

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

August 8, 2023

FROM

BEAHTA R. DAVIS, Director, Regional Parks Department

SUBJECT

Agreement with LandD INC. for Repayment of Monies Owed

RECOMMENDATION(S)

Approve **Agreement No. 23-857** with LandD INC. for repayment of deferred rent due to the County under Agreement No. 08-622 for the period of March 2020 through January 2022, in the total amount of \$35,400 to be paid over six years with biannual payments, effective August 8, 2023 through December 31, 2028.

(Presenter: Beahta R. Davis, Director, 387-2340)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

**Create, Maintain, and Grow Jobs and Economic Value in the County
Operate in a Fiscally Responsible and Business-Like Manner.**

FINANCIAL IMPACT

Approval of this item will not require the use of Discretionary General Funding (Net County Cost). The Regional Parks Department (Department) will receive two biannual payments of \$2,950 from LandD INC. (Concessionaire) through December 31, 2028, to repay the monies owed under Agreement No. 08-622. The first payment for 2023 will be due by August 30, 2023, and the second payment will be due by December 31, 2023. All future years, starting with 2024, the first payment of \$2,950 will be due by June 30th and the second of \$2,950 will be due by December 31st of each year with the final payment in the amount of \$2,950 due by December 31, 2028, which will include any remaining outstanding balance.

Adequate appropriation and revenue are included in the Department's 2022-23 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

On June 24, 2007 (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 (Premises) for an initial 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 term through June 30, 2013.

**Agreement with LandD INC. for Repayment of Monies Owed
August 8, 2023**

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 monthly concession fee revenue to \$1,200 or 5% of gross income (whichever is greater), plus 3% of gross income towards Calico Regional Park (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 were to submit a written proposal, which would include the proposed amount of rent to be deferred during the eligible period, from March 19, 2020, through December 31, 2023, as a result of the COVID-19 pandemic. If a tenant did not qualify for deferral under the parameters, agreements with those tenants to defer rent and waive associated penalties and interest as a result of the pandemic required separate Board approval.

The Concessionaire contends that its operations at the Premises were impacted by the COVID-19 pandemic and, therefore, requests that the outstanding amount of \$34,500 from March 2020 to January 2022 due to the County be put on a six-year biannual re-payment plan.

Because Amendment No. 3 extended the Lease Agreement to its final term of June 30, 2023, no further extensions are available on the lease. The Department released a Request for Proposals for a new lease of the Premises. The recommended agreement for repayment is not contingent on the Concessionaire being awarded another lease agreement for the Premises.

This agreement aligns with the County and Chief Executive Officer's goal to operate in a fiscally-responsible and business-like manner and create, maintain, and grow jobs and economic value in the County by allowing the Department to leverage park resources to obtain revenue with the aim of reducing the Department's reliance on Discretionary General Funding.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on May 8, 2023; Real Estate Services Department (Terry Thompson, Director, 387-5252) on May 17, 2023; Finance (Elias Duenas, Administrative Analyst, 387-4052) on June 22, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on June 22, 2023.

**Agreement with LandD INC. for Repayment of Monies Owed
August 8, 2023**

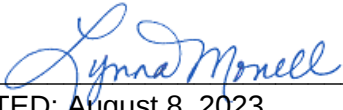
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 8, 2023



cc: Parks - Davis w/agree
 Contractor - c/o Parks w/agree
 File - w/agree
CCM 08/14/2023