



Agenda Item 6E

Approvals:

City Manager DJ

Dept. Head [Signature]

Attorney _____

Finance [Signature]

AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: September 17, 2013

Department: Beaches, Parks & Recreation
Finance & Administrative Services

Prepared By: Pamela Passow, Recreation Manager

Subject: *STEED PARK CONCESSIONAIRE CONTRACT REVIEW AND SECOND AMENDMENT.*

Fiscal Impact: None. Under the current agreement, the concessionaire pays the City the greater of \$1,350 base rent or ten percent of gross sales. In fiscal year 2013, revenue averaged \$1,540 per month.

Summary: The concessionaire at Richard T. Steed Park has requested to exercise its second three-year extension option as provided for in the existing concession lease agreement. Staff is recommending several changes to the agreement that will mutually benefit the City and the concessionaire.

ackground: In 2007, the City entered into an agreement with Gary and Meg Greenberg to operate the concession at Steed Park. The initial term of the agreement was three years, with up to three successive options for the Tenant to extend the lease for a period of three years each. As provided in the lease, the Greenberg's have notified the City that they would like to exercise the second three-year option period. If approved, the lease would be extended until October 20, 2016.

Discussion: The requested concession lease extension has prompted a review of the agreement, and staff is recommending the following changes to mutually benefit the City and the concessionaire.

Gate Control Operations – The contract allows the concessionaire to staff the front gate of Steed Park on weekends to restrict outside food and beverage. Special dietary items required for medical reasons and individual water containers are allowed. Bags, coolers and other visitor belongings are subject to inspection. Coolers are not allowed in the park, but the concessionaire has been allowing team coolers with water only into the park for players and coaches. Staff is proposing a change to this section of the contract to allow team coolers containing only water into the park.

As a method of gate control, the concessionaire charges a \$2 admission fee for all tournaments (youth and adult); however, the admission fee can not be charged to youth players or coaches. A \$1 credit is given if a visitor shows the admission ticket and purchases food or drink at the concession stand. Staff is proposing to define "tournaments" to include all days of the week, as some tournaments begin and/or

end during the weekdays (Monday-Friday). An admission fee could be charged for all tournaments.

Memorial Weekend Tournament – The previous contract did not contain specific details as it relates to the Memorial Weekend girls softball tournament hosted by San Clemente Girls Softball (SCGS). In the past, the concessionaire has relinquished food and beverage sales to the SCGS because SCGS relies so heavily on this revenue as a fundraiser. The concessionaire would prefer to operate during this tournament, but has agreed to remove this weekend's operations from its contract if SCGS would cover the cost of utilities and rent associated with the three (3) day tournament. Approximate costs would be \$250-\$500. SCGS has agreed to this proposal by the concessionaire.

Recommended

Action:

STAFF RECOMMENDS THAT the City Council 1) approve the second of three three-year lease extension to Gary and Meg Greenberg for the concession at Richard Steed Park to expire in October 2016; and 2) approve and authorize the Mayor to execute Amendment #2 to the lease agreement for Steed Park Food and Beverage Concession.

Attachments: Amendment #2 to the concession lease agreement for Steed Park.

Notification: Meg and Gary Greenberg

**SECOND AMENDMENT TO LEASE AGREEMENT FOR
RICHARD T. STEED MEMORIAL PARK FOOD AND BEVERAGE CONCESSION**

This SECOND AMENDMENT TO LEASE AGREEMENT FOR RICHARD T. STEED MEMORIAL PARK FOOD AND BEVERAGE CONCESSION (the "Second Amendment") is made and entered into on this __ day of _____, 20__, by and between the CITY OF SAN CLEMENTE, a municipal corporation ("City"), and MEG AND GARY GREENBERG ("Consultant").

R E C I T A L S:

- A. Landlord and Tenant entered into that certain Lease Agreement for Richard T. Steed Memorial Park Food and Beverage Concession (the "Agreement") on October 15, 2007.
- B. Landlord and Tenant entered into that certain First Amendment to Lease Agreement for Richard T. Steed Memorial Park Food and Beverage Concession on or about December 6, 2011 (the "First Amendment"). The Original Agreement, as amended by the First Amendment, is hereinafter referred to as the "Existing Agreement".
- C. Landlord and Tenant desire to amend the Existing Agreement in the manner provided herein.

C O V E N A N T S:

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, Landlord and Tenant hereby agree as follows:

1. Article VI, Section 6.03.2, paragraph 4, sentence 4 – change to read "Regardless of gate control methods employed by Tenant, a \$2.00 gate fee may only be charged during tournaments (youth and adult), and may not be charged to youth players or coaches.
2. Section 6.02 – Hours of Operation – insert "Concessionaire agrees to release operations during Memorial Weekend. Concessionaire agrees to remove this weekend's operations from its contract with the provision that San Clemente Girls Softball (SCGS) pays the cost of utilities and rent associated with the three (3) day tournament. Approximate costs would be \$250-\$500. SCGS has agreed to this proposal by the concessionaire."

3. Except as expressly amended by this Second Amendment, the remaining portions of the Agreement shall remain in full force and effect.

End of Text

6E.f

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed on the respective dates set forth opposite their signatures.

CITY OF SAN CLEMENTE

By: _____

Its: _____

Dated: _____, 199__

ATTEST:

CITY CLERK of the City of
San Clemente, California

Approved as to form:

City Attorney

("CONTRACTOR")

By: _____

Its: _____

Dated: _____, 199__

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