



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: February 5, 2008
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department
Director Daniel C. Hernandez (568-2461)
Contact Info: Mike Gibson, Business Manager (568-2477)

SUBJECT: Execution of Concession Agreement with Jalama Beach Store, Inc. to Operate the General Store at Jalama Beach County Park; Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Real Property Division

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 Jalama Beach Store, Inc. for the concessionaire's use of approximately 6,300 square feet of lease space for the Jalama Beach Store and concession area located within Jalama Beach County Park for a period of approximately 10 years, from February 1, 2008 through December 31, 2017, with two options to extend the term for an additional five years each, upon the mutual agreement of the County and the concessionaire; for a monthly rental amount of 8% of concessionaire's gross sales, with a minimum monthly base rent of \$3,000; and authorize the Director of Parks to administer the agreement on behalf of the County.

Summary Text:

On June 6, 2006, the Board of Supervisors approved a Concession Solicitation and Selection Policy for the Parks Department. This policy, which conforms with a recommendation from the FY 2005-06 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 Proposals (RFP) process.

In conformance with this new policy, on July 10, 2007, the Board authorized the release of a Request for Proposals (RFP) to lease and operate a general store and snack bar/grill at Jalama Beach County Park. One proposal was received for the general store/snack bar concession from the current concessionaire (Jalama Beach Store, Inc.).

On December 4, 2007, the Board accepted this proposal as the best one received and authorized staff to proceed with negotiating a lease with Jalama Beach Store, Inc. for this concession.

Staff has since negotiated and prepared a concession lease agreement with the selected concessionaire, which is presented at this time for your Board's approval and execution.

Background:

On June 6, 2006, the Board of Supervisors approved a Concession Solicitation and Selection Policy for the Parks Department. This policy, which conforms with a recommendation from the FY 2005-06 Civil Grand Jury, established guidelines and procedures for openly soliciting and selecting private operators to provide concession services at County parks through a Request for Proposals (RFP) process.

In conformance with this new policy, on July 10, 2007, the Board authorized the release of a Request for Proposals (RFP) to lease and operate a general store and snack bar/grill at Jalama Beach County Park. The RFP was widely advertised in several different newspaper publications in the tri-county area (Santa Barbara, Ventura, and San Luis Obispo counties), as well as the Los Angeles region, including the Santa Barbara News-Press, the Santa Maria Times, the Lompoc Record, the Ventura County Star, the San Luis Obispo New Times, the San Luis Obispo County Tribune, and the Los Angeles Times. The submittal deadline for proposals was August 30, 2007.

One proposal was received for the general store/snack bar concession from the current concessionaire (Jalama Beach Store, Inc.). Attachment 1 provides a summary of the key terms and conditions that were included in this proposal.

On December 4, 2007, the Board accepted this proposal as the top proposal received and authorized staff to proceed with negotiating a lease with Jalama Beach Store, Inc. for the general store/snack bar concession at Jalama Beach.

Staff has since negotiated and prepared a concession lease agreement (Attachment 2) with the selected concessionaire, which is presented at this time for your Board's approval and execution. The key provisions of the agreement are as follows:

- Ten-year initial term (February 1, 2008 – December 31, 2017), with the option to extend the agreement for two additional terms of five years each, based on certain conditions and criteria, including satisfactory performance and mutual agreement (as determined and approved by the Director of Parks).
- Monthly rent of 8% of gross sales (increased from the current rent of 6% of gross sales).
- Minimum monthly rent of \$3,000 (increased from the current \$400 per month).

As shown on Attachment 3, as a result of the monthly rent increase included in the new concession agreement, it is estimated that \$161,000 in additional revenue will be generated for the Parks Department over the initial 10-year term of the lease (\$16,100/year). A copy of the Eittreim's lease proposal is included as Attachment 4.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Revenue Sources</u>	<u>Additional FY 2007-08 Revenue:</u>	<u>Additional Annualized On-going Revenue:</u>	<u>Total One-Time Project Revenue</u>
General Fund			
State			
Federal			
Fees: Concession Fee Revenue	\$ 6,500.00	\$ 16,100.00	
Other: Investment in Capital Improvements			
Total	\$ 6,500.00	\$ 16,100.00	\$ -

Narrative:

Additional revenue of \$6,500 is estimated for FY 2007-08 as a result of this new concession lease agreement for Jalama Store. Additional ongoing annual revenue is estimated at \$16,100 (starting in FY 2008-09). This revenue goes towards offsetting the operational costs of Jalama Beach County Park and is part of the Parks Department’s fees and charges revenue base that lessens its reliance on the County General Fund to support its operations.

Major capital improvements have also been proposed by the concessionaire and will be negotiated during the term of the lease.

Staffing Impacts:

Legal Positions: **FTEs:**

Special Instructions:

Clerk of the Board to forward a copy of the minute action and executed agreement to the Parks Department/Administrative Office, Attn: Mike Gibson.

Attachments:

- Attachment 1 – Summary of Proposal Received for Jalama Store
- Attachment 2 – Proposed Concession Lease Agreement with Jalama Beach Store, Inc.
- Attachment 3 – Revenue Projections for Jalama Store Lease Proposal

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Subject: Execution of Jalama Store Concession Lease Agreement

Agenda: February 5, 2008

Authored by:

Mike Gibson (568-2477)