



City of San Antonio

Agenda Memorandum

File Number:19-8746

Agenda Item Number: 30.

Agenda Date: 12/12/2019

In Control: City Council A Session

DEPARTMENT: Center City Operations & Development

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Go Rio Amendment #2

SUMMARY:

This ordinance authorizes an amendment to the agreement between Go Rio San Antonio LLC and City of San Antonio, allowing Go Rio to adjust taxi prices and operations, utilize funds collected to upgrade barges and marinas, adjust provisions related to termination for convenience and allow for City to appropriate funds in FY 2020.

BACKGROUND INFORMATION:

Go Rio conducts river barge concessions on the San Antonio River Walk. The term of Go Rio's current agreement is October 1, 2017 through September 30, 2027. In the first two years of the agreement, Go Rio has performed exceptionally well, exceeding revenue and passenger projections. In contract years 1 and 2, Go Rio has paid the City over \$8.7 million and \$9.5 million, respectively. Ridership increased 6.5% from FY 2018 to FY 2019. Go Rio is responsible for maintaining a fleet of 44 barges, which utilize a battery powered propulsion system. The warranties on the original propulsion system have expired, and the warranties on the batteries expire within two years. Technological enhancements over the past couple of years have presented new opportunities for batteries and propulsion systems. Accordingly, Go Rio and City staff would like to test new batteries and propulsion systems in preparation for replacing the systems used by the fleet. Per the current contract, the City is responsible for replacing the systems. The current contract includes a \$0.50 fee on tour and taxi sales and a \$20.00 fee on charter sales for years 1-5 of the contract and \$0.75 fee on tour and taxi sales and a \$30.00 fee on charter sales for years 6-10. The fee was intended to fund these propulsion system

replacements and other improvements to the marina and barges to support the operations.

This ordinance will authorize a contract amendment with Go Rio that will transfer these collected fees from FY2020 through FY2023 to Go Rio and transfer the responsibility of testing and replacing the barge fleet's propulsion system (including motors, batteries, associated components and installation) to Go Rio. Go Rio will also be responsible for making capital improvements to the barges, including modifications to the hull, and City marina necessary to accommodate the upgraded propulsion system. Go Rio will continue to be responsible for maintenance of the entire barge fleet, to include ongoing inspections and maintenance of the propulsion system. This ordinance further authorizes Go Rio to purchase up to three additional barges, which will be owned by the City. The three barges are necessary to meet demand for tours and specialty programming.

Go Rio is also proposing to simplify taxi services to one-day and three-day combination passes along with a price adjustment for each service. The simplified service options allow customers to utilize taxi services anywhere on the river where barge service is provided for one set fee. The total increase of \$2 will support more frequent taxi services. The new ticket is valid for 24 hours or 72 hours. Currently, the pass is only good for the day of the purchase. Per the contract, the City must authorize any fee increase.

This ordinance will authorize the contract amendment and associated taxi service price adjustments to be effective October 1, 2019. This ordinance will also authorize the appropriation of \$256,695 from the Riverbarge Improvement Fund for expenses related to purchase, installation and testing of new motors and batteries, upgrades to the marina hoist systems, and professional consulting services.

ISSUE:

Approval of this ordinance is consistent with City of San Antonio policy to utilize and maintain City-owned property in support of downtown economic development. Amending the Go Rio agreement requires City Council approval.

ALTERNATIVES:

City Council could choose not to allow for funds to be set aside for use in maintaining and upgrading the barge fleet and marinas, thus jeopardizing the continued operation of river barges on the San Antonio River and the corresponding revenue stream.

FISCAL IMPACT:

This ordinance authorizes an amendment to the agreement between GoRio San Antonio LLC and City of San Antonio to adjust taxi prices by \$2.00 from \$17.50 to \$19.50 for a one day pass and \$26.50 to \$28.50 for a three day pass. This is anticipated to generate \$73,399.00 in additional revenues which will be deposited into the General Fund in accordance with the FY 2020 Adopted Budget.

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Go Rio will retain the \$0.50 fee for FY2020 through FY2022 and the \$0.75 fee for FY 2023 to pay for expenses

associated with testing and replacement of a new electric propulsion system, necessary barge and marina improvements and three additional barges necessary to meet customer demand for tours and specialty programming. The total cost for these items could be up to \$4 million over the 4 year fee collection term.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the amendment to the agreement with Go Rio.