



CHANNEL ISLANDS HARBOR
Ventura County Harbor Department

Lyn Krieger
Director

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October 20, 2015

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Approval of and Authorization for Harbor Director to Sign a Fourth Amendment to the Concession Agreement with Douglas Vernand for the Sportfishing Landing at Channel Islands Harbor

Recommendations:

1. Approve the attached Fourth Amendment to the Sport Fishing Concession Agreement (Agreement) entered May 2009, with Douglas Vernand, extending the term of the contract to October 31, 2017, for operation of the sportfishing landing located at Channel Islands Harbor; and
2. Authorize the Director of the Harbor Department to execute the attached Fourth Amendment to the Agreement on behalf of the County:

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding	Concession Rent
Funding Match Required:	No
Impact on Other Departments:	Minimal

Summary of Estimated Revenue and Costs:

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Revenue	\$ 100,000	\$ 150,000
Cost of this contract amendment	\$ 0	\$ 0
Net Revenue	\$ 100,000	\$ 150,000

CURRENT FY 2015-16 Budget Projection for Harbor Enterprise Org 5100				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	9,073,960	9,073,960	9,073,960	0
Revenue	8,270,500	8,270,500	8,270,500	0
Operating Gain/Loss	(803,460)	(803,460)	(803,460)	0

Discussion:

In 2009, the Harbor Department entered into a concession agreement for operation of the Channel Islands Sportfishing landing commonly known as "CISCOS". The Agreement provided for an initial term of one year, with optional extensions for up to three additional years. The Agreement was subsequently amended to provide additional boat slips and extend the total term to five years. The arrangement has worked out well for both parties, and customers are satisfied with the current management.

In early 2014, the concessionaire requested the opportunity to discuss investing in replacement of the landside facilities in exchange for a negotiated lease. On March 25, 2014, your Board approved the Third Amendment to the Agreement, which extended the term of the Agreement for eighteen months to provide a period for the concessionaire and Harbor staff to determine the required level of facilities investment and related lease term, evaluate financial feasibility, and develop preliminary plans. Over the past year, Harbor staff has met multiple times with the concessionaire to provide input on facility standards and required investment. The concessionaire ultimately determined that it was not financially feasible for him to undertake the level of investment that would be necessary.

In light of the concessionaire's conclusion, Harbor staff must now evaluate the sportfishing operation and facilities for alternate strategies to fund reinvestment. This review will need to be coordinated with several other, significant projects, some of which are before your Board today, and is estimated to be completed within the next 24 months. Harbor staff recommends retaining the current concessionaire during the review period in order to provide continuity of operations. Accordingly, the Fourth Amendment to the concession agreement would provide an extension of two years, for a total term of eight and a half years.

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The County Executive Office, Auditor-Controller's Office and County Counsel have reviewed this letter and attachments.

If you have any questions regarding this item, please contact me at 973-5952.


LYN KRIEGER
Director

Exhibit 1 – Fourth Amendment