



MEMORANDUM

TO: Stephanie Hayden-Howard, LMSW, Assistant City Manager

FROM: Kimberly A. McNeeley, M. Ed., CPRP, Director
Austin Parks and Recreation Department

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DATE: December 15, 2022

SUBJECT: Contract Term for Expedition School Boating Concession

Per Ordinance No. 20191205-070 (see attached), City Council directed the City Manager to find a suitable location for the Expedition School boating concession and to amend the Holly Shores/Edward Rendon, Sr. Park Vision Plan to indicate the boating concession location. Since this action the Expedition School was granted the use of a temporary operating location (18 months) at the Festival Beach Boat Ramp since PARD's use of the Camacho Dock for programming had increased thus restricting additional use by the Expedition School (see attached Mayor And City Council Members Memorandum – December 15, 2020). Moreover, PARD staff, working with the Expedition School, identified a long-term location at Edward Rendon Senior Park Festival Beach Lagoon west end for the operation of the watercraft concession.

The long-term site is undeveloped and will require a considerable vendor investment (\$1.46M). The proposed improvements would include long-term site design, planning, permitting and preparation; and construction of an ADA accessible dock, storage, walkways, landscaping, shading and a staging area. The anticipated time period for the proposed improvements is approximately two years.

To provide the Expedition School sufficient time to make the necessary parkland improvements, staff is proposing an interim period of two years with an initial 10-year contract term with two five-year extensions for a total 22-year contract. The interim two—year period would allow the vendor to make the necessary site improvements that are required for the operation of the concession. This initial interim two-year period will also include specific development and fundraising benchmarks. Failure to meet the established benchmarks will be considered a contract violation and grounds for considering termination. While this is not typical, it is deemed an appropriate measure to ensure the project progresses in a timely manner to deliver a quality service to the Austin community.

Assuming the Expedition School successfully accomplishes the established benchmarks, the Department recommends a 10-year contract term with two five-year extensions for a total 22-year contract. While the initial ten-year period with two extension falls in line with the current standard

terms for other concessionaires. PARD's preferred term exceeds Corporate Purchasing's recommendation for an initial contract term of three years with two one-year extension options. For PARD to offer an extended term, it is standard practice to obtain Assistant City Manager approval in order to exceed the recommended Corporate Purchasing contract term.

PARD has historically entered into 20-year concession agreements for Lady Bird Lake and Barton Creek concessions to encourage vendors to make capital improvements to parkland and facilities, investments that PARD is unable to make due to its limited budget. By offering longer contract terms, PARD has been able to require higher investment standards for vendors while giving vendors ample time to recoup costs over the contract period. Furthermore, these longer contract periods have also been necessary to allow vendors time to comply with the lengthy approval process of the City's Watershed Protection Department for capital improvements on the lake. In summary, longer concession contracts have allowed vendors to optimize their assets, operations, and programs with less financial risk, resulting in the provision of quality recreational opportunities on Lady Bird Lake and Barton Creek for Austin residents and visitors. Additionally, it has resulted in optimal revenue shares for the City due to increased business development and sales.

Vendor investments not only serve commercial operations and provide increased revenues for the City, but they also support programs benefitting the public, which are required for all PARD concession contracts. These are programs to serve youth, seniors, the disabled, the economically disadvantaged, and other members of the Austin community that may have limited access to recreational boating. Such public programs require safe equipment and facilities that meet contemporary sporting and recreational standards that result from a consistent vendor investment.

Furthermore, with shorter contract periods, vendors may be forced to reduce the scale of commercial activity, scope of services, or quality of service, which, in turn, would reduce business activity and ultimately the City's revenue share. Moreover, underinvestment in a lake concession could lead to the deterioration of a public asset over time.

As a final consideration, The Expedition School does not simply rent watercraft, they create, design and implement transformative outdoor experiences for the community at large. This group is committed to the Austin community, to education, to the environment and to equity and inclusion. As a commitment to improving the environmental quality of the lake, the staff serves as official Water Quality Testers for LCRA and has removed over two tons of trash from Lady Bird Lake.

Your support for an extended term will enable PARD to make all the necessary site improvements to conduct a boating concession and achieve the benefits stated above.

If additional information is required, feel free to contact me at (512) 974-6722.

Attachments

cc:

Jodi Jay, M.B.A., CPRP, Assistant Director
Liana Kallivoka, PhD, PE, LEED Fellow, Assistant Director
Lucas Massie, M.Ed., CPRP, Assistant Director
Suzanne Piper, DBA, Chief Administrative Officer

Approved: Stephanie Hayden-Howard
Stephanie Hayden-Howard, LMSW, Assistant City Manager