



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: Community Services
Department No.: 057
For Agenda Of: October 19, 2021
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Community Services George Chapjian, Director (805) 568-2467
Contact Info: Jeff Lindgren, Parks Assistant Director (805) 568-2475
SUBJECT: Goleta Beach Restaurant Concession Agreement; 2nd District

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk

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 Concession Agreement between the County of Santa Barbara (County) and PRJKT SB, Inc. (Concessionaire), to allow Concessionaire to operate and manage the Restaurant, Snack Bar, and Venue space at Goleta Beach for a term of ten (10) years, with three options to extend the term for an additional five (5) years per each extension, with Concessionaire to pay County special use fees (Fee) of Ten Percent (10%) of Concessioner's gross sales and Fifteen Percent (15%) of gross alcohol sales, or Eight Thousand Dollars (\$8000.00) per month for the Restaurant and Snack Bar, whichever is greater; Twelve and One-half Percent (12.5%) of Concessionaire's gross sales and Fifteen Percent (15%) of gross alcohol sales for catering of special events at Goleta Beach Park; and Ten Percent (10%) of Concessionaire's gross sales and Fifteen Percent (15%) of gross alcohol sales, or Four Thousand Dollars (\$4000.00) per month for the Venue, whichever is greater; and
- b) Authorize the Director of the Community Services Department, or designee, to exercise any and all of the options to extend the term of the Concession Agreement for an additional five (5) years per extension provided that the Concessionaire is not in default under the terms of the Concession Agreement; and
- c) Authorize the Director of the Community Services Department, or designee, to extend any and all options for the Concession Agreement Initial Term for up to an additional thirty (30) days per extension provided that the Director determines that the Concessioner is making satisfactory progress toward completion of capital improvements in order to open the operation; and

- d) Find 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), replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced (Section 15302), construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (Section 15303), minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees (Section 15304), and construction, or replacement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities (Section 15311), and direct staff to file a Notice of Exemption on these bases.

Summary Text:

This item is on the agenda so the Board may consider authorizing the Chair of the Board to execute the Concession Agreement with the Concessionaire and allow Concessionaire to operate, manage, maintain and improve the Goleta Beach Restaurant and walk-up snack bar for a term of ten (10) years, with three options to extend the term for five (5) years per extension. Concessionaire will pay County monthly a Percentage Fee of Ten Percent (10%) of gross sales and Fifteen Percent (15%) of gross alcohol sales, or Eight Thousand Dollars (\$8000.00) Monthly Base Fee, whichever is greater for the Restaurant and Snack Bar. In addition to operating the Restaurant, Concessionaire will have 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 Twelve and one-half Percent (12.5%) of gross sales and Fifteen Percent (15%) of gross alcohol sales per each special event.

The Concessionaire will also have the exclusive right to operate additional food and beverage services at the vacant storage area adjacent to the Restaurant, identified as “Venue” in the Concession Agreement, Exhibit B, under the same Percentage Fee terms as the Restaurant and Snack Bar, or a Monthly Base Fee of Four Thousand Dollars (\$4,000), whichever is greater, for the use of the Venue space. This 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.

Additionally, the Concessionaire is proposing to pay the County One Percent (1%) of monthly gross sales to be set aside in an account specifically for Goleta Beach Park maintenance and improvements. The account will be with a financial institution licensed to do business in Santa Barbara County, and the account will be structured so that any withdrawal from the account will require approval in writing from the Director, or designee. Monies held within the account shall be used for maintenance of common public areas for the mutual benefit of the County and Concessionaire and the benefit of park visitors at Goleta Beach. County and the Concessionaire shall meet at least annually to develop a plan for expenditures of these funds on maintenance projects.

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 County Park, requesting to terminate the almost 36-year old agreement to operate the restaurant. The stated reason for the termination request was, “The County’s COVID-19 restrictions have greatly limited the Beachside Bar and Café’s ability to operate over the past eleven months. As we informed you in a letter on August 26, 2020, due to the County Public Health Officer Orders, our business has declined to a point that we have been operating at a loss. We do not expect to operate anywhere near full capacity anytime in the foreseeable future.” On February 9, 2021, the County Board of Supervisors accepted the request to terminate the Beachside Bar and Café agreement.

The lease term between Richhardy Corporation and the County was to expire on March 31, 2022. County acceptance of the request to terminate the agreement in February 2021 allowed the Beachside Bar and Café to close approximately 13 months early. On May 7, 2021, Community Services, Parks staff released a Request for Proposals to operate the vacant Goleta Beach restaurant with proposals due on June 30, 2021. The Request for Proposals was advertised in the Santa Barbara News Press, the Santa Barbara Independent, the Santa Maria Times, the Los Angeles Times and the Orange County Register and received local media attention. On June 30, 2021, Community Services received four proposals. PRJKT SB, Inc. was selected to operate the concession, to be named SeaLegs, based on its restaurant concept and vision, management and operational experience, and ability to fund needed capital improvements to the restaurant building.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

Narrative:

The reopening of the Goleta Beach Restaurant concession falls under the County’s Renew 2022 Transition plan, under Financial and Organizational resiliency. Parks 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 at Goleta Beach. 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.

Staffing Impacts:

None

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

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

Attachments:

1. Original Concession Agreement
2. CEQA Notice of Exemption

Authored by:

Jeff Lindgren, Parks Assistant Director