



## MONROVIA OLD TOWN ADVISORY BOARD AGENDA REPORT



**DEPARTMENT:** Public Services

**MEETING DATE:** November 8, 2016

**PREPARED BY:** Tina Cherry, Director

**AGENDA LOCATION:** AR-1

**TITLE:** Proposed Management of Holiday Carriage Rides in Old Town

**BACKGROUND:** At the October 11, 2016 meeting, MOTAB approved funding to support a holiday carriage ride program with the intent to encourage visitors to Old Town for dining and shopping. The rides will be offered on Sunday afternoons from 3:00 – 6:00 p.m. on December 4, 11, and 18. The Board discussed renting an intimate carriage, with seating for four, as compared to a larger wagon, with seating for up to 10. After much discussion, the Board ultimately determined the intimate smaller carriage was a better fit. The cost for this service with Martini Ranch Carriages is \$695 for the first hour and \$100 for each additional hour, totaling \$2,685 for the three dates listed above.

The Board further discussed the merits of charging a participant fee to ride in the carriage as well as the viability of sponsorships. Staff gathered the comments from the Board and agreed to provide some options at the November meeting for consideration.

**ANALYSIS:** Following the October meeting, staff discussed the program and the various factors. In addition, new information was presented since the last meeting for the Board to consider.

Staff has outlined the following factors for MOTAB's discussion and consideration:

1. Selection of Carriage Contractor
2. Potential Participant Fees
3. Sponsorship Considerations
4. Opportunity to Expand the Carriage Ride Program

### 1. Selection of Carriage Contractor

Staff was notified by the Memory Makers Carriages (the vendor who offered the larger wagon) that their smaller carriage had become available on the three agreed upon dates. The Memory Makers carriage rents for \$650 per night for a total of \$1,950 for all three dates. Choosing to rent from Memory Makers would result in a cost savings of \$735 as compared to the previously discussed Martini Ranch Carriages. Both carriages can be decorated for the holiday season.

Martini Ranch @ \$2,685



Memory Makers Carriage @ \$1,950



## 2. Potential Participant Fees

MOTAB requested staff assess whether or not a nominal fee should be charged for a carriage ride and what that fee should be. Charging a fee may help manage the volume of interest and recover some of the cost for the program; however, with this being a new program; it may be best to offer this opportunity for free and re-assess in future years. In addition, visitors should be encouraged to spend their dollars in the restaurants and stores and having carriage sit empty in front of Library Park would be unfortunate. Should the interested grow, charging a fee in future years may be appropriate.

The route down Myrtle and back up would take approximately 10 minutes per trip. During the scheduled three (3) hours event, approximately five (5) trips could be completed per night. Below are some fee structure options for MOTAB's consideration.

Fee Options	Fee Per Ride / Person	Potential Revenue Per Night	Potential Revenue Over Three Nights
Flat Rate	\$10 / Ride for up to four people	Up to \$150 Revenue	Up to \$450 Revenue
Price Per Rider – Low End	\$2 / Ride for up to four people	Up to \$120 Revenue	Up to \$360 Revenue
Price Per Rider – High End	\$5 / Ride for up to four people	Up to \$300 Revenue	Up to \$900 Revenue

The revenue generated from this event would not yield a profit. The revenue would however off-set some of the expense related to the program.

It is suggested that a MOTAB member and / or City Staff be onsite to assist with line management, to answer questions and provide customer service, assist with the loading and unloading of passengers, promote the program, and collect fees and waiver forms.

## 3. Sponsorship Considerations

The overarching purpose of this program is to attract visitors to Old Town and therefore promoting MOTAB's sponsorship of the program is essential. This could be accomplished by placing a banner on the back or side of the Carriage to recognize MOTAB.

In addition, Staff has been notified of one potential sponsor willing to contribute \$500 toward the program. MOTAB may choose to accept a private sponsor and recognize the sponsor on the Carriage along with the MOTAB recognition. If MOTAB wishes, members may also solicit additional sponsors to off-set the cost.

## 4. Opportunity to Expand the Carriage Ride Program

Staff has received a lot of positive feedback related to the proposed Carriage Ride program. There seems to be community interest in offering carriage rides in Old Town. As a result, staff reviewed the availability of the carriage on a second day and discovered the Memory Maker Carriage is available on Thursday's, December 8, 15, and 22 from 5:00 – 8:00 p.m.

Another options for MOTAB's consideration, would be to rent the larger wagon for Thursday's. The cost for the Wagon is the same as the Carriage; however, will fit ten (10) riders per trip. This would be a different experience; possibly more family friendly and could result in higher revenues. Offering a flat rate would not be effective since different small groups would ride together. Therefore offering a ride per person rate makes better sense in this scenario.

Fee Options	Fee Per Ride / Person	Potential Revenue Per Night	Potential Revenue Over Three Nights
Flat Rate	NA	NA	NA
Price Per Rider – Low End	\$2 / Ride for up to ten people	Up to \$300 Revenue	Up to \$900 Revenue
Price Per Rider – High End	\$5 / Ride for up to ten people	Up to \$750 Revenue	Up to \$2,250 Revenue

**FISCAL IMPACT:** Sufficient funds are available in the MOTAB Operating Budget and Fund Balance.

Below is a sample program budget for MOTAB's consideration. There are several alternatives which may be explored and adjusted; however, staff wanted to provide a starting point for the conversation.

**EXPENSE:**

Rental of Memory Maker Carriage - Sunday	\$1,950
Rental of Memory Maker Carriage / Wagon – Thursday	\$1,950
Banner for Carriage	\$200
Required Insurance	\$103
<b>TOTAL EXPENSE</b>	<b>\$4,203</b>

**REVENUE:**

Sunday Ridership (Carriage) \$10 flat fee	\$450
Thursday Ridership (Wagon) \$2 per person	\$900
Known Sponsor	\$500
Potential Second Sponsor	\$500
<b>TOTAL REVENUE</b>	<b>\$2,350</b>

**NET COST TO MOTAB \$1,853**

**RECOMMENDATION:** Staff is requesting MOTAB discuss the options presented and provide direction.

**MOTION:** If the board concurs, the appropriate action is to discuss the options presented and provide direction via a Motion.