




**EAST BAY REGIONAL PARK DISTRICT
OPERATIONS COMMITTEE
AGENDA STAFF REPORT**

DATE	July 17, 2024
TITLE	Recommendation to authorize Amendment of the Del Valle Food and Marina Concession Agreement with Advenco LLC
DIVISION	Operations
FROM	Tiffany Margulici, Business Services Manager Lisa Goorjian, Assistant General Manager of Operations
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

The General Manager recommends that the Board Operations Committee recommend to the full Board an amendment to the Del Valle Food and Marina Concession Agreement with Advenco LLC to extend the current agreement for two years ending on October 3, 2029, and adjust the Concession Maintenance Fund Fees down to 0.5% on food and retail and 10% on boat rentals . All other terms and conditions of the agreement including concession fees (revenue) would remain unchanged.

BACKGROUND

Del Valle Regional Park is a lakeside resort 10 miles south of Livermore, California and operated by the Park District for the State of California. The Concession provides recreational amenities and enhanced services to park visitors at four locations within Del Valle: 1) the East Swim Beach Concession (snack bar and novelties), 2) the Campground Store, 3) the Bait Store that includes snacks as well as contract processing for the boat rentals, and 4) the boat rental marina. The types of boats for rent are pontoon boats, gas motorboats, row boats, pedal boats, and canoes. Visitors may also launch their own boats at the public marina.

In October 2016, after a Request for Proposals process, the Board of Directors authorized a Concession Agreement with Pyramid Enterprises dba Rocky Mountain Concessions for a three-year term with one additional seven-year term extension ending October 3, 2026, for the exclusive license to operate the food and marina concession facility (Concession) in Del Valle Regional Park Resolution No.2016-10-264. This term was extended by one year to October 3, 2027, for Covid-19 relief Resolution No.2020-05-081. Pyramid Enterprises sold their business to Advenco LLC in 2021 and assigned this agreement to Advenco LLC.

In January 2023, severe storms flooded Lake Del Valle and the marina was destroyed. In addition, the marina store and the east side food concession were severely flooded and determined to be a total loss. Advenco LLC proposed to the District and the State of California a temporary pier that was approved and placed in the park in June 2023, along with a rented modular building to process boat rentals (the Marina Store.) Advenco purchased the temporary pier system and installed it at its own expense. The modular rental expense is reimbursed through the Concession Maintenance Fund (CMF).

The modular Bait Store rental is set up to sell limited packaged food items, whereas the previous building was configured to allow for prepared food and snacks such as coffee or ice drinks. For the East Beach Snack Concession, staff and Advenco are working together to explore the feasibility of moving a temporary food trailer to this location to provide an interim option for food sales.

ANALYSIS

The conditions of the Del Valle Food and Marina Concession were significantly altered by the 2023 storms and floods. Concession infrastructure has not been fully restored to pre-storm conditions and additional time is needed to plan and design repairs and/or replacement facilities. In consideration of the extended closure of the concession in 2023 and the ongoing altered conditions of the facilities that do not align with what they were when the contract was executed, staff is recommending amending the existing agreement. The primary reason for the amendment is to allow the concessionaire some time to recoup expenses due to lost sales for 2023 and the expense of the pier system. A two-year extension and the reduced CMF fees will give them a savings of approximately \$250,000. The extended period also allows the Park District extra time to plan and execute the replacement of the concession facilities that were destroyed in the storms.

FISCAL IMPACT

There will be impact to revenue to the Park District for this action. The Concession Maintenance Fund (CMF) Fees will be reduced to 0.5% on food and retail and 10% on boat rentals ending on October 3, 2028. This represents a 50% reduction to the CMF Fees, from 21% to 10.5%. CMF Fees are not included in Park District revenue; this will only impact the Concessionaire's ability to use the fund for maintenance and repairs.

ATTACHMENTS

None.