



**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

Submitted on:
(COB Stamp)

Department Name: Community Services
Department No.: 057
Agenda Date: June 24, 2025
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Jesús Armas, Community Services Director
Contact: Jeff Lindgren, Assistant Director, Parks
SUBJECT: Goleta Beach Restaurant Concession Agreement First Amendment

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JA

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board to execute the First Amendment to the Concession Agreement between the County of Santa Barbara (County) and Central Coast Hospitality, LLC (Concessionaire), to allow Concessionaire to operate and manage the Restaurant, Snack Bar, and Venue space at Goleta Beach (Attachment A).
- b) Determine that the recommended actions are exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the following CEQA guidelines 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 (Section 15301).

Summary Text:

This item is on the agenda to authorize the Chair of the Board to execute the First Amendment to the Concession Agreement and allow Concessionaire to operate, manage, maintain and improve the Goleta Beach Restaurant, walk-up snack bar, and outdoor patio venue space. In salient part, the Amendment adds five years to the primary term (from 10 to 15 years), and provides one additional five-year option.

Goleta Beach Restaurant Concession Agreement First Amendment
June 24, 2025
Page 2 of 3

Discussion:

On October 19, 2021, the Board of Supervisors approved a concession agreement with PRJKT SB Inc. to operate, manage, maintain and improve the Goleta Beach Restaurant, walk-up snack bar, and outdoor patio venue.

Once the concessionaire took possession of the restaurant building it was determined that substantially more investment in the building would be necessary than originally anticipated. While lengthy reconstruction was underway, the storms of 2023 flooded portions of the construction site damaging the building and restaurant equipment adding additional cost and time to the remodel. This First Amendment proposes to update the concession agreement with changes to support the operator investment and long-term viability of the restaurant. Increasing the primary term and providing an option for an additional extension help the operator secure important financing to support restaurant operations, investing in product and services, and generating revenue for both the operator and the County as a partner. Finally, this Amendment modifies language in the original agreement as recommended by State Alcohol and Beverage Control (ABC). Finally, In July of 2023, PRJKT SB, Inc. filed with the California Secretary of State to change the name and entity type to Central Coast Hospitality LLC.

The First Amendment to the Concession Agreement includes the following:

- a) Update name of operator legal entity and contacts.
- b) Adjust Primary Term to 15 years from the date of the First Amendment. The term was originally ten years of which nearly 3 years had passed prior to the restaurant opening.
- c) Add an additional 5-year extension for a total of four possible extensions.
- d) Update percentage fees to 11.5% of gross revenues for the restaurant and 13% of gross revenues for special events and remove any reference to the County generating revenue from alcohol sales per ABC requirement. Percentage Fee adjustments maintain County anticipated revenue levels.
- e) Other language changes for clarity.

The newly renovated restaurant resumed operations in late January 2025 with monthly payments in alignment with projections and expectations for a restaurant during the first few months of operation.

Background:

On January 21, 2021, the Community Services Department received a letter from Richhardy Corporation, owners and operators of the Beachside Bar and Café at Goleta Beach requesting to terminate the almost 36-year old agreement to operate the restaurant. On February 9, 2021, the County Board of Supervisors accepted the request to terminate the Beachside Bar and Café agreement.

On May 7, 2021, staff released a Request for Proposals to operate the vacant Goleta Beach restaurant with proposals due on June 30, 2021. PRJKT SB, Inc. was selected to operate the concession based on its restaurant concept and vision, management and operational experience, and ability to fund needed capital improvements to the restaurant building. The concession agreement was approved by the Board on October 19, 2021.

The original concession agreement was for a term of ten years, with three options to extend the term for five years per extension. The agreement stipulates that the concessionaire will pay the County a monthly Percentage Fee of 10% of gross sales and 15% of gross alcohol sales, or \$8000 Monthly Base Fee, whichever is greater for the Restaurant, Snack Bar and Outdoor Venue space. In addition to

Goleta Beach Restaurant Concession Agreement First Amendment
June 24, 2025
Page 3 of 3

operating the Restaurant, Concessionaire has the non-exclusive right to offer food and beverage catering services for special events at Goleta Beach where Concessionaire will pay County a fee of 12.5% of gross sales and 15% of gross alcohol sales per each special event. The Venue space was included in the former concession agreement with the Beachside Bar and Grill but was only used for storage. Under this new Concession Agreement, the space will be used for revenue-generating food and beverage service that compliments the Restaurant and Snack Bar. Percentage Fee adjustments maintain County anticipated revenue levels from operation of the restaurant.

In July of 2023, PRJKT SB, Inc. filed with the California Secretary of State to change the name and entity type to Central Coast Hospitality LLC.

Fiscal and Facilities Impacts:

Budgeted: Yes

Staff continually seeks to responsibly monetize County assets to increase revenues and mitigate impacts to the General Fund while providing an exceptional experience to park visitors.

Conservative initial estimates of revenues received from the Goleta Beach Restaurant under the new operator are \$600,000 annually, with significant growth forecasted in future years once the Restaurant is firmly established. Ancillary revenues are forecasted to increase as additional services such as catering of special events and opening of the adjacent former storage area for food and beverage service proceeds.

Special Instructions:

- 1) Please have the Board Chair execute two original copies (each) of Attachment A and provide to Jeff Lindgren, CSD, Parks Assistant Director.
- 2) Please send an electronic copy of Attachment A and the Minute Order to Jeff Lindgren at jlindgren@countyofsb.org.

Attachments:

- Attachment A: First Amendment to the Concession Agreement between the County of Santa Barbara and Central Coast Hospitality, LLC.
- Attachment B: Original Concession Agreement between the County of Santa Barbara and PRJKT SB Inc.

Contact Information:

Jeff Lindgren
Assistant Director, Parks
jlindgren@countyofsb.org