

# CITY OF AUSTIN



## Hostel International – USA License Agreement

*Parks and Recreation Board*

*November 27, 2012*



# PURPOSE AND AGREEMENT

## Purpose

**Recommendation to City Council to approve license agreement with Hostel International – USA**

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### Proposed License Agreement

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Term:	Five (5) years with one, 5-year option
License Fee:	\$2,000 monthly

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### Concession

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Organization:	EpicSUP
Services:	Stand Up Paddleboard Rental & Instruction Light Food and Beverages Sales

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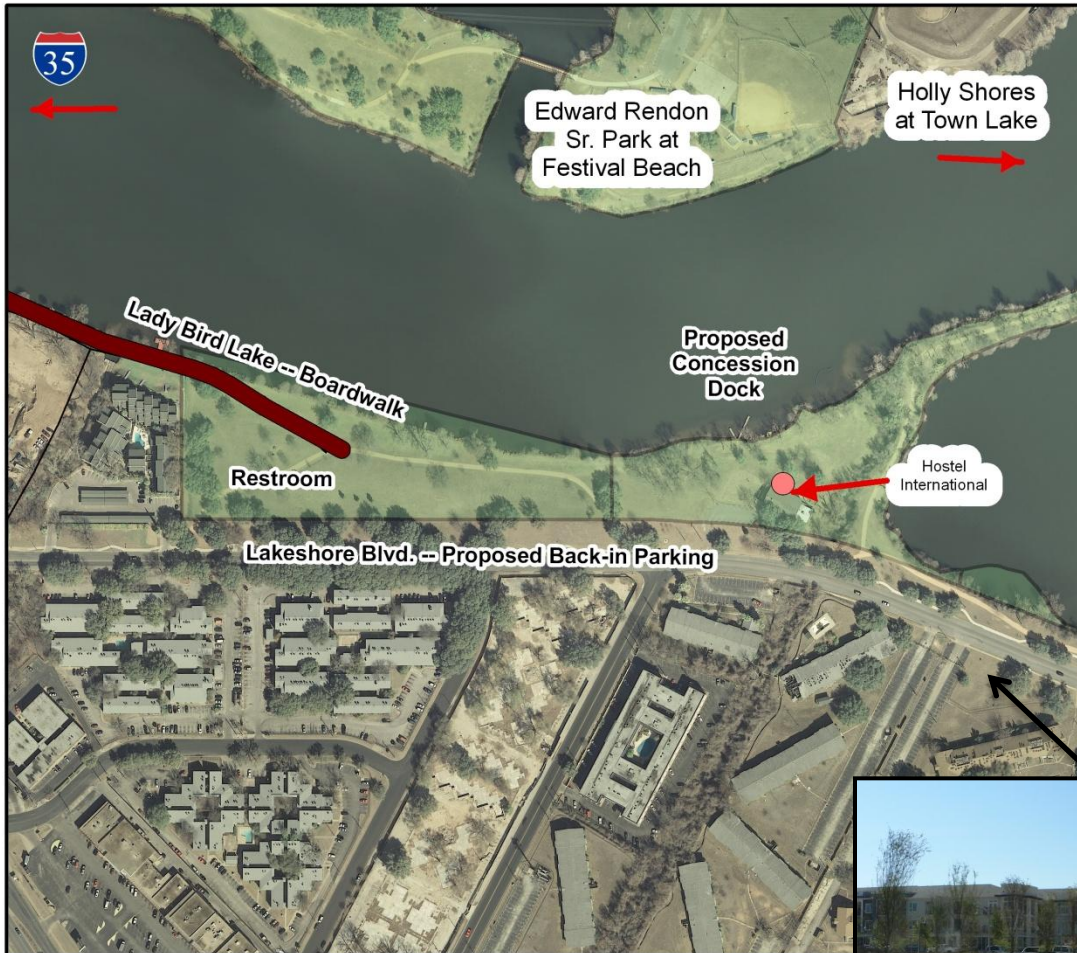
# EPICSUP YEAR 1 START-UP



<b>Estimated Cost Dock:</b>	<b>\$180,000</b>
<b>Estimated Cost of Site Improvements &amp; Trailer:</b>	<b>\$212,000</b>
<b>Estimated Start-up Costs:</b>	<b>\$392,000</b>



# EPICSUP LOCATION



**Boardwalk**

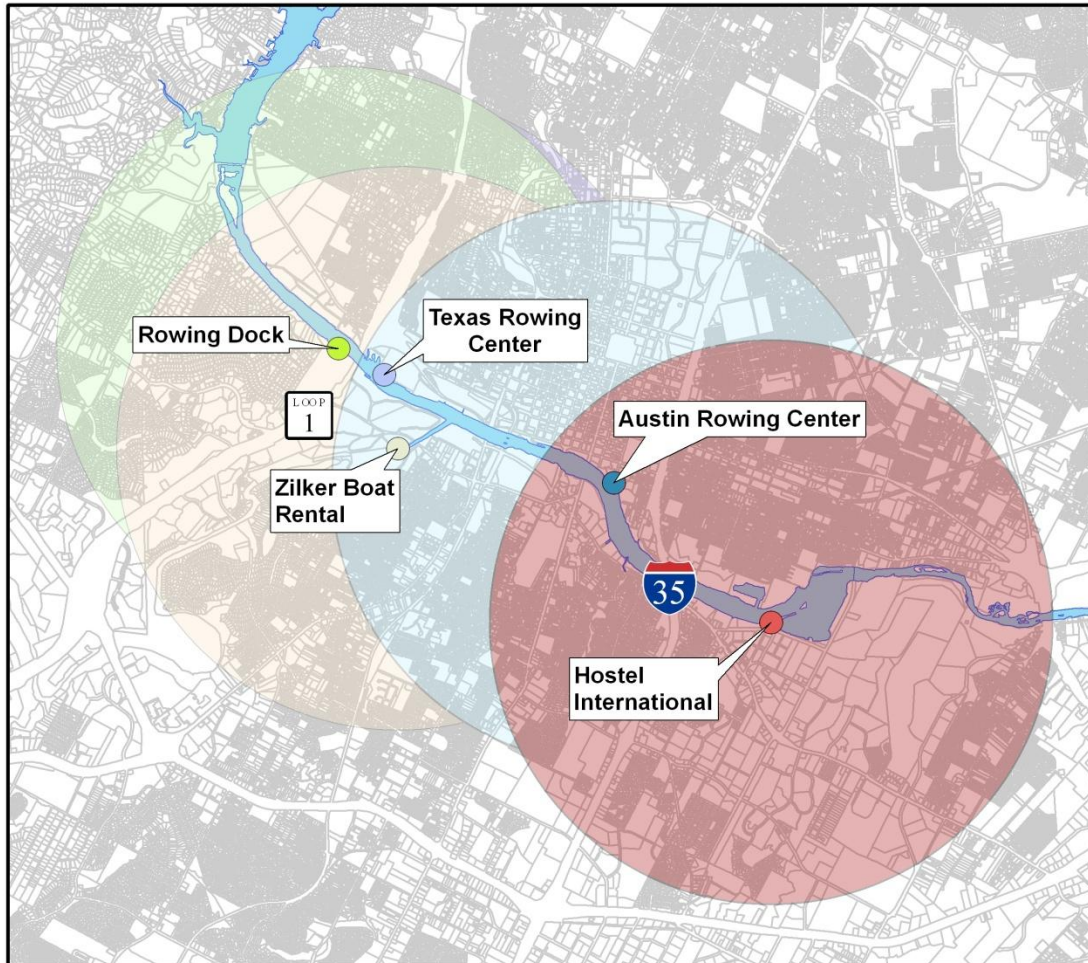
**Parking**

**Restroom**

**Development**



# EPICSUP LOCATION



## SUP 2-Mile Zone

- Hostel International
- Austin Rowing Center
- Texas Rowing Center
- Zilker Boat Rental
- Rowing Dock

## LBL Rowing Concessions

- Hostel International
- Austin Rowing Center
- Texas Rowing Center
- Zilker Boat Rental
- Rowing Dock
- TCAD Parcels

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the Parks and Recreation Department for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

0 1,000 2,000  
Feet



Location

Saturation

Risk

# EPICSUP REVENUE SHARING

**YEAR 1 START-UP COSTS  
WILL BE CONSIDERED AS REVENUE CONTRIBUTIONS  
OVER THE 5-YEAR BASIC TERM OF THE CONTRACT.**

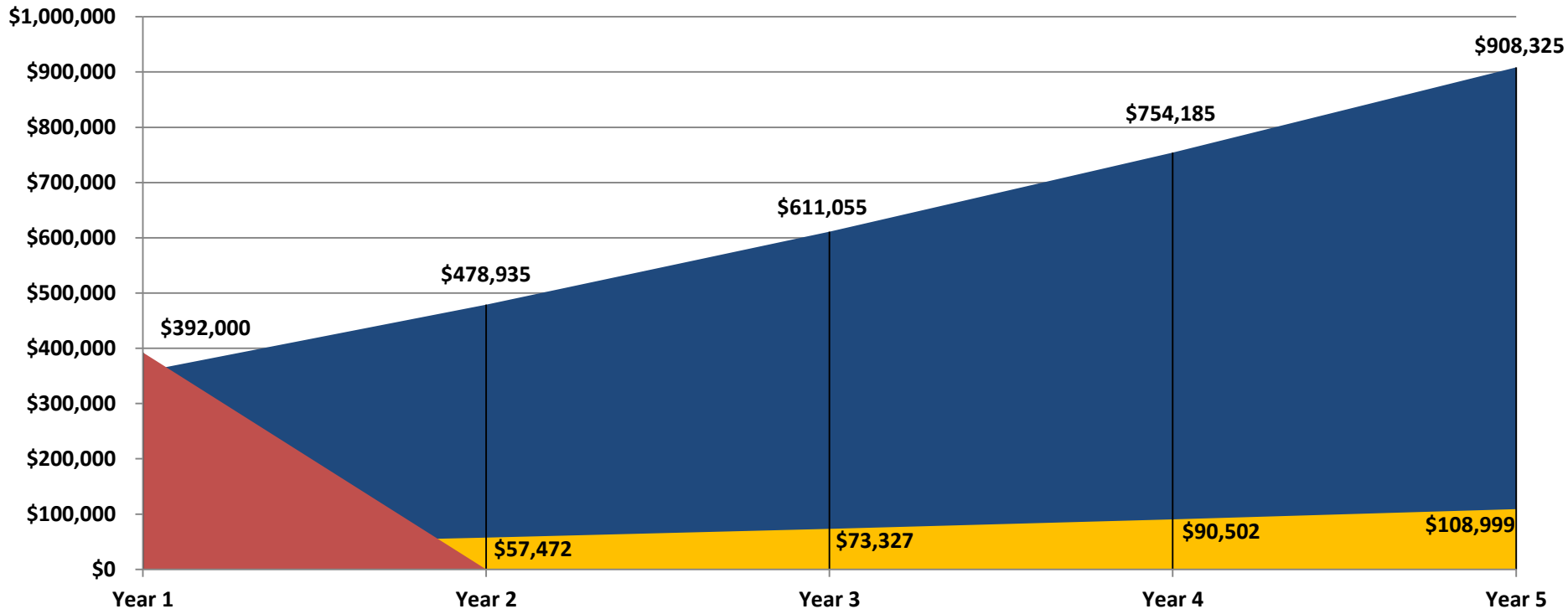
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**Revenue Formula:  
Gross Sales (Gross Revenue minus Sales Tax) x 12%  
18 month review**

	Monthly Average Commissions Payments
	CY 11 – Percentage of Gross Sales
Barton Springs Food & Beverage	37%
<b>HOSTEL - INTERNATIONAL</b>	<b>12%</b>
Zilker Zephyr Railroad	11%
Zilker Park Boat Rental	10%
Rowing Dock	9%
Texas Rowing Center	9%
Lone Star River Boat	8%
Butler Pitch & Putt	6%

# EPICSUP REVENUE SHARING

■ Estimated Gross Sales    ■ Revenue    ■ Start-up Costs/Annual Maintenance



Estimated 5-Year Gross Sales:

\$3,100,000

Estimated 5-Year Revenue Sharing:

\$373,000

Estimated Start-up Costs

\$392,000

**5-Year Revenue Sharing/ 5-Year Gross Sales = 12%**

# STAFF RECOMMENDATION

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**Recommend to Council to approve waiving the requirements of the City's policy related to concessions on parkland, adopted by Council Resolution No. 980312-025, to authorize incorporation of concession services under the License Agreement with American Youth Hostels, Inc., d/b/a Hostelling International-USA ("HI-USA") at 220 South Lakeshore Drive.**