



## **REPORT TO CITY COUNCIL**

**To: Honorable Mayor and Members of the City Council**

**From: Grant Yates, City Manager**

**Prepared by: Jason Simpson, Assistant City Manager**

**Date: February 28, 2017**

**Subject: Acquiring Vintage RV Trailers for the RV Resort Rehabilitation Project (CIP PROJECT #Z40007)**

### **Recommendations**

Authorize the City Manager to execute the Purchase Orders in the amount not to exceed \$350,000.00.

### **Background**

Staff has researched several mobile camping opportunities to capitalize on vintage and unique camping experiences and incorporating these experiences into the design and construction of the RV Resort Rehabilitation Project. For example, the Vintage Airstream Trailer market is a popular and hot camping niche for the recreational vehicle and camping world. The concept of a vintage Airstream trailer village within the RV Resort Rehabilitation Project is divergent, exciting and will distance the RV Resort from other campgrounds. Industry professionals have confirmed the demand for specialty type camping in a not so rugged setting can be a park amenity and simultaneously, work within the strict Fish and Wildlife Department requirements while creating a site as a destination.

Furthermore, this will also help address a concern to the development of the rehabilitation project is keeping within current Fish and Wildlife Department requirements. These compliance requirements at or below the 1,265 foot elevation mark are steadfast. Immovable structural construction is very limited and not available without costly mitigation offsets. An alternative to developing site improvements below the 1,265 foot level is the placement of mobile camping units.

### **Discussion**

Campers of the retro-chic Airstream (Silver Bullets) spend upward of \$200 a night to sleep in vintage trailers. In 2014 airstream sales began to jump 26% a year while sales for the RV industry as a whole were rising only 11%, according to the Recreational Vehicle Industry Association. Data supports this concept. With the purchasing approval, staff can find and negotiate purchases in the open market. Unfortunately, traditional purchases of these trailers will not work as the sale marketing has no motivation to provide a bid or respond to a purchase request to entice sales.

Sales are strong and availability is very limited. Purchases are driven by strong sales negotiations and ready cash. From one day to the next the availability of Vintage Trailers is unpredictable. One-off Vintage Trailer customization is available but very expensive and not cost effective. Staff will research the fair market price of each trailer before purchase. The anticipated price for each vintage trailer (model years between 1950's to 1980's) will range between \$20,000 and \$80,000. Therefore, it is requested these purchases be classified as sole source.

In anticipation of these purchases staff will attempt to get multiple prices on compatible Vintage Trailer but in some cases multiple pricing may not be available. As for the site preparation at the RV Resort, standard RV hook-ups will apply (30/50 Amp/ Sewer and Water). The timing of these purchases will take place as soon as possible and the utilization and camp rental of the trailers will be available once the RV Resort has progressed through site development.

In the end the RV Resort will have four to five Vintage Trailers for rent that will be centrally located at the South end of the park near the lake. It is probable these Vintage Trailer rentals will be very popular and in high demand. It can be anticipated that additional units may be needed to stratify the demand and optimize the revenue opportunities of camping rentals. Once this is fully realized staff shall return to Council for additional authorization and subsequent purchases.

### **Fiscal Impact**

RV Resort Rehabilitation Project (CIP PROJECT #Z40007) is included in the Fiscal Year 16/17 – 2021/22 Capital Improvement Plan (CIP) budget. Staff estimates that the purchase cost will be recovered through daily rental fees of up to \$100 to \$200 with a return on investment of 1 to 3 years.