

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

December 19, 2023

FROM

BEAHTA R. DAVIS, Director, Regional Parks Department

SUBJECT

Revenue Lease Agreement with LandD Inc. at Calico Ghost Town Regional Park for the operation of the Calico House Restaurant Concession.

RECOMMENDATION(S)

Approve Revenue Lease **Agreement No. 23-1380** with LandD Inc. to operate the Calico House Restaurant concession at Calico Ghost Town Regional Park from December 20, 2023, through November 30, 2028, with two three-year options to extend the contract, in which the County will receive lease fees of no less than \$90,000 during the initial five-year term (Four votes required). (Presenter: Beahta R. Davis, Director, 387-2340)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this Revenue Lease Agreement (Agreement) will not result in the use of additional Discretionary General Funding (Net County Cost). Under this Agreement, LandD Inc. (Concessionaire) will pay the Regional Parks Department (Department) a minimum monthly fee of \$1,500 or 5% of gross income, whichever is greater, for the five-year term of this Agreement to lease the Calico House Restaurant at Calico Ghost Town Regional Park (Calico), from December 20, 2023 through November 30, 2028. Concessionaire will also pay 3.5% of the monthly gross income as an advertising fee for promotion of Calico. The Department will match their advertising fee payment and coordinate the marketing campaign.

The Concessionaire will also submit a \$1,000 security deposit following the execution of the Agreement to secure compliance with lease terms. Adequate appropriation and revenue have been included in the Department's 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

On June 24, 2008 (Item No. 33), the Board of Supervisors (Board) approved Lease Agreement No. 08-622 (Lease Agreement) with the Concessionaire to grant the concession rights to use Calico House Restaurant for a five-year term from July 1, 2008 through June 30, 2013, with options to extend for two additional five-year periods.

On July 28, 2009 (Item No. 23), the Board approved Amendment No. 1 to the Lease Agreement, which revised the fee structure pertaining to the Calico House Restaurant, with no change to the original term through June 30, 2013.

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On February 26, 2013 (Item No. 49), the Board approved Amendment No. 2 to the Lease Agreement, exercising the first option to extend the term for a five-year period through June 30, 2018, and increasing the monthly concession fee revenue to \$1,200 or 5% of gross income (whichever is greater), plus 3% of gross income towards Calico advertising fees.

On June 12, 2018 (Item No. 77), the Board approved Amendment No. 3 to the Lease Agreement, exercising the second and final option to extend the term for an additional five years through June 30, 2023, and increasing monthly concession fee revenue to \$1,500 or 5% of gross income (whichever is greater), plus 3.5% of gross income towards Calico advertising fees.

On April 20, 2021 (Item No. 60), the Board authorized rent deferral agreements to defer rent and waive associated penalties and interest for qualified tenants of certain County revenue leases due to the COVID-19 pandemic. Tenants desiring deferrals submitted a written proposal, which included the proposed amount of rent to be deferred during the eligible period.

On August 8, 2023 (Item No. 54) the Board authorized settlement Agreement No. 23-857 with Concessionaire for repayment of deferred rent due to the County under Lease Agreement, in the total amount of \$35,400 to be paid over six years, effective August 8, 2023, through December 31, 2028.

The new Revenue Lease Agreement will incorporate terms and conditions included in the settlement Agreement No. 23-857 to further ensure timely payments and compliance with previously deferred rent. Approval of this Agreement aligns with the County and Chief Executive Officer goal and objective to operate in a fiscally-responsible and business-like manner by allowing the Department to leverage its amenities and land to raise revenue to support park maintenance and development.

PROCUREMENT

The Department released a Request for Proposals (RFP) PARKS23-PARKS-4913, on February 24, 2023. The RFP requested proposals from applicants looking to provide management of the Calico House Restaurant concession. The Department received one proposal from LandD Inc. Following review of the proposal by Department management and County Finance, the proposal received was in line with the direction of the County and the Department. The Department is satisfied with the proposal for the operation of this concession and believes that the Concessionaire can provide a valuable service at Calico.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on November 16, 2023; Finance (Elias Duenas, Administrative Analyst, 387-4052) on November 22, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on November 27, 2023.

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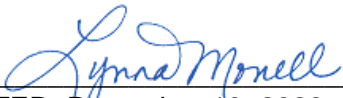
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Col. Paul Cook (Ret.)

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 19, 2023



cc: Parks - Davis w/agree
Contractor - c/o Parks w/agree
File - w/agree

CCM 01/8/2024