

12:30 p.m. Item

TO: Board Operations Committee

FROM: Renee Patterson, Administrative Analyst II

DATE: July 21, 2016

**SUBJECT: Review North Peak Equestrian License Agreement:
Diablo Foothills Regional Park**

The North Peak Equestrian Center is located in the Castle Rock Recreation Area of the Diablo Foothills Regional Park. In September 2005, the District was approached by the operator of this property, Jim and Mariah Bradford-Urban, to lease District land adjacent to equestrian center. District staff's primary concerns were for the water quality of the creek below this site and any possible impacts posed by the equestrian facility located on its banks. The District continued to negotiate with the operators and reviewed and commented on the operator's proposed improvement plans.

In January 2006, the operators installed several horse paddocks, a roadway, detention basin, and trailer parking on District land without obtaining the District's written approval. In an effort to resolve this situation in a manner that was beneficial to all parties, staff continued to negotiate with the owner and operator to license the site to them for use, in conjunction with their equestrian facility. Through the terms and conditions of the license agreement, the owner and operator were required to pay fair market rent for the land of approximately 37,400 square feet and were required to remove the horse trailer parking from the proposed lease property.

The Park Supervisor and staff regularly inspect the area and monitor parking, invasive weeds, and drainage concerns, as needed. Other than staff time, there are no direct costs associated with this agreement. The new ten-year agreement will bring the rental rate for the subject property more in line with current market rents. During this period, the Licensee will be responsible for any maintenance or repairs to the subject property at their sole cost.

Under the terms of the agreement, the District will receive current fair market value of \$1,763 per month, increasing 3% annually. Provided that the Licensee is in compliance with all of the terms and conditions of the license agreement, staff recommends that the District authorize an initial five-year agreement and, at District's sole discretion, to extend the term of the agreement an additional five years upon six month's written request.

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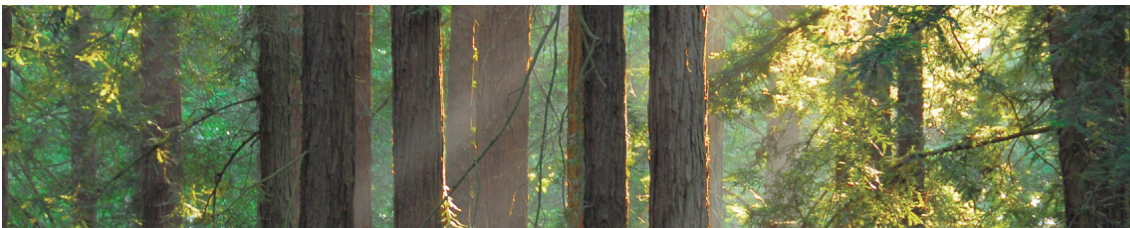
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12:45 p.m. Item

TO: Board Operations Committee

FROM: Mimi Waluch, Business Services Manager

DATE: July 21, 2016

**SUBJECT: Update Disc Golf:
Oyster Bay Regional Shoreline**

Business Services Manager Mimi Waluch will present an update to the Board Operations Committee on the Disc Golf Installation Project at Oyster Bay Regional Park. Project Manager Kim Fisher will present a Power Point presentation with an overview of the project status and next steps in anticipation of project completion in 2016.

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1:15 p.m. Item

TO: Board Operations Committee
FROM: Mimi Waluch, Business Services Manager
DATE: July 21, 2016
SUBJECT: **Review Little Hills Concession Agreement:
Las Trampas Regional Park:**

Urban Park Concessionaires (“Urban Parks”) has been the concession operator at Little Hills for the District since 1994. In December 2009, through the Request for Proposal process, the District entered into a five-year concession agreement with Urban Parks to operate Little Hills in Las Trampas Regional Park. This agreement was renewed for a second five-year term in December 2014.

In February 2016, Urban Parks requested a renegotiation of concession fees due to increases in costs of goods and California wage and benefit costs. According to the Urban Parks they have incurred an overall 36.2% increase of total expenses over the past four years. There has been two minimum wage increases since 2009, from \$8.00 per hour to \$10.00 per hour.

Urban Parks’ request is to decrease fees paid to the District as follows:

Current Structure Concession Receipts	Percentage Fee	Proposed Structure Concession Revenue	Percentage Fee
\$ 0 - \$700,000	3%	\$0 - \$960,000	3%
\$700,001 and above	15%	\$960,001 - \$1,500,000	7%
		\$1,500,001 - \$2,000,000	9%
		\$2,000,001 and above	15%
Maintenance Fund		Maintenance Fund	
\$ 0 - \$700,000	5.7%	No change	
\$700,001 - \$960,000	7%	No change	
\$960,001 and above	8%	No change	

This proposal will result in decreased revenue to the District by 2.8%, approximately \$40,000 per year. The current four-year average revenue paid to the District by Urban Parks is 12.2% of gross receipts, with half for Concession Fees and half for Concession Maintenance Fees.

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District staff is proposing that fees be decreased to accommodate the increase in wages and benefits, and product inflation so that the structure can be simplified to a single percent with no thresholds. In addition, a higher percentage of the fees paid will be deposited to the Concession Maintenance Fund rather than Concession Fee revenue, thus allowing monies to be set aside and accumulate for much needed capital improvements.

Staff recommends that the agreement with Urban Parks for the District's Group Use Facility seasonal concession at Little Hills in Las Trampas Regional Park be amended to change the fees paid to the District to 3% of gross receipts for the Concession Fee and 10% of gross receipts for the Concession Maintenance Fee as follows:

Current Structure Concession Receipts	Percentage Fee	Recommended Structure Concession Revenue	Percentage Fee
\$ 0 - \$700,000	3%	\$0 - \$2,000,001 and above	3%
\$700,001 and above	15%		
Maintenance Fund		Maintenance Fund	
\$ 0 - \$700,000	5.7%	\$0 - \$2,000,001 and above	10%
\$700,001 - \$960,000	7%		
\$960,001 and above	8%		

This revenue to the District will decrease by \$32,000 and the concession maintenance fund will increase by \$37,000 annually. In addition, it would be agreed that half of the fees from the Concession Maintenance Fund will be held in the account for very large capital improvements such as repairing the hillside above the pool.