



San Bernardino County

Legislation Text

File #: 754, Agenda Item #: 45

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

August 6, 2019

FROM

BEAHTA R. DAVIS, Director, Regional Parks Department

SUBJECT

Revenue Lease Agreement with Close the Lid Entertainment, LLC at Calico Ghost Town Regional Park to operate Lane's General Store concession

RECOMMENDATION(S)

Approve Revenue Lease Agreement with Close the Lid Entertainment, LLC to operate the Lane's General Store concession at Calico Ghost Town Regional Park from August 6, 2019 until August 5, 2024, with two five year options to extend the contract, in which the County will receive lease fees of no less than \$60,000 during the initial five year term.

(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, Close the Lid Entertainment, LLC. (Concessionaire), will pay the Regional Parks Department (Department) a minimum monthly fee of one-thousand dollars (\$1,000) or six percent (6%) of gross income, whichever is greater for the first two (2) years of this Agreement to lease building #10, known as Lane's General Store at Calico Ghost Town Regional Park (Park) from August 6, 2019 through August 30, 2021. On September 1, 2021 the lease fee will increase to \$1,000 a month or 7% of gross income, whichever is greater and on September 1, 2022 it will increase to \$1,000 a month or 8% of gross income, whichever is greater, for the remainder of the initial term. Concessionaire will also pay 3.5% of their monthly gross income as an advertising fee for promotion of the Park. The Department will match their payment equal to a minimum of one and a half times the 3.5% collected.

The Concessionaire will also submit a \$1,000 security deposit prior to the commencement of the Agreement to secure compliance with lease terms. Adequate appropriation and revenue has been included in the Department's 2019-20 budget and will be included in subsequent recommended budgets throughout the life of the agreement.

BACKGROUND INFORMATION

The Department operates and maintains nine regional parks including Calico Ghost Town Regional Park,

located in the City of Yermo, and provides for the rental of park property through Board approved fees. The recommended Agreement between the Department and Concessionaire allows for a five year initial term commencing August 6, 2019.

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.

Close the Lid Entertainment, LLC. currently operates Calico Bottle House, Dorsey's Dog House, Calico Attractions and the Calico & Odessa Train.

PROCUREMENT

The previous Lease Agreement for this building ended April 30, 2019. The Department ran an advertisement from March 9, 2019 through March 31, 2019 in the Desert Dispatch, Daily Press, Hesperia Star, and The Review newspapers notifying the public of the available concession opportunity in this building. Two proposals were received, including a response from Close the Lid Entertainment, LLC. The proposals were evaluated based on their proposed management plan, financial viability, and experience providing similar concessions. Based on this evaluation, the Department recommends approval of this Revenue Lease Agreement with Close the Lid Entertainment, LLC.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Dawn Martin, Deputy County Counsel, 387-4322) on July 15, 2019; Finance (Elias Duenas, Administrative Analyst, 387-4052) on July 18, 2019; County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on July 22, 2019.