



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: General Services
Department No.: 063
For Agenda Of: May 7, 2019
Placement: Administrative
Estimated Tme: NA
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: General Services Janette D. Pell, Director (805) 560-1011
Contact Info: Skip Grey, Assistant Director (805) 568-3083

Community Services George Chapjian, Director (805) 568-2467
Contact Info: Jeff Lindgren, Parks Superintendent (805) 568-2475

SUBJECT: Smoke on Water Cachuma Lake Café Concession Agreement, Third District

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: NA

Auditor-Controller Concurrence

As to form: NA

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board to execute the original and duplicate original Concession Agreement between the County of Santa Barbara (County) and Smoke on Water (Concessioner), to allow Concessioner to operate and manage the Lake Cachuma Marina Café (Café) for a term of ten (10) years, with one option to extend the term for an additional eight (8) years. Concessioner will pay to County a special use fee (Fee) of Eight Percent (8%) of Concessioners monthly income, or Five Hundred Dollars (\$500.00) whichever is greater; and
- b) Authorize the Director of the Community Services Department to exercise the first and only option to extend the term of the Concession Agreement for an additional eight (8) years, from April 1, 2029 through March 14, 2037, provided that the Concessioner is not in default under the terms of the Concession Agreement; and
- c) Find that the recommended actions are exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines section 15301 as the actions consist of the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of

existing public structures, facilities and/or equipment that involves negligible or no expansion of existing or former uses and direct staff to file a Notice of Exemption on that basis

Summary Text:

The Board's action to authorize the Chair of the Board to execute the Concession Agreement with the Concessioner will allow Concessioner to operate, manage, maintain and improve the Lake Cachuma Marina Café for a term of ten (10) years, with one option to extend the term for eight (8) years. Concessioner will pay County a Fee of Eight Percent (8%) of monthly income for the first three (3) years, then eight and one-half percent (8.5%) after that, or Five Hundred Dollars (\$500.00), whichever is greater. In addition to operating the Café, Concessioner will have the non-exclusive right to offer food and beverage service to the nearby Cachuma Pools and Campgrounds, cater events at the Cachuma Clubhouse, and offer food and beverage lake cruises.

Background:

The County of Santa Barbara has been operating the Cachuma Lake Recreation Area (Park) pursuant to successive operation and management agreements (Master Agreements) with the United States Department of the Interior, Bureau of Reclamation (Reclamation), who owns the land that includes Cachuma Lake, the dam, and the surrounding lands. Pursuant to those Master Agreements, the County has been managing various concessions serving the Park, including concessions providing boat rentals and various marina amenities.

A snack shop and ancillary bathroom and storage buildings had been in place at the Lake Cachuma marina area since the early 1950's. The long-time vendor vacated the snack shop in 2010, and the snack shop could not be reopened to the public with a new operational vendor without significant upgrades due to current Environmental Health and Safety and ADA codes. Since that time, there have been many requests by users of the park, notably the boaters and campers, for some type of café/restaurant in the campground where they can obtain food. As such, in September 2013, a feasibility study analyzing the opening of a full-service restaurant at a different location (other than the marina) in the campground, reopening a fast-casual café at the marina area, or both was completed by a restaurant consultant; the recommendation was that the County proceed only with re-opening a fast-casual café at the marina.

On September 2, 2014, the County Board of Supervisors approved the Lake Cachuma Marina Café Project #8456 MC, Award of Construction Contract (Project). The Project demolished the old 663 square foot snack shop, bathroom, storage and shed, and constructed a 1,620 square foot café facility including indoor and outdoor seating (Café). Posted on March 16, 2015 and re-issued on December 10, 2015, the General Services Department, in coordination with the Community Services Department, issued a Request for Proposal to solicit vendors to operate the newly built Café. One proposal was received. Staff from Community Services worked with that proposer; however, negotiations were unsuccessful.

A new Request for Proposal (RFP) was issued on December 4, 2018, where one proposal was received from Smoke on Water (Concessionaire). Staff from General Services and Community Services reviewed the proposal and agree it meets all requirements set out in the RFP. The proposed Concession Agreement will allow Concessionaire to use the Café for a term of ten (10) years, with one option to extend the term for an additional eight (8) years, which will expire at the same time as the current Master Agreement between the County and Reclamation. Concessionaire will pay to the County a special use fee of Eight Percent (8%) of monthly income for the first three (3) years, then eight and one-half percent (8.5%) after that, or Five Hundred Dollars (\$500.00), whichever is greater. Concessionaire will also receive, for the

first three years, a Marketing Credit in the amount of Five Hundred Dollars (\$500.00) per month for certain pre-approved marketing expenses. Approved marketing activities may include expenses towards signs and brochures, sponsorship or catering local events which generate publicity, radio and newspaper ads, live music events, and more. At no point will the Marketing Credit reduce the monthly Fee's owed to an amount less than Five Hundred Dollars (\$500.00). Beginning April 1, 2022, Concessioner is no longer authorized to receive any Marketing Credit, unless specifically authorized by County beyond this date.

CEQA:

The proposed administrative actions do not constitute a project within the meaning of the California Environmental Quality Act (CEQA) pursuant to 14 CCR 15301. CEQA guidelines, Section 15301 consists of the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. All of the activities contemplated in the Security MOU are part of the current activities and no expansion of an existing use and therefore, the categorical exemption stated above is applicable for the proposed action and satisfies the requirements of CEQA.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

Narrative:

The opening of the Marina Café at Cachuma Lake falls under the County's Renew 2022 Transition plan, under Financial and Organizational resiliency. Parks staff continually seeks to responsibly monetize its assets to increase revenues, mitigate impacts to the General Fund, while providing an exceptional experience to park visitors. Conservative initial estimates of revenues received from the Marina Café are \$6,000 annually, with growth forecasted in future years once the café is firmly established at Cachuma Lake. Ancillary revenues are also forecasted to increase, as additional amenities, such as a full service restaurant, drives additional daily and camping traffic to the Park. However, ancillary revenues are very difficult to forecast and have been excluded from estimates.

Staffing Impacts:

None

Attachments

1. Original and Duplicate Original Concession Agreement
2. CEQA Notice of Exemption

Special Instructions: After Board action, please distribute as follows:

1. Original Concession Agreement: Clerk of the Board Files
2. Duplicate Original Concession Agreement and copy of Minute Order: General Services, Real Property
3. Copy of Concession Agreement and copy Minute Order: Community Services Department, Parks