



**City Council Questions and Answers for  
Thursday, February 12, 2015**

These questions and answers are related to the  
Austin City Council meeting that will convene at 10:00 AM on  
Thursday, February 12, 2015 at Austin City Hall  
301 W. Second Street, Austin, TX



**Mayor Steve Adler**  
**Mayor Pro Tem Kathie Tovo, District 9**  
**Council Member Ora Houston, District 1**  
**Council Member Delia Garza, District 2**  
**Council Member Sabino "Pio" Renteria, District 3**  
**Council Member Gregorio Casar, District 4**  
**Council Member Ann Kitchen, District 5**  
**Council Member Don Zimmerman, District 6**  
**Council Member Leslie Pool, District 7**  
**Council Member Ellen Troxclair, District 8**  
**Council Member Sheri Gallo, District 10**



### Council Question and Answer

<b>Related To</b>	<b>Item #36</b>	<b>Meeting Date</b>	<b>February 12, 2015</b>
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### Additional Answer Information

**QUESTION 1:** Please describe the proposed “upgrades to parkland” and provide an estimate of the total value of these improvements. COUNCIL MEMBER TOVO’S OFFICE

**ANSWER 1:** The proposed upgrades by the respondent include financing and:

- Design, permit and construct concrete flatwork (sidewalk, ramps, etc.), railings, and other amenities to ensure compliance with the American Disabilities Act (ADA) to provide equal access to the concession services to persons with disability. Additional work would include creating an ADA parking stall and cross walk as needed. All improvements would convey to the City at the termination of the contract. Estimated costs \$25-30,000.
- The renovation of the City dock on the north shore of the Lady Bird Lake (LBL) adjacent to the Radisson Hotel. The Respondent would incur these costs solely or in partnership with the Radisson and/or Four Seasons. Estimated costs \$6-7,000.
- The purchase of a floating dock previously used in the construction of the Boardwalk. The Respondent proposes that, as needed, the floating dock will be connected to the renovated dock noted above providing a load and off-load point on the north shore of LBL. Estimated costs TBD.
- The purchase of two 40 horse power electric motors to increase the thrust and touring time of the largest boat of the Fleet. Increased thrust will improve public safety by providing greater control of the craft under windy conditions. Estimated costs \$60,000.
- The purchase of a new boat with a capacity of 60 passengers to replace the Little Star pontoon boat (capacity 34 passengers). The increase in capacity will provide additional opportunity for residents and visitors alike to enjoy Bat Tours and the increase in ridership will result in higher revenue and therefore, greater commission to the City. Estimated costs \$40,000.

*Summary, Respondent proposes approximately \$125,000 in reinvestment into the parkland and concession operations.*

**QUESTION 2:** Please provide a snapshot of other existing concessions on parkland and the year the contract was renewed or executed snapshot. COUNCIL MEMBER TOVO’S OFFICE

**ANSWER 2:** See Chart #1 (at the end of this document). The following table (Table #1) tabulates the percentage of revenue share by concession based on gross sales of \$500,000.

**Table #1**

Concession	% Commission
Butler Pitch and Putt	18%
EpicSUP	12%
Zilker Zephyr	11%
Zilker Boat Rental	10%
Barton Springs Food and Concession	10%
Rowing Dock	9%
Texas Rowing Center	9%

Lone Star Riverboat	8%
Austin Rowing Club	6%

**QUESTION 3:** As one of the more recent concession agreements (Butler Pitch and Putt) was increased from 6% to 18%, please explain why this contract is proposed to be set at 9% for the first 5 years and 10% in the subsequent five-year period. COUNCIL MEMBER TOVO'S OFFICE

**ANSWER 3:** Staff recommends accepting a revenue share of 9% of gross sales for the basic five (5) year term of the contract and 10% of gross sales for the five (5) year option period for the following reasons:

- The Respondent's cost to operate and maintain an excursion boat concession is higher than other concessions resulting in a lower taxable profit. For example, Butler Pitch and Putt's reported expenditures for calendar year 2014 was \$141,721 out of \$316,264 gross revenue compared to Lone Star Riverboat's \$407,266 out of \$422,408 gross revenue. While revenue generation is an important consideration in evaluating the proposal, ensuring the vendor is solvent and can afford to maintain and operate the concession to a standard and quality to meet City expectations is equally, if not of greater, value.
- In addition to the revenue share, the respondent will reinvest approximately \$125,000 into the concession. This is greater than the expected reinvestment by Butler Pitch and Putt.
- The proposal revenue is higher than the 8% received under the last contract.

**QUESTION 4:** If staff has this information, please explain how this revenue share agreement compares to riverboat excursion contracts in other cities. COUNCIL MEMBER TOVO'S OFFICE

**ANSWER 4:** Staff does not have this information.

