



**STAFF REPORT
ACTION REQUIRED**

**2 for 1 Toronto Island Ferry Pricing for Adult tickets,
May 22-September 2 2007 - 5:00 p.m. to 9:00 p.m.**

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| Date: | March 15, 2007 |
| To: | Parks and Environment Committee |
| From: | Brenda Librecz, General Manager, Parks Forestry and Recreation |
| Wards: | All |
| Reference Number: | |

SUMMARY

The 2 for 1 ferry pricing is an attempt to attract adult customers to the Toronto Islands during off peak hours. Approximately 75% of our passengers leave the island at about 5:00 p.m. It is our intent to entice them to stay longer and increase their participation at island amenities. The special pricing will require City Council authority to change existing ticket prices.

This pilot project will operate within existing staffing resources and budget allotment. This should assist in earning additional revenue for the Toronto Islands’ operation through the return on food and beverage sales as well as additional ferry ticket sales.

RECOMMENDATIONS

The General Manger of Parks, Forestry and Recreation recommends that:

1. a 2007 pilot pricing project wherein 2 for 1 pricing on adult fares be approved and implemented for the period from May 22nd through to September 2nd and the hours of 5 pm - 9pm.; and
2. the following restrictions be implemented at the same time:
 - (a) All holiday weekends and special events would be exempt from the 2 for 1 pricing and would be full price; and
 - (b) Two tickets must be sold at one time and there will be no half-price tickets sold to one individual.

- (c) The 2 for 1 offer would not operate in conjunction with any other promotion.

IMPLEMENTATION POINTS

We are recommending a pilot project for 2007 so that we can determine if incentives will indeed attract our target market and improve our revenues. If approved, implementation would take place directly at the ferry docks through the existing ticket booths and automated pricing. We will monitor the customer response of this pilot project through our point of sale information system.

As part of the marketing plan, we would post the 2 for 1 pricing on our web page, promote it at the entrance to the ferry system and by working with the food and beverage concessionaire to actively promote the project at waterfront hotels, condominiums, and work places.

FINANCIAL IMPACT

There will be no additional expenditures to the ferry service or island operation. If the customer response on this pilot project is substantial, there could be additional revenues due to sale of ferry tickets and in the concession rents due to us for both food and beverage sales.

ISSUE BACKGROUND

Historically, the largest numbers of passengers to the island have attended in the late morning and early afternoon. This market will continue to dominate the bulk of the passengers of the ferry service as the island operation is well positioned for daytime operation with Centerville and the beaches offering multiple programming and recreation opportunities.

COMMENTS

We are hoping to become a viable and affordable park destination for the waterfront community and downtown working community which has been growing steadily on the waterfront.

We have identified a window during afternoon and evening hours where there is a reduced number of passengers. We are attempting to boost our overall annual numbers by offering incentives to travel to the islands by ferry. As ferries are regularly scheduled at these times, we are attempting to capitalize on a market of people who currently make limited use of the Toronto Islands.

Consultations with the food and beverage concessionaires have been held to offer improved afternoon and evening food service. Staff and concessionaires are confident that any increases in numbers can be readily accommodated.

CONTACTS

Neil R. Zaph, Director
Strategic Services
Telephone: 416-395-6065
Fax: 416-392-8565
eMail: nzaph@toronto.ca

James Dann, Manager
Enterprise Services
Telephone: 416-392-1122
Fax: 416-392-8212
eMail: jdann@toronto.ca

SIGNATURE

Brenda Librecz,
General Manager Parks, Forestry and Recreation