

**APPROVED**  
DEC 08 2010

REPORT OF GENERAL MANAGER

NO. 10-335

DATE December 8, 2010

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

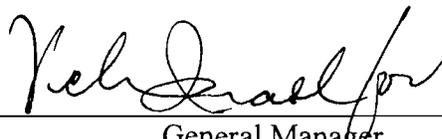
C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK TRAIN RIDE CONCESSION – AMENDMENT TO  
CONCESSION AGREEMENT NO. 247

R. Adams \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
S. Huntley \_\_\_\_\_  
V. Israel \_\_\_\_\_

\*F. Mok NDW  
K. Regan \_\_\_\_\_  
M. Shull \_\_\_\_\_

  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Amendment to Concession Agreement No. 247, substantially in the form on file in the Board Office, between the City of Los Angeles Department of Recreation and Parks and GP RAH Enterprises, LLC, for the operation and maintenance of the Griffith Park Train Ride Concession, to extend the term of the concession agreement from 15 years to 18 years, subject to approval of the Mayor, in accordance with Executive Directive No. 3, and of the City Attorney as to form; and,
2. Find, in accordance with Charter Section 1022, that the Department does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more economical and feasible to secure these services by contract; and,
3. Direct the Board Secretary to transmit forthwith the proposed Amendment to the Mayor in accordance with Executive Directive No. 3 and, concurrently to the City Attorney, for review and approval as to form; and,
4. Authorize the Board President and Secretary to execute the Amendment upon receipt of the necessary approvals.

## REPORT OF GENERAL MANAGER

PG. 2

NO. 10-335

### SUMMARY:

The Griffith Park Train Ride Concession (Concession) has two locations: one on Crystal Springs Drive in Griffith Park adjacent to the Pony Rides and Pony Ride Refreshment Stand concessions, and another in Travel Town. The Concession offers year-round miniature train rides, a simulator ride, a souvenir stand, and also hosts the “Train Ride to Santa” every November and December.

The Concession has been operated by GP Rah Enterprises, LLC (Concessionaire) since March 1, 2006 under Concession Agreement No. 247 (Agreement). In accordance with Section 7 of the Agreement, the City will take ownership of “certain train ride equipment and related capital improvements” upon expiration of the Agreement on February 28, 2021. As part of the negotiations for the Concession, the 15-year term and rent payment amount allowed the Concessionaire to recoup costs associated with the train ride equipment and capital improvements.

On December 11, 2008, the Board approved nine (9) Concession Agreements for concessions affected by the Department of Water and Power (DWP) River Supply Conduit Improvement project (Board Report No. 08-327), which began in July 2009 and is expected to be completed in 2014. The Griffith Park Train Ride Concession was not included at that time as the Agreement was not due to expire until 2021.

Since the DWP River Supply Conduit Improvement project began, revenue and ticket sales for the Concession have declined (Attachment A) as public access onto Crystal Springs Drive has been negatively affected. Ticket sales declined by 38,736 between FY 2008-09 and FY 2009-10, and revenue declined by \$90,713 during that same time period.

Staff recommends an amendment to the Agreement, to increase the term from 15 years to 18 years, in order to allow the Concessionaire additional time to recoup costs associated with the train ride equipment and capital improvements due to the negative effect on ticket sales and revenue caused by the DWP River Supply Conduit Improvement project.

The Concessionaire has consistently met all contractual terms and conditions, including timely payment of rent, occupancy taxes, and insurance requirements. The Concessionaire also responds timely to Departmental concerns, works well with Department staff, and maintains a cordial working relationship with the other concessionaires in both the Pony Ride Area and at Travel Town, where he regularly meets with other concessionaires and staff to discuss the maintenance and operation of Travel Town.

## REPORT OF GENERAL MANAGER

PG. 2

NO. 10-335

### Charter Section 1022

Los Angeles City Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical and/or feasible to contract out the service.

On October 22, 2010, the Personnel Department completed a Charter Section 1022 review (Attachment B) and determined that while the Department had City classifications that could perform some of the work, the review states that there is no “City classification whose core duties are to maintain and operate miniature trains, simulator, and tracks for amusement purposes,” which are the main duties at the Concession.

The Department lacks the personnel with the expertise to operate and maintain a miniature train ride, simulator, and souvenir gift stand operation. It would therefore be more feasible to secure the services by an independent contractor.

### FISCAL IMPACT STATEMENT:

During the three-year proposed extension of the concession agreement, it is estimated that approximately \$85,163 would be paid in rent to the Department. This figure is based on current revenues and could increase as the economy recovers. Of that amount, \$76,647 would be deposited in the Department’s General Fund and \$8,516 would be deposited into the Concession Improvement account (Fund 302, Department 89, Account 70K).

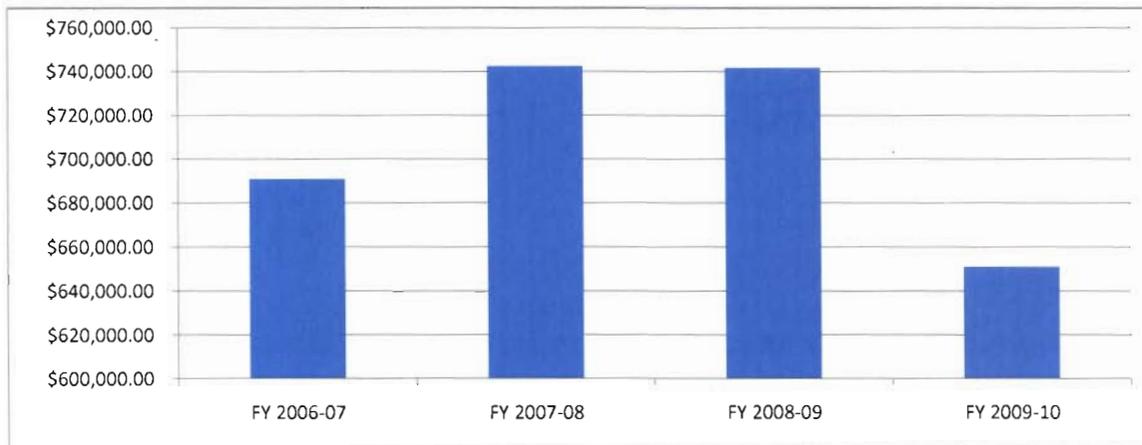
Report prepared by Désirée Guzzetta, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division.

**DEPARTMENT OF RECREATION AND PARKS  
GRIFFITH PARK TRAIN CONCESSION**

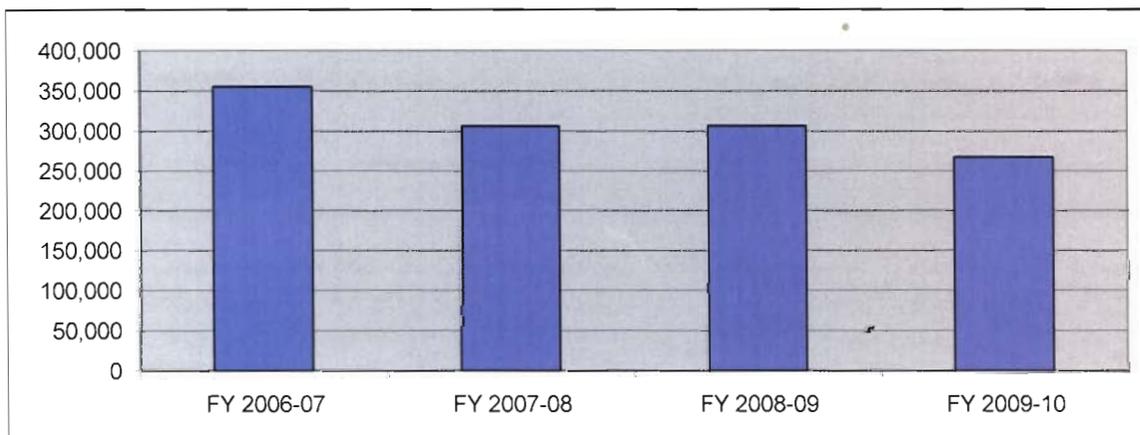
Attachment A

**COMPARISON OF GROSS REVENUE AND TICKETS SOLD (GRIFFITH PARK AND SOUTHERN RAILROAD LOCATION ONLY)**

<b>GROSS REVENUE</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>DIFFERENCE FY 2008-09 &amp; FY 2009-10</b>	<b>% CHANGE FY 2008- 09 to FY 2009-10</b>
<b>TOTAL</b>	\$ 690,876.50	\$ 742,562.00	\$ 741,838.50	\$ 651,125.50	\$ (90,713.00)	-12.23%



<b>NUMBER OF TICKETS SOLD</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>DIFFERENCE FY 2008-09 &amp; FY 2009-10</b>	<b>% CHANGE FY 2008- 09 to FY 2009-10</b>
<b>TOTAL</b>	355,247	306,142	306,255	267,519	(38,736.00)	-12.65%



## PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Department of Recreation and Parks

2. Contacts:

Department: Robert Morales Phone No. 818 243-6421 Fax No. 818 243-6451

CAO: Veronica Salumbides Phone No. 213 473-7561 Fax No. 213 473-7514

3. Work to be performed:

The Recreation and Parks Department seeks to contract services of a vendor to maintain and operate miniature train rides, a train simulator, and a souvenir shop, at Griffith Park. The miniature trains will run in two locations, one near the pony rides and another near Travel Town. The contractor would be responsible for the locomotives, train tracks, and all of the maintenance on the equipment and grounds surrounding the train rides.

Is this a contract renewal? Yes  No  (Contract #247)

4. Proposed length of contract: Three years  
(Renewal) Start Date: January, 2011

6. Proposed cost of contract (if known): Unknown (3 year revenue generating anticipated)

7. Name of proposed contractor: GP Rah Enterprises, LLC.

8. Unique or special qualifications required to perform the work:

The contract requires expertise in operating and maintaining of a simulator and miniature train rides. In addition knowledge is required for proper fuel storage; day-to-day operations; scheduled safety checks; as-needed repair of trains, tracks, and simulator. The contractor must prepare for State inspections and be aware of all regulations governing the operation of amusement park-style rides. The contract requires knowledge of operating a souvenir shop which includes staffing, stocking, and marketing the concession.

9. Are there City employees that can perform the work being proposed for contracting?  
Yes  (*some of the work*) No

If yes,

<b>Classification</b>	<b>Departments</b>	<b>List Expires</b>
Building Repairer	Airports, Convention Center, DWP, GSD, Police, PW Sanitation, Recreation & Parks, Zoo	No List
Carpenter	Airports, Convention Center, DWP, Fire, GSD, Harbor, Police PW Sanitation, Recreation and Parks, Zoo	4/2/2011

Custodian	Various	1/22/2011
Electrician	Airports, Convention Center, DWP, GSD, Harbor, Police, PW Sanitation, Recreation & Parks, Zoo	No list
Gardener Caretaker	Various	Continuous
Maintenance and Construction Helper	Various	7/20/12
Painter	Airports, Convention Center, DWP, GSD, Harbor, Police, PW Sanitation, Recreation & Parks, Zoo	Reserve list through 2099
Park Services Attendant	Recreation & Parks, Zoo	Reserve list 6/30/15

If yes,

- Which class (es) and Department(s): See above.
- Is there sufficient Department staff available to perform the work? Yes  No
- Is there a current eligible list for the class(es)? Yes  No  Expiration Date: see above.
- Estimated time to fill position(s) through CSC process? Unknown due to hiring freeze.
- Can the requesting department continue to employ staff hired for the project after project completion? Yes  No
- Are there City employees currently performing some of the work? Yes  No

#### 10. Findings

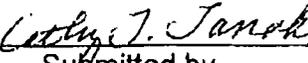
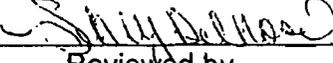
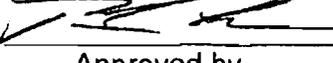
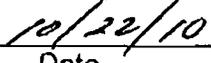
- City employees DO NOT have the expertise to perform the work  
 City employees DO have the expertise to perform some of the work

Check if applicable (explanation attached) and send to CAO for further analysis

- Project of limited duration would have to layoff staff at end of project  
 Time constraints require immediate staffing of project  
 Work assignment exceeds staffing availability

#### SUMMARY:

Staff has identified several City classes that could perform some of the duties required in the Griffith Park Miniature Train Ride Concession contract. There is not however, a City classification whose core duties are to maintain and operate miniature trains, simulator, and tracks for amusement purposes.

Submitted by Cathy T. Tanaka Sr. Personnel Analyst I  
Reviewed by Shelly Del Rosario Sr. Personnel Analyst II  
Approved by Raul Lemus Chief Personnel Analyst  
Date 10/22/10