

**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:** 6/7/04  
**Department Name:** Parks  
**Department No.:** 052  
**Agenda Date:** 6/22/04  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Terri Maus-Nisich  
Parks Director

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

**SUBJECT:** Amendment to the Cachuma Lake Store Concession Agreement to Transfer Ownership of Stock and Adjust the Method of Calculating Monthly Rent; Third Supervisorial District

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**Recommendation:**

That the Board of Supervisors authorize the Chair to execute the Fourth Amendment to the Cachuma Lake Store Concession Agreement, granting the Cachuma Corporation the right to transfer ownership of the shares of stock previously held by Glenn Todd, deceased, to the remaining shareholders, Thomas and Carole Lemp, as husband and wife; adjusting the method of calculating the monthly rent; and revising various provisions of the Concession Agreement.

**Alignment with Board Strategic Plan:**

The recommendation is primarily aligned with actions required by law or by routine business necessity.

**Executive Summary and Discussion:**

The County is currently administering the Cachuma Lake Recreation Area under a master lease agreement between the County and the United States Bureau of Reclamation, which was executed on January 12, 1953 and expired on January 11, 2003. An interim agreement was executed in November 2002, which extended the term of the master lease agreement for another two years, through January 12, 2005.

Pursuant to the master lease agreement, the County executed a concession agreement with the Cachuma Corporation on December 19, 1988 to provide for the operation of a general store at Cachuma Lake. The concession agreement was amended on October 9, 1990, December 17, 1991, and September 22, 1998. The Cachuma Corporation is currently holding over under the same terms and conditions of the original

concession agreement until such time as a new agreement is reached between the County and the Bureau of Reclamation for the operation of the Cachuma Recreation Area.

The concession agreement contains certain restrictions on assigning the agreement, or otherwise transferring any interest in the corporation, without the express consent of the Board of Supervisors. In regard to the transfer of ownership or control of the corporation, the agreement states: "The shareholder of concessioner shall not make any transfer, voluntary or involuntary, of any of the voting rights or shares of stock in said corporation without first obtaining the written consent of the Board of Supervisors, which consent by the Board of Supervisors will not be unreasonably withheld."

The Cachuma Corporation has made written request to the County to transfer all shares in Cachuma Corporation previously owned by Glenn Todd, recently deceased, to the remaining operators and shareholders, Thomas and Carole Lemp. In support of that request, Mr. and Mrs. Lemp have provided information regarding their experience and qualifications in regard to operation of the store, a financial statement, and a current list of Cachuma Corporation officers.

In order to provide for smoother cash flow for the store operation, the Corporation has also requested that the current method of calculating the monthly rent be revised to increase the monthly rental payment from 6% of the gross income from all sales at the store to 7.5%, and eliminate the minimum monthly payment of \$2,400. The \$2,400 minimum monthly payment, which was previously applied during the off-peak season at Cachuma (October through March), will now only be applied if the store is closed during park hours, for any reason. This change in the rent structure will have a neutral impact on the total annual revenue to the Parks Department from the store concession.

**Mandates and Service Levels:**

There are no mandates or changes in service levels.

**Fiscal and Facilities Impacts:**

The change in the rent structure from this lease amendment will have a neutral impact on the total annual concession revenue to the Parks Department (estimated at approximately \$41,000). There is no impact to facilities.

**Special Instructions:**

After Board action, Clerk of the Board to distribute, as follows:

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|---|---|--|
| 1. Original Amendment Agreement           | - | Board's Official File  |
| 2. Duplicate Original Amendment Agreement | - | Don Grady, General Services Dept./Facilities Services Division |
| 3. Copy of Amendment Agreement            | - | Mike Gibson, Parks Dept./Administration                        |

**Subject: Fourth Amendment to the Cachuma Lake Store Concession Agreement**  
**Agenda Date: June 22, 2004**  
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**Concurrence:**  
Auditor-Controller  
County Counsel  
Risk Management  
Real Property

