

APPROVED

REPORT OF GENERAL MANAGER

NO. 12-240

DATE August 8, 2012

AUG 08 2012  
BOARD OF RECREATION  
& PARK COMMISSIONERS

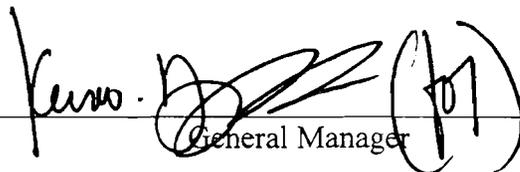
C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK - TRAVEL TOWN MUSEUM GIFT SHOP  
CONCESSION -AMENDMENT TO CONCESSION AGREEMENT NO.  
262

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

K. Regan \_\_\_\_\_  
M. Schull \_\_\_\_\_  
\*N. Williams ND

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Amendment to Concession Agreement No. 262 (Amendment), substantially in the form on file in the Board Office, between the City of Los Angeles and American Southwestern Railway Association, Inc. (DBA Travel Town Museum Foundation), for the operation of the Travel Town Museum Gift Shop Concession, to revise Concession Agreement No. 262 to reflect a term of one (1) year with five (5) one-year options to renew, exercisable at the General Manager's sole discretion, subject to the approval of the Mayor, the City Council, and the City Attorney as to form;
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 feasible to secure these services by contract;
3. Find, in accordance with Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that obtaining proposals would not be reasonably practicable or desirable pending completion of the Los Angeles Department of Water and Power's River Supply Conduit Project in Griffith Park because it is impossible to accurately predict the amount and duration of the impact the Project will have on the expiring concession. Therefore, it will be in the City's best interest to seek proposals for the concession after completion of the Project;

REPORT OF GENERAL MANAGER

PG. 2

NO. 12-240

4. Direct the Board Secretary to transmit the proposed Amendment to the Mayor in accordance with Executive Directive No. 3 and, concurrently, to the City Attorney for approval as to form; and,
5. Authorize the Board President and Secretary to execute the Amendment upon receipt of the necessary approvals.

SUMMARY:

The Travel Town Museum Gift Shop Concession (“Concession”) is a train-themed souvenir and gift shop located at 5200 Zoo Drive in Griffith Park. The Concession provides retail services, as well as limited snack and beverage items, to visitors at Travel Town. Public restrooms are located nearby.

The Concession has been operated by American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (“Concessionaire”) under Concession Agreement No. 262 (“Agreement”) since September 23, 2009. The first option of the Agreement was exercised on July 21, 2010, extending the Agreement until September 22, 2011. The second and final option was exercised on July 8, 2011, extending the Agreement until September 22, 2012.

Prior to the current Agreement, the Concessionaire operated the Concession under a permit dated January 15, 2000, which converted to a month-to-month basis on December 9, 2005. In 2011, the concession generated \$257,289.61 in gross receipts and paid \$12,864.48 in revenue-sharing fees to the Department.

The Los Angeles Department of Water and Power (“DWP”) has two more units of its River Supply Conduit Project (“Project”) to be performed in the area of the Concession. Unit 1a will be conducted in the Headworks Spreading Grounds area near the 134 Freeway’s Forest Lawn exit and Travel Town and has four phases of construction. Per the DWP Project Manager for Unit 1a, work will begin in August 2012 and is scheduled to end in 2018. The Project Manager stated one issue with Unit 1a will be the number of trucks traveling in and out of the location, but that traffic will be controlled to alleviate the impact on Griffith Park patrons and the community.

Unit 1b, which starts just west of the Los Angeles Zoo parking lot on Zoo Drive and ends just east of the Live Steamers attraction, began in February 2012 and is scheduled to end in February 2014. Because DWP is digging a trench in the street that will go under the Live Steamers, traffic on Zoo Drive will be disrupted during the Project, but will also be controlled to alleviate the impact of the construction.

## REPORT OF GENERAL MANAGER

PG. 3

NO. 12-240

The effect of the aforementioned construction on the Concession is unknown at this time. However, due to the construction and anticipated traffic delays, the Department believes it would be unlikely to attract proposers with desirable terms for a multi-year agreement commencing during the Project. The approval of the Amendment will address this issue.

The Department intends to ensure that the public is aware that the Concession will be open throughout all phases of the aforementioned projects via the following methods: placement of adequate signage near and leading to Travel Town, and placement of brochures with neighborhood councils and at Recreation Centers and other related departmental facilities.

### 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 July 20, 2012, the Personnel Department completed a Charter Section 1022 review (Attachment A) and determined that there are no City classifications with the expertise to perform essential aspects of the work, including all aspects of operating a souvenir stand. It is, therefore, more feasible to secure these services through an independent contractor.

### Charter Section 371

Due to the prolonged construction and anticipated traffic delays of the Project, a competitive bidding process is not practicable or advantageous to the City at this time.

During the period of the contract extension, staff will develop a Request for Proposals for the Concession in order to release it immediately once the Project is complete.

### FISCAL IMPACT STATEMENT:

While the Project is expected to have an effect on the Concession, the fiscal impact to the General Fund is unknown at this time. However, the Department believes that approving this Amendment will give the concessionaire the ability to increase visibility and awareness of the concessions in order to maintain public attendance at similar or higher levels during construction, therefore minimizing any loss in revenue and in rent to the City.

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