



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of
Supervisors

105 E. Anapamu Street, Suite
407

Santa Barbara, CA 93101
(805) 568-2240

Department Name: Parks
Department No.: 052
For Agenda Of: May 18, 2010
Placement: Administrative
Estimated Time:
Continued Item:
If Yes, date from:
Vote Requirement Majority

TO: Board of Supervisors

FROM: Department Daniel C. Hernandez (568-2461)
Directors(s)
Contact Info: Nicole Koon (568-2477)

SUBJECT: Execute Concession Agreement with Pyramid Enterprises Inc. to Operate the Cachuma Boat and Maria Concession at Cachuma Recreational Area; Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions: That the Board of Supervisors:

Approve and execute the attached original and duplicate original Concession Agreement Between the County of Santa Barbara and Pyramid Enterprises Inc. for the concessioner's use of the County boats and marina facility located within the Cachuma Recreational Area on a month to month basis; for a monthly rental amount of 10% of concessioner's gross sales, with a minimum monthly base of rent of \$3,000; and authorize the Director of Parks to administer the concession agreement on behalf of the County.

Summary Text:

On June 6, 2006, the Board of Supervisors approved a Concession Solicitation and Selection Policy for Parks Department. This policy, which conforms with a recommendation from the FY 05-06 Civil Grand Jury Report, established guidelines and procedures for openly soliciting and selecting private operators to provide concession services at County parks through a Request for Proposal (RFP) process.

In conformance with this new policy, on March 2, 2010 the Board authorized the release of a Request for Proposal to operate the boat and marina facility at Cachuma Recreational Area. A total of two proposals were received for the boat and marina concession.

On a rigorous analysis and evaluation of the submitted proposals received by an evaluation team comprised of various county department staff, the team accepted the proposal from Pyramid Enterprise as the top proposal received and the Office of Real Estate Services proceed with facilitating the information from the concessioner's submitted RFP into a new concession agreement.

Staff has since worked with the selected concessionaire on a number of issues which developed in the process of preparing the new concession agreement, which is presented at this time for your Board's consideration.

Background:

The RFP was widely advertised in several different newspaper publications in the tri-county area, as well as posting it on the Parks website. The submittal deadline for proposals was April 5, 2010.

A five-member evaluation team comprised of staff from several different County departments (Richard Morgantini - CEO office, Mark Paul - Public Works, Tom Fayram – Public Works, Juan Beltranena – Parks, and Ronn Carlentine – Office of Real Estate Services) evaluated and rated the proposals based on several key criteria, including the proposed business plan, management experience, financial history, and proposed facility /capital improvements. It should be noted that prior to proposal submittal, Parks held a walk thru of the proposed concession area and facility with all of the interested bidders (approximately 40 individuals) to allow them to clarify information, and ask questions about the marina operation.

Of the two proposals received for the boat and marina concession, Pyramid Enterprise Inc. received the highest overall score. Staff has since prepared a concession agreement with the selected concessionaire, with key provisions in line with the submitted RFP (see attached).

Due to the temporary nature of the term of the concession, that is month to month, there will be no extensive improvements and/or upgrades to the County boats and marina facility. Once the County enters into a long-term agreement with the Bureau of Reclamation, a new Request for Proposal will be initiated that seeking a concession on a long-term basis and will require major renovations to the facility and associated amenities.

Fiscal and Facilities Impacts:

Budgeted: Yes

<u>Funding Sources</u>	<u>Current FY</u> <u>Revenue:</u>	<u>Next FY Revenue:</u>	<u>Annualized</u> <u>On-going</u>	<u>Total One-Time</u> <u>Project Revenue</u>
General Fund				
State				
Federal				
Fees	\$ 3,000.00	\$ 21,000.00	\$ -	\$ 24,000.00
Other:				
Total	\$ 3,000.00	\$ 21,000.00	\$ -	\$ 24,000.00

Narrative: The minimum rent for the marina concession revenues are estimated at the lowest level to total \$24,000 and at the highest level \$54,000 for the duration of the lease. Summer months are the high season for Lake Cachuma and with current lake levels higher than normal; the Parks Department can expect to yield 10% of gross sales monthly June through November 2010. The additional percentage

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revenue to the base rent of \$3,000/month for the high season could range from \$2,000 – \$5,000/month, totaling up to \$30,000 in revenue above the minimum lease amount of \$24,000.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

NA

Special Instructions: After Board action, distribute as follows:

- | | |
|---|-------------------------------------|
| 1) Original Concession | Clerk of the Board File |
| 2) Duplicate Original Concession | Parks |
| 3) Copy of Executed Original Concession | GS/Real Estate Svcs., R. Carlentine |
| 4) Minute Order | Parks |
| 5) Minute Order | GS/Real Estate Svcs., R. Carlentine |

Attachments:

Original and Duplicate Original Concession Agreement

Authored by: