

Proposal to Town Council
Moving to Self Service Kayak Rentals
January 2023

I was recently approached by the company RentFun, which does bike and scooter rentals and now does self-service kayak rentals. It is a great solution to providing rentals at Windsor Castle Park, which have been extremely popular since we opened. There are several reasons and cost savings to moving towards self-service:

1. We would no longer have to hire summer staff at a cost to the town of around **\$8000** a year. Hiring has never been easy and has become increasingly difficult in recent years. Plus, the time invested by Human Resources and my staff to go through the process each year is time we could spend on other To Dos.
2. The Kayak Rental building does not have power and therefore does not have air conditioning. Rentals operate during the hottest months of the year and during the hottest parts of the day. Heat related illness cases have been on the rise and it is difficult to keep our staff cool in a space without air conditioning. I recently priced adding solar panels to the building, but this would still only allow for a fan, not an AC unit. The cost for adding solar is **\$6547**.
3. Each year, we need to purchase new boats, jackets, and paddles to keep the fleet in usable condition. This year, I estimate I will need to spend **\$3000** to maintain the fleet.

The perks of RentFun self-service operation:

1. The self service kiosk would be available 7 days a week from dawn to dusk and for a longer season than we can currently offer. This will be great for weekend tourists who would like to rent on a Friday or Monday.
2. RentFun uses local technicians to maintain the fleet and ensures the boats, life jackets and paddles are always in great condition.
3. RentFun splits revenue 50/50 with the Town.
4. RentFun follows up with boaters who do not return after 8 hours by text, call, email, etc. we also include an emergency whistle on the life vests. We also instruct users on basic safety instructions on the signage and in app. For example, "bring someone more experienced if you are a beginner. if alone, notify a friend that you are paddling before going out."

Below are the contractual terms:

- 5 year Services Agreement. At end of the 5 years, you can renew at no cost
- RentFun responsible for all aspects of launch and ongoing maintenance, including preventative maintenance checks, equipment replacement and repair
- RentFun responsible for hiring and managing a local Field Service Technician to handle equipment maintenance and repair
- RentFun responsible for providing 7-day customer support to end users.
- all users must sign a waiver in the app prior to rental
- RentFun indemnify the city for any legal expenses ever incurred
- RentFun add the city as an additionally insured on our insurance
- Town receives 50% of the revenue share. Revenue share payments are paid quarterly via check .
- Town receives access to admin dashboard to track utilization and revenue in real time
- Town can set the rental fees and hours of operation
- Town can terminate at any time for any reason

The Town will keep its fleet in order to provide programming opportunities like YMCA Camps and Guided Tours, as well as to honor any gift certificates provided to local fundraisers and galas.

Revenue Estimates for self-service kiosk:

4-unit Kayak Rental Station					
Kayaks	4				
Activation Fee	\$16,000				
	Average Annual Gross Revenue	Total over 5 years	50% Rev Share for CITY	City Profit	
Low Utilization	\$8,000	\$40,000	\$20,000	\$4,000	
Medium Utilization	\$12,000	\$60,000	\$30,000	\$14,000	
High Utilization	\$16,000	\$80,000	\$40,000	\$24,000	
		Total after 10 years			
		\$80,000	\$40,000	\$24,000	
		\$120,000	\$60,000	\$44,000	
		\$160,000	\$80,000	\$64,000	

The activation fee will be **\$16,000**, versus the money we will spend this year to pay salaries, add solar and to invest in fleet repairs and upgrades will total **\$17,547**.

Pilot versus Partnership:

		PILOT		PARTNERSHIP	
		4-unit	8-unit	4-unit	8-unit
Term		1 year	1 year	5 year	5 year
Activation Fee		\$7,000	\$13,000	\$16,000	\$25,000
Annual Service Fee		\$3,000	\$4,500	\$0	\$0
Customer Rev Share %		75%	75%	50%	50%
Services					
Software Set Up		x	x	x	x
Custom Website		x	x	x	x
Monthly Utilization Reporting		x	x	x	x
7-day customer support		x	x	x	x
Installation		x	x	x	x
Equipment Maintenance and Repair		x	x	x	x
Equipment Replacement		x	x	x	x

References: Currently have 25 Kayak Kiosk stations around the US

South Bend, IN	5/29/2022 - present	John Martinez	Director, Facilities & Grounds Division	1020 High St.. South Bend, IN 46614	(574) 235-7645	jmartine@southbendin.gov
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- 1.) How long have you had the kiosk? Headed into our second year.
- 2.) Are you happy with the service? Yes- overall. It's meeting expectations, not exceeding them. (That's not a negative) We installed (4) bay. I think we get 115+ users per month in our peak season. I wouldn't look at removing it unless that dropped below 10-15 based off our expense model.
- 3.) Any improvements you would like to see with it? I wish their reporting data was able to delineate between # of kayaks rented vs paddleboards. Right now, it just tracks the bays not the product.
- 4.) Did you have staffed kayak rentals prior to installing the kiosk? Not at this location.
- 5.) Are you happy with sales and the revenue share? We structured a deal at \$10k investment across 3 years. We see zero revenue but built in some discount pricing and "Free" rentals for equity for our customers. For us it was more a proof-of-concept approach. We wanted to provide experiences to users who may not be able to make the investment in the equipment on their own.
- 6.) Do your park patrons/customers give it good reviews or have any complaints? No, candidly we haven't received a ton of feedback. It was more a value add to a recently renovated Park. I've used it myself with my family, it was a solid single use experience. Personally, I wish they had more Kayaks then paddleboards, since I have family of five, we had to take turns. From a business perspective I'd do it again, if the terms stayed the same and in line with the number of rentals we see, I would resign another 3-year agreement. It's not something we are currently thinking about expanding to other parks. Some of that is geography, some of that is just as I mentioned a value add to the park. We try and keep our destination parks unique to their character and design.

Genesee County, MI	5/28/2022 - present	Anthony Walter	Assistant Parks Operations Manager	5045 STANLEY ROAD, FLINT, MI 48506	810-845-6429 (cell)	AWalter@gcparks.org
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- 1.) How long have you had the kiosk?

We have only had it for the 2022 operating season but are installing another unit at our campground in 2023

- 2.) Are you happy with the service?

Very.

- 3.) Any improvements you would like to see with it?

Not at this time.

- 4.) Did you have staffed kayak rentals prior to installing the kiosk?

We did not have any staffed kayak rentals in this area prior.

- 5.) Are you happy with sales and the revenue share?

Yes. We are on track to recover our costs in 5 years projecting for both of our kayak lockers.

- 6.) Do your park patrons/customers give it good reviews or have any complaints?

Generally good reviews. The few issues we have had arise customer support has handled. Very low maintenance for us.