



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 31

Agenda Date: September 21, 2023

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Go Rio Amendment #4

SUMMARY:

This ordinance authorizes an amendment to the agreement between Go Rio San Antonio LLC and City of San Antonio, permitting Go Rio to retain 80% of funds collected for river barge and marina improvements and pay 20% of funds collected into the City's River Barge Improvement Revenue Fund. The funds retained by Go Rio would support fleet maintenance and the procurement of battery modules necessary for operations. Go Rio currently collects \$0.75 per tour and taxi ticket sold and \$30.00 per charter rented for river barge and marina improvements.

BACKGROUND INFORMATION:

The initial contract with Go Rio stipulated that they would collect and utilize the River Barge Improvement Fee in Year 1 of the contract, and then they would collect the fee and remit the revenue to the City for future years of the contract. Once the fee revenue transitioned to the City, the City would remain responsible for ongoing replacement of batteries for the remainder of the contract term. In 2019, the second amendment altered the contract so that the River Barge Improvement Fee revenue would remain with Go Rio from year three through year six of the contract. The Barge Improvement Fee revenue staying with the operator relieved the City of the responsibility of managing a procurement program for highly specific battery modules, in a

situation where any purchasing delay could result in operational impacts to our partner; including boats unnecessarily out of service. Under the terms of the contract, the City was to provide the batteries to Go Rio within three days of notice of necessary replacement. This change also allowed the operator flexibility to purchase and test alternative batteries and components, in coordination with the City, to improve the fleet.

FY 2024 is the seventh year of the contract and the fee revenue under the existing terms would be collected by Go Rio and provided to the City, less sales tax, and then deposited into the City's River Barge Improvement Revenue Fund. This item will adjust the revenue share so that Go Rio remains responsible for battery replacement and uses the funds for ongoing maintenance to the barge fleet as detailed in the contract. The City will receive 20% of the revenue collected for future enhancements or issues that must be addressed at the end of the contract.

Below is a history of funds collected by Go Rio for river barge and marina improvements:

Fiscal Year	Amount Collected per Ticket	Amount Collected per Charter	Total Amount Collected
2018	\$0.50	\$20.00	\$876,033
2019	\$0.50	\$20.00	\$962,339*
2020	\$0.50	\$20.00	\$409,576
2021	\$0.50	\$20.00	\$617,711
2022	\$0.50	\$20.00	\$759,034
2023	\$0.75	\$30.00	\$1,114,093 (est.)
* Paid to City – Deposited in River Barge Improvement Revenue Fund			

ISSUE:

In FY 2024, the City would receive the full \$0.75 fee, less sales tax, per the terms of the agreement. This ordinance would amend the agreement so that 80% of the collected revenue remains with Go Rio for ongoing maintenance while 20% is deposited in the City's River Barge Improvement Revenue Fund. This revenue share would remain through the expiration of the contract in 2030. With the change, Go Rio will remain responsible for the procurement of batteries and maintenance, and will use these funds for that purpose per the terms of the agreement.

River Barge Improvement Fee FY24 – FY30	
Fee Per Ticket	Fee Per Charter
\$0.75	\$30

This ordinance also grants the Director of Center City Development and Operations the authority to approve partnerships with established vendors like City Pass, that will sell Go Rio tickets using dynamic pricing and revenue models. Go Rio has been partnering with City Pass since their May

2023 launch in San Antonio. Go Rio's participation in City Pass is currently supported by an administratively approved six-month pilot program.

ALTERNATIVES:

City Council could choose not to reallocate the funds collected and the City would then be obligated to purchase and provide the batteries for the barges per the terms of the contract.

FISCAL IMPACT:

The total revenue expected revenue to be deposited into the City's River Barge Improvement Revenue Fund from FY24-30 is an estimated \$1,624,873.20.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the amendment to reallocate the funds to be used for river barge and marina improvements.