

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 5/19/06  
**Department Name:** Parks  
**Department No.:** 052  
**Agenda Date:** 6/6/06  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Jason Stilwell  
Interim Parks Director

**STAFF CONTACT:** Mike Gibson  
Business Manager (568-2477)

**SUBJECT:** Proposed Concession Solicitation and Selection Policy for Parks Department

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**Recommendation:**

That the Board of Supervisors approve a Concession Solicitation and Selection Policy for the Parks Department.

**Alignment with Board Strategic Plan:**

The recommendation is primarily aligned with Goal No. 1 – An Efficient Government Able to Anticipate and Respond Effectively to the Needs of the Community.

**Executive Summary and Discussion:**

The purpose of the proposed Parks Department Concession Solicitation and Selection Policy is to provide some formal guidelines for openly soliciting and selecting a private party, or entrepreneur, to provide a service or services (concession) within the County parks system. The competitive bid process provides some distinct advantages to the County and its potential business partners by: (1) providing an objective method for soliciting and awarding bids for concession services in the parks; (2) providing more favorable financial benefits to the County and the taxpayers; and (3) providing additional or improved amenities and services to park users.

California Government Code (Sections 25520-25539.10) permits counties to enter into concession lease agreements for real property belonging to counties. In addition, the Santa Barbara County Parks Department's Marketing Program, which was approved by the Board of Supervisors on July 25, 1995, (Resolution No. 95-355; Chapter 26, Article VI-A, of the Santa Barbara County Code) includes concession leases as one of the major revenue generating opportunities for the Department to help sustain its operations.

In a May 1, 2006 report to the Parks Department on Jalama Beach County Park, one of the recommendations of the Santa Barbara County Civil Grand Jury was that the Jalama Beach store concession lease be subjected to an open and competitive bidding process when it comes up for renewal in October 2006, whereby concession fees could be based on market rates, exclusive rights for certain business activities could be reevaluated, additional services might be considered, etc. Staff believes this policy, if approved by the Board, would be consistent with this recommendation of the Grand Jury. A full response to the Grand Jury's report will be presented to the Board in June.

The guidelines contained in the proposed policy are intended to provide a useful, clear, and understandable process for the Parks Department, prospective service providers (concessionaires), and the Board of Supervisors to follow in the solicitation and selection of concessions for County parks. This policy is also intended to provide a level playing field for those interested in bidding for concession services in County parks. The proposed concession bid process is illustrated in the flow chart provided as Attachment 1. Attachment 2 is the proposed concession bid policy in its entirety.

As part of the proposed concession bid policy, the following key strategies will be employed when considering development of a new concession or renewal of an existing concession:

1. When applicable, the concession will be consistent with the master plan for the park it is proposed for.
2. The services from the concession will be provided at a reasonable cost to park patrons.
3. The concessionaire's operating schedule will respond to the needs of park patrons.
4. The County will obtain a fair market rent for the concession while providing the concessionaire with a reasonable business opportunity.
5. A commitment will be secured from the concessionaire, as early as possible in the process, on an acceptable level of service for the concession.
6. A reasonable good faith/security deposit will be required from the concessionaire to cover the County's cost of drafting and negotiating the lease agreement and as a guarantee that the selected concessionaire will ultimately enter into an agreement with the County.
7. The amount of County financial participation and administrative expense, if any, will be limited to that which is demonstrated to be absolutely necessary for the agreement to be workable for both parties.
8. The County will obtain sufficient revenue from the concession through lease rental payments, enhanced park fee revenue, and other concession payments and contributions to make it a financially viable arrangement for the County based on current market conditions.
9. If the concessionaire indicates in its bid that it will undertake subleases, the County will be provided a portion of the revenue stream generated by the subleases.
10. When improvements to park property are required of the concessionaire as part of the lease agreement, the concessionaire will be held to a realistic, but firm, time schedule to complete the improvements.
11. For phased improvements that are required as part of the lease agreement, the concessionaire will be held to a specific time schedule for each phase of the project.

The concession selection process will take into account such factors as the concessionaire's experience in the particular business being proposed, financial ability and history, proposed business plan, proposed rent to be paid to the County, proposed improvements and investments, etc.

Attachment 3 lists all of the Parks Department's existing concession leases as well as the expiration dates for each concession agreement. As noted in the proposed concession bid policy, the concession leases for the Cachuma Recreation Area are subleases under the management lease agreement between the County and the federal Bureau of Reclamation. Since the management lease with the Bureau is currently being renegotiated, it is possible that the Cachuma concessions could be handled differently than what is called for in the proposed concession bid policy, based on what is specified in the renegotiated lease.

The Parks Department obtained review and input from County Counsel, Real Property, and Purchasing on the proposed policy.

**Mandates and Service Levels:**

The following documents and regulations provide guidance and legal requirements related to the County's concession lease policies and processes: Resolution 95-355; Chapter 26, Article VI-A, of the Santa Barbara County Code; California Government Code (Sections 25520-25539.10).

**Fiscal and Facilities Impacts:**

In FY 2004-05, \$569,266 in concession fee revenue was received by the Parks Department. It is anticipated that concession revenue will be increased in the future, due to a competitive bidding process for concession leases. However, it is indeterminable at this time as to how much this revenue source will increase, as the revenue will be determined by the concession proposals received.

**Special Instructions:**

Clerk of the Board to provide a copy of the minute order to the Parks Department/Administration, Attn: Mike Gibson

**Concurrence:**

County Counsel  
Purchasing Manager  
Real Property Manager

**Attachments:**

1. Proposed Parks Department Concession Bid Process Flow Chart
2. Proposed Parks Department Concession Solicitation and Selection Process
3. Existing Parks Department Concession Leases and Expiration Dates

