

REPORT OF GENERAL MANAGER

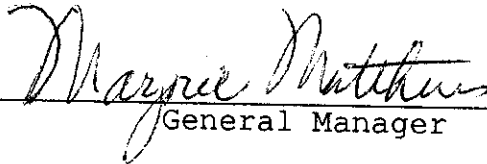
NO. 02-322

DATE September 4, 2002

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVAL OF THE GRIFFITH PARK TRAIN RIDES AND SIMULATOR
FARE INCREASE TO BE EFFECTIVE NOVEMBER 1, 2002

J. Combs _____ J. Kolb _____
*A. Coroalles _____ R. Fawcetti _____
J. Duggan _____ M. Matthews _____
H. Fujita _____



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board approve the proposed ticket price increase for the Griffith Park Train Rides and Simulator to \$2.00 per ride, and \$1.50 per ride for Seniors and Group Discount, to be effective November 1, 2002.

SUMMARY:

Mr. Don Gustavson, representing GP RAH, Inc., owner and operator of the Griffith Park Train Rides and Simulator at both the Griffith Park & Southern Railroad (Los Feliz Blvd. and Riverside Drive) and Travel Town Museum locations, currently charges a four-tiered ticket structure:

Adult	\$2.00
Child	\$1.50
Senior	\$1.25
Group Discount, 15 or more	\$1.25
Book tickets - 50 tickets	\$1.00/ride

He has proposed to simplify this to a streamlined rate structure of 2.00 per ride, with a \$0.50 discount for seniors and group discount (\$1.50). This concession, operating on a month-to-month basis since the expiration of the contract in May, 1993, also offers rides on a simulator machine at the Griffith Park & Southern location, and proposes to increase this ticket rate from \$1.50 to \$2.00, bringing this ride's price in line with the adjacent train ride.

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The last rate increase at the Griffith Park Train and Simulator Ride was approved by the Board on February 17, 1999. The proposed price schedule of \$2.00 per ride is comparable to rates of other train ride and simulator ride concessions in Southern California. For example, Irvine Park Railroad in Orange County charges \$3.00 per person (or a group rate of \$2.33) Redwood Valley Railroad in Tilden Park, charges \$1.75, however approximately half of their staff is unpaid volunteers. It was estimated that should this operation be required to pay wages to these employees the cost of a ticket would be \$2.50. There are other railroads in Southern California that charge less, yet these ride do not have the large volume of the Griffith Park rides, and therefore require less employees.

The concessionaire cites several recent developments to his business that have necessitated consideration of this price rate increase. He states the implementation of the Living Wage Ordinance had substantially increased payroll costs over the past three and one-half years. In addition to the wage increases (averaging a 46% increase since the last ticket price adjustment), the concessionaire also has witnessed the effects of paid leave provisions as employees have begun to accumulate significant amounts of paid time off and are, naturally, starting to take this personal time, requiring the hiring of additional employees to cover vacation schedules. Another change to this business, especially in the last year and a half, is the increasing costs of insurance - medical, liability, and workers compensation. The concessionaire further cites that these operations have come under the State of California, Amusement Park inspection regulations. Although the concessionaire does not expect physical operations of the rides or maintenance procedures to change drastically, he does expect the burden of additional documentation and paperwork, requiring his hiring of additional support personnel. Lastly, the concessionaire wishes to simplify his price structure. No other concession in Griffith Park has a four-tiered price structure. In fact, staff is not aware of any other train ride that offers more than a general admission price and a group discount.

The proposed ticket price increase will still keep these favorite Griffith Park amusement rides very moderately priced for families and park visitors. The adjacent Griffith Park Pony Ride received approval to raise their ticket price to \$2.00 earlier this year, without negative impact.

Report prepared by Thomas Breckner