

Mayor and Council Communication

DATE: 05/14/24

M&C FILE NUMBER: M&C 24-0431

LOG NAME: 80FPR MINIATURE TRAIN RIDE CONTRACT

SUBJECT

(CD 9) Authorize Execution of Agreement for Forest Park Rides, Inc., to Operate Miniature Train Ride and Related Concessions in Trinity and Forest Parks

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute a license agreement with Forest Park Rides, Inc., for the operation of a miniature train ride and related concessions in Forest and Trinity Parks.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to execute a new license agreement with Forest Park Rides, Inc., for the operation of a miniature train ride and associated concessions in Forest and Trinity Parks.

On October 17, 2006, City Council approved M&C C-21783, which authorized the execution of a license agreement with Forest Park Rides, Inc. (FPR) for the miniature train concession. On November 1, 2006, the City and FPR executed Fort Worth City Secretary Contract (CSC) number 37950, which allowed for an initial term of ten (10) years and two (2) successive five-year terms. Both renewals have been exercised, with the current renewal expiring on October 31, 2026.

FPR has been operating since 1958, with a concession stand located in Trinity Park and the main station located off Colonial Parkway in Forest Park and from there the train goes through Trinity Park.

In late 2022, ownership and management of FPR transferred to one of the family shareholders. Since that time, significant improvements and enhancements have occurred. On August 31, 2023, FPR reopened. Due to the significant investment and the need to purchase new train engines, FPR has requested a longer-term contract in order to recoup expenses. This M&C will concurrently terminate the existing agreement and authorize the execution of a new agreement.

Proposed key terms of the license agreement:

1. Initial term of ten (10) years with two (2) five-year lease renewals upon mutual agreement;
2. Initial term and subsequent renewals can only be terminated due to contract default;
3. FPR has authority to operate the miniature train ride between Forest and Trinity Parks. On occasion, and with the Park & Recreation Department (PARD) Director's approval, other temporary concession rides may be allowed;
4. The train will operate every Saturday and Sunday weather permitting, excluding holidays. However, FPR is strongly encouraged to operate during all non-school days;
5. FPR is required to submit monthly revenue reports. All fees, including ticket prices and concession fees must be approved by the Park & Recreation Director;
6. FPR can operate food and concession stand, permanent or temporary in Trinity Park on all days, during park curfew hours;
7. The Park & Recreation Department will provide at their own cost, utilities, such as water, sewer, and electricity within one year of agreement execution, estimated at \$350,000.00 for electricity and \$75,000.00 for water. PARD will request PAYGO funding in future year to pay for these utility expenses in exchange for this, FPR will execute a "quit claim deed" for the two bridges that are part of the train ride, effective only at the termination of the agreement and any subsequent executed agreement; and
8. Financial considerations:
 - i. 15% of gross receipts from \$0 - \$150,000.00
 - ii. 20% of gross receipts from \$150,000.01 - \$350,000.00
 - iii. 25% of gross receipts from \$350,000.01 thereafter
 - iv. Food concession and souvenir stand – 15% of gross receipts

Revenue from this agreement is estimated at \$100,000.00 annually.

This project is located in COUNCIL DISTRICT 9 but serves the entire City.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the contract, funds will be deposited into the General Fund. The Park & Recreation Department (and Financial Management Services) is responsible for the collection and deposit of funds due

to the City.

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