



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 3, 2011  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Department Thomas D. Fayram, Interim Parks Director (805) 568-2461  
Director(s)  
Contact Info: Brian Roney, Deputy Director (805) 934-6145  
**SUBJECT: First Amendment to Cachuma Marina Concession Agreement**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors execute the First Amendment to the Concession Agreement between the County of Santa Barbara and Pyramid Enterprises, Inc.

**Summary Text:**

Pyramid Enterprises has requested certain changes to the terms of the Agreement in regard to rent calculations, fuel charges and permissible rental equipment.

**Background:**

The County operates Cachuma Lake Recreation Area under a Management Agreement with the Bureau of Reclamation. This Management Agreement allows the County to enter into concession agreements with third parties to provide services and supplies to the recreating public. Your Board approved a Concession Agreement on May 24, 2010 whereby the Concessioner was given the right to operate and maintain a concession business at Cachuma Lake Recreation Area for the purpose of providing the public with boat rentals, mooring slips, a tackle shop, fuel and other related supplies, on a month-to-month basis.

The recommended amendment to the concession agreement between the County of Santa Barbara and Pyramid Enterprises, Inc. includes the following:

- The Resource Management Plan recently completed by the Bureau of Reclamation authorizes the use of Canoes and Kayaks in the lake. This use is inconsistent with the rights granted to the Concessioner, as they were not permitted in the original agreement to allow rentals of Canoes

and Kayaks. This amendment includes language recently approved by your Board to Chapter 26 of the Santa Barbara Code allowing such use.

- The original agreement required that the Concessioner pay to the County ten percent (10%) of gross monthly income. This amendment will increase the rent to the County to twelve percent (12%) of gross monthly income.
- Elimination of the minimum monthly rent base to the County. The original agreement provided for a \$3,000 minimum monthly base rent. Financial reviews of the Concessioner’s payments revealed that during the slower winter months, the percentage paid to the County was equivalent to 40% of gross monthly income when the minimum monthly base rent was applied.
- Sale of fuel by concessioner at the park shall be subject to a three cent per gallon (\$.03/gal) fee to be paid by the concessioner to the County. The original agreement required all fuel sales to be included in the gross monthly income. These calculations would have resulted in the Concessioner charging a far higher price per gallon to the park customers than was necessary in order to recover actual fuel costs plus a reasonable mark-up. This practice of collecting a per gallon fee is a common practice among other concession agreements.

**Performance Measure:**

Increase number of Cachuma Lake park visitors.

**Fiscal and Facilities Impacts:**

Budgeted: Unbudgeted additional revenue in FY 2010-11 totals \$2,145.00, and the unbudgeted additional revenue projected for FY 2011-12 totals \$12,870.00.

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Annual Revenue:</u>	<u>New Annual Revenue</u>	<u>Total Project Revenue</u>
Fees:	\$ 42,480.00	\$ 55,350.00	\$ 55,350.00
Total	\$ 42,480.00	\$ 55,350.00	\$ 55,350.00

Narrative: The marina concession has paid \$35,401 under the current concession agreement for the last 9 months and projected to total \$42,480. The changes to this agreement are estimated to yield an additional \$12,870 annually.

**Staffing Impacts:**

**Legal Positions:**

N/A

**FTEs:**

N/A

**Special Instructions:**

Please send minute order Attn: Jessica Opland

Please send duplicate original signature page with additional signatures to Attn: Jessica Opland

**Attachments:**

Attachment A – Original Marina Concession Agreement

Attachment B – Marina Concession Agreement First Amendment

**Authored by:**

Brian Roney, Deputy Director of Parks