval or disapproval of prices shall be the prevailing market price for the same type of service. Staff has verified that the proposed price is not only within the range of market prices but is on the affordable end of the scale as demonstrated in the following price list of comparable concession operations:

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<u>Concession Facility</u>	<u>Price</u>
Irvine Regional Park	\$5
Lakewood Equestrian Center	\$5 for hand-walked pony; \$6 for trotting pony
Montebello Barnyard Zoo	\$4
Peltzer Farms, Temecula	\$5

The proposed price increase will help offset increased expenses in feed, veterinarian services, insurance, and payroll taxes; an official notice of the proposed increase was published in accordance with California Code Section 6062a.

In 2014, the Concessionaire paid a total of One Hundred Thirty-Eight Thousand, Two Hundred Thirty Dollars (\$138,230) in rent to the City. Assuming 2014 gross ticket sales and rent figures continue in the coming years, the proposed price increase would yield approximately Forty-Six Thousand Dollars (\$46,000) in additional revenue per year to the Department, an increase of approximately thirty-three percent.

FISCAL IMPACT STATEMENT:

Approval of the One Dollar (\$1) price increase would provide an estimated Forty-Six Thousand Dollars (\$46,000) in additional revenue to the Department. Ninety percent of revenue received is deposited into the Department's General Fund and ten percent (10%) is deposited into the Concession Improvement Account.

This Report was prepared by Agnes Ko, Senior Management Analyst II, Concessions Unit and Lisa Shinsato, Management Analyst II, Concessions Unit.