



Date: July 30, 2003

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: New Summer Miniature Railway Event

RECOMMENDATION

1. THAT the Board approve spending \$30,000 from the Corporate Sponsorship account to pay for the creation of displays, a soundtrack and marketing for a new summer event at the Miniature Railway.
2. THAT the Board approve the attached fee schedule for the Miniature Railway Summer Special Event in 2000

POLICY

The Board's policy on the approved use of Corporate sponsorship funds includes the following criteria:

- a. *To fund one-time expenditures to a limit of \$50,000 that will support revenue generating activities and the money repaid into the Corporate Sponsorship account from increased revenues within a period of three years.*
- b. To fund initiatives with one time expenditures to a limit of \$50,000 that will result in improved efficiencies
- c. To fund one-time expenditures over and above the existing funding level in the operating budget which are beneficial to the overall Parks & Recreation system
- d. All expenditures require Board Approval

BACKGROUND

The Christmas Train event has always attracted large crowds. The Ghost Train, which was initiated in 1999, was very well received with over 37,000 visitors in its first year. Summer attendance at the train has been steady, but could be improved. Staff now wish to complement these other two major train events by adding a summer experience which, while being very different from the two other special events, would create renewed interest in the summer months when the Park is full of tourists and local visitors.

DISCUSSION

Mortal Coil Performance Society has been engaged as Artistic Director to coordinate the artistic elements of all three train events. In order to have the best possible start the new summer event would benefit from some initial seed funding.

The summer train event will focus on the natural environment and will include a combination of education, magical and fun elements. The Ecology Society will be closely involved and as a result its profile should be raised. There is also the possibility of working with school and youth groups. High school volunteers have been used successfully in the two other events.

Planning for the event is in its early stages and details are still being worked out. In this first year, given the short lead time, it will not be possible to mount a full scale event. With this requested additional funding from sponsorship monies in the first year, it should be possible to create a solid base for future years. The intention is to use it to create a soundtrack for the journey and a core group of displays which can be reused and enhanced in future years.

Some of the funding will go towards marketing initiatives to advise visitors to Stanley Park that the Summer Train experience is something they should not miss on their visit to the Park.

The performance element will be enhanced in future years and its scope will depend on the event's annual budget. In 2000 the intention is to have one or two special weekends during the summer when performers will supplement the displays.

The number of visits to the train & farmyard in 1999 were as follows:

		Train	Farmyard
Summer	10 weeks	65,000	33,000
Ghost Train	3 weeks	37,000	closed
Bright Nights	5 weeks	70,000	29,000
Rest of year	25 weeks (closed for other nine weeks)	60,000	40,000
Total		232,000	102,000

Sponsorship

The Corporate Sponsorship account, including anticipated revenues for 2000, has a current balance of \$458,497.

Under the first criteria of the Board's policy on the approved use of Corporate Sponsorship funds it is recommended to borrow \$30,000 from this account and repay the amount over three years. As demonstrated below, the projected increase in revenues from the first year's event, although not fully developed, will be \$12,000.

2000 Fee Schedule

When the 2000 Fees and Charges went to the Board last November plans for the summer event were in their early stages and staff were not in a position to recommend any increase at that time. Since the event now has an artistic director and is materializing into something with greater value it is recommended to increase the Miniature Train fees during the summer event as follows:

	Present Fee	Summer Event 2000
Adult	\$2.50	\$3.00
Youth	\$1.75	\$2.00
Senior	\$1.25	\$1.50
Child (2-12)	\$1.25	\$1.50
Family	\$5.00	\$6.00
Family Special Train & F/Yard	\$8.50	\$10.00

It should be noted that the special family rate for the Ghost Train this year has been approved at \$12.00 and for the Bright Nights Christmas event at \$10.00.

Business Plan

The potential for an increase in attendance for a summer event is based on our experience with the Halloween and Christmas events. An average of 12,000 - 14,000 people rode the train each week during these two special events. During the 10 week summer season in 1999 6,500 people a week rode the train. On a conservative basis, it is projected that we can expect an increase of

25% in attendance with the initial changes taking place this year.

The following are projected increases in revenues and expenditures as a result of the changes this year to the summer train event:

Additional Revenues

Train admissions	\$43,000
Existing Kodak marketing funds	\$ 3,000
Increased attendance from Farmyard, Concessions and Parking	<u>\$10,000</u>
	\$56,000

Additional Expenditures

Additional labour costs to operate the train	\$20,000
Misc Expenses (Signs, security, train fuel, repairs etc.)	\$14,000
Artistic Director and Weekend event performers	<u>\$10,000</u>
	\$44,000

Net Revenue	\$12,000
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Event Sponsorship

Staff intend to seek an event sponsor to assist in funding the new summer train event. With the initial changes taking place this year staff feel confident that they will be able to attract a sponsor to participate in future years.

CONCLUSION

Providing funding from the Board's Corporate Sponsorship account will greatly assist the start up of this new event and funding for this project meets the established criteria under section "a" of the corporate sponsorship policy.

The increase in train fees are justified by the additional value the new event will bring to park visitors.

Prepared by:
Revenue Services,
Stanley District,
Board of Parks and Recreation,
Vancouver, B.C.

AD/PJ