



San Bernardino County

Legislation Text

File #: 2292, Agenda Item #: 49

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

June 9, 2020

FROM

Beahta Davis, Director, Regional Parks Department

SUBJECT

Grant Authority to the Director of Regional Parks to Terminate Lease with Bureau of Land Management at Moabi Regional Park

RECOMMENDATION(S)

1. Approve termination of Lease Agreement No. 08-1039 with Turtle Cove Marina, LLC relating to a portion of a land within Moabi Regional Park (Four votes required).
2. Authorize the Director of Regional Parks Department to provide notice to the United States Department of the Interior, Bureau of Reclamation, Bureau of Land Management to terminate Lease No. 14-06-300-1496 at Moabi Regional Park on behalf of the County of San Bernardino effective June 30, 2021, pursuant to the terms of such lease which allows for termination by either party by providing notice a minimum of 6 months in advance of such termination (Four votes required).

(Presenter: Beahta R. Davis, Director 909-387-2340)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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 reduction of lease revenue due to the termination of the agreements will be offset by the reduction in costs associated with the maintenance of Moabi Regional Park's infrastructure.

BACKGROUND INFORMATION

This item will terminate Lease Agreement with Turtle Cove Marina, LLC, doing business as Pirate Cove Resort Marina (Pirate Cove) relating to a portion of land within Moabi Regional Park (Park). The item also allows the Regional Parks Department (Department) to send a lease termination notification to the United States Department of the Interior, Bureau of Reclamation, Bureau of Land Management (BLM) pursuant to the terms of such lease which allows for termination by either party by providing notice 6 months in advance of such termination.

The Park currently consists of 1,027 acres of land separately owned by the BLM and the California State Lands Commission (CSLC). The County holds separate leases for both the federal and state land. The County, in turn, holds separate agreements with Pirate Cove for leasing of the restaurant, bar and marina

concessions along with operations and management of the entire Park.

CSLC disputed the boundaries between the federal and state land, which resulted in lengthy negotiations between the parties. Meanwhile, the County's lease agreement with CSLC expired on July 1, 2014. CSLC approved a new lease with the County, but it had not been approved by the County because it had been in negotiations with Pirate Cove for a new lease agreement and intended to execute a new lease agreement with CSLC concurrently with Pirate Cove. During negotiations, Pirate Cove expressed interest in contracting directly with CSLC for its portion of the Park. On January 13, 2020, the County received a letter from CSLC requesting that the County approve its new lease agreement within 60 days and noted that Pirate Cove had also submitted an application to CSLC to lease that portion of the Park. On January 30, 2020, the County responded to the CSLC letter stating its intention not to renew the lease with the CSLC for the land at the Park. Thus, CSLC has advised the County that its holdover tenancy will terminate on June 30, 2020 and it intends to approve a lease agreement with Pirate Cove.

As to the BLM portion of the Park, on September 15, 1964, the County Board of Supervisors (Board) approved lease agreement #14-06-300-1496 (Agreement) with the BLM for 615.6 acres of land south of the Colorado River in Needles, California for a portion of the Park from September 15, 1964 through September 14, 2014. On July 11, 2002, the BLM authorized the extension of the Agreement through September 14, 2039. On October 7, 2008 (Item No. 58), the Board approved Lease No. 08-1039 with Pirate Cove for a term through February 29, 2028 for operation and development of the marina concession, cabins, restaurant and bar at the Park on that property which was believed to be BLM land. However, as a result of the CSLC dispute of the land boundaries, it appears a majority of the improvements made by Pirate Cove are on the portion of land now believed to be owned by CSLC.

Due to the recent occurring events regarding the lease with CSLC and land boundaries, it is cost prohibitive for the County to retain the BLM portion of the Park as there will no longer be CSLC funding or an agreement with Pirate Cove for the CSLC portion of the Park. Moreover, if the County was to retain the lease with BLM, the Lease No. 08-1039 with Pirate Cove would have to be entirely renegotiated as the majority of revenue generated by Pirate Cove is now on CSLC property rather than the BLM portion of the Park and will likely result in a lesser payment amount to the County for that BLM portion.

Consequently, the Department is requesting that Lease No. 08-1039 with Pirate Cove be terminated and authorize the Director of the Department to give notice to the BLM in writing to terminate the Agreement effective December 31, 2020.

There are several grants that were awarded to the County by the California Department of Parks and Recreation and Department of Boating and Waterways (State) for improvements to the Park, which include a ground water remediation plant, underground fuel storage tanks, campground and marina restrooms, sewer lift and boat launching facility and parking lot, in a total approximate amount of \$1,750,000. The Department is currently in negotiations with the State and CSLC to transfer the improvements to either CSLC or Pirate Cove. It is anticipated that such negotiations will occur with BLM as well. The Department may come back to the Board in the future to request further action in regards to such grant awards if necessary.

Approval of this item 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 terminate a lease agreement that will no longer generate revenue or be of service to the County or its residents.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by; County Counsel (Dawn Martin, Deputy County Counsel, 387-4322) on May

15, 2020; Finance (Elias Duenas, Administrative Analyst, 387-4052) on May 22, 2020; Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on May 26, 2020.