



## STATE PARK AND RECREATION COMMISSION

Berkeley, CA  
September 21, 2023

**STAFF REPORT:** Beach Stand Operations at Bolsa Chica State Beach

**STAFF:** Erik Hernandez, Concessions Program Manager

**SUBJECT:** Request for the State Park and Recreation Commission to determine the concession's compatibility with the Park's General Plan and Park Unit Classification.

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### I DEPARTMENT RECOMMENDATION

The Department of Parks and Recreation (Department) requests the State Park and Recreation Commission (SPRC) determine the continued operation and development of Beach Stand Operations at Bolsa Chica State Beach (SB) through a concession contract is compatible with the unit classification and the General Plan. This project is presented in accordance with Public Resources Code § 5080.20 because the concessionaire gross receipts are anticipated to exceed \$1,000,000 annually.

### II PROJECT DESCRIPTION

Bolsa Chica State Beach is a family friendly beach located in the city of Huntington Beach along Pacific Coast Highway and extends three miles from Sunset Beach to Seapoint Avenue. In Fiscal Year (FY) 2021/22 the unit had 1,266,858 visitors and revenues of \$6,882,234.07. Bolsa Chica SB is four miles south of the City of Long Beach, with convenient freeway and highway access. A popular universal asphalt path connects Bolsa Chica State Beach to Huntington State Beach, seven miles south. Across Pacific Coast Highway from the beach is the Bolsa Chica Ecological Reserve, designed by the California Department of Fish and Game for preservation of coastal wetland species and their habitats. Current activities at Bolsa Chica State Beach include fishing, bird watching, biking, running, surfing, camping, use of campfire rings, volleyball and more. Camping facilities include partial hookups (water and electricity) for 57 RV's and the campfire center. There is a day use fee for vehicles entering the park and overnight fees for campers utilizing the campground. Bolsa Chica SB experiences heavy winds that also impact park usage and maintenance.

The existing concessionaire, currently operating month-to-month, provides visitors with hot and cold food, alcoholic (beer and wine) and non-alcoholic beverages, beach and camping

sundries, and equipment rentals as well as special event and catering services at four (4) beach stands identified as building #s 13, 16, 19, and 24.

- Facility #13 the furthest south of Bolsa Chica State Beach Visitor Center/Lifeguard Headquarters is located in an area heavily used by surfers year-round. The facility has approximately 1690 square feet of enclosed space and 200 square feet of secure outdoor storage space.
- Facility #16 is located adjacent to the campground and campfire center. The campground is usually filled to capacity from May through September and on weekends most of the year through a reservation system. The facility was designed to serve both as a general provisions store and a food service facility. The facility has approximately 1690 square feet of enclosed space and 200 square feet of secure outdoor storage space.
- Facility #19 is centrally located and in close proximity to the Bolsa Chica State Beach Visitor Center/Lifeguard Headquarters. The facility has approximately 1802 square feet of enclosed space and 200 square feet of secure outdoor storage space.
- Facility #24 is the furthest north of the Bolsa Chica State Beach Visitor Center/Lifeguard Headquarters located in an area that has been specifically designed and developed for group picnic and special event activities. This facility has approximately 1160 square feet of enclosed space. Two large group picnic areas, controlled by the Department, are adjacent to this facility. Each area can accommodate approximately 100 people.

The Department intends to advertise a Request for Proposals (RFP) for a ten (10) year concession contract with the State's option to extend the contract an additional five (5) years for the operation and development of the four (4) beach stands and surrounding plaza areas at Bolsa Chica State Beach to provide hot and cold food, alcoholic (beer and wine) and non-alcoholic beverages, beach and camping sundries, and equipment rentals as well as special event and catering services. The new contract will include a minimum facility improvement expenditure of two hundred thousand dollars (\$200,000) including but not limited to facility upgrades to address the impacts of sea level rise.

Minimum required annual rent will be two hundred thousand dollars (\$200,000) annually or nine percent (9%) of gross receipts, whichever sum is greater; plus, a minimum of three percent (3%) of gross receipts to be deposited into a Facility Maintenance and Improvement Account (FMIA). The future concessionaire will fund unit upgrades or projects which provide for the sustainability, improvement, and benefit of the unit and the public through the FMIA.

### **III CLASSIFICATION AND GENERAL PLAN**

**Park Classification:** The unit was classified as a state beach in 1963. In accordance with PRC section 5019.56(c), such classification applies primarily to areas with “frontage on the ocean, or bays designed to provide swimming, boating, fishing, and other beach-oriented recreational activities. Coastal areas containing ecological, geological, scenic, or cultural resources of significant value shall be preserved within state wildernesses, state reserves, state parks, or natural or cultural preserves, or, for those areas situated seaward of the mean high tide line, shall be designated state marine reserves, state marine parks, state marine conservation areas, or state marine cultural preservation areas.” The proposed concession operation will enhance park visitor use and enjoyment of Bolsa Chica SB’s scenic and cultural features. Management of the unit shall continue to preserve and protect public opportunities for ocean beach-oriented recreation in a high quality environment.

**Consistent with the General Plan:**

The General Plan for Bolsa Chica SB was drafted in 1970 and amended in 1971 and 1987. The concessions element of the draft General Plan states, “Five building sites, spaced evenly along the beach, will provide for snack bars, beach equipment rental and sundry sales essential to beach users. On the terraces surrounding the snack bars will be tables and benches with planting for people to picnic and to enjoy snacks.” Regarding General Plans (GP) and General Development Plans (GDP) the 2022 Planning Milestones document notes that “the very earliest GDPs often consist of only one or more maps” as a footnote explaining the approval date of the 1971 General Plan Amendment. The 1971 General Plan amendment map showed a facilities summary of five concession buildings. The 1987 General Plan amendment outlines the 1986 agreement with the City of Huntington Beach for the area between the Huntington Beach Municipal Pier and the City of Huntington Beach northerly municipal boundaries for “the maintenance and operation of the unit” and the change in responsibility “brought about the need for an amendment to the General Plan”. The proposed plan “relocated the existing concession building to the parking structure”, but this was not approved or included in the amendment. The plan states that the entire unit “can be classified as an appropriate area for high intensity use”.

The proposed RFP for Bolsa Chica SB Beach Stand Operations is consistent with the General Plan because it accounts for concession buildings.

**IV PREVIOUS COMMISSION ACTIONS**

Previous SPRC actions include approval of the Bolsa Chica SB General Plan Amendment, Resolution 79-87 adopted on December 1, 1987. Following a 5-year contract agreement with the current concessionaire and increasing gross receipts over the past 5+ years, this action is brought before the SPRC for review and approval based on PRC section 5080.20, because the overall gross receipts from this operation as a concession will exceed \$1,000,000 annually.

**V PUBLIC INPUT PROCESS**

Following approval by the Commission and notice to the Joint Legislative Budget Committee, the Department will prepare and advertise to the public an RFP in accordance with PRC Section § 5080.23(b). The competitive process provides for public input.

## **VI LEGAL ISSUES**

There are no known legal issues relating to the Commission’s approval of this project.

## **VII FISCAL IMPACT TO STATE**

Following is the fiscal impact during the past five reported years of this concession operation.

Fiscal Year	Gross Sales	Rent to State
2017/18*	\$1,736,251.77	-
2018/19*	\$1,230,037.09	\$94,173.14
2019/20 <sup>1</sup>	\$898,175.93	\$80,779.58
2020/21 <sup>1</sup>	\$3,988,963.86	\$357,662.09
2021/22 <sup>1</sup>	\$2,993,940.97	\$269,416.69

\* Rent to State includes facility rent abatements.

<sup>1</sup> Reflects alterations in operations due to Covid.

## **VIII RESULT OF NO ACTION BY COMMISSION**

If there is no action by the Commission the concession contract will continue to operate on month-to-month status. The Department will lose the opportunity for increased revenue as well as facility improvements established through the competitive bid process.

## **ATTACHMENTS**

Appendix A: Public Resources Code Sections 5019.56, 5080.03, 5080.18(a)(1), 5080.20, 5080.23(b)

## Public Resources Code

**5019.56.** State recreation units consist of areas selected, developed, and operated to provide outdoor recreational opportunities. The units shall be designated by the commission by naming, in accordance with Article 1 (commencing with Section 5001) and this article relating to classification.

In the planning of improvements to be undertaken within state recreation units, consideration shall be given to compatibility of design with the surrounding scenic and environmental characteristics.

State recreation units may be established in the terrestrial or nonmarine aquatic (lake or stream) environments of the state and shall be further classified as one of the following types:

(a) State recreation areas, consisting of areas selected and developed to provide multiple recreational opportunities to meet other than purely local needs. The areas shall be selected for their having terrain capable of withstanding extensive human impact and for their proximity to large population centers, major routes of travel, or proven recreational resources such as manmade or natural bodies of water. Areas containing ecological, geological, scenic, or cultural resources of significant value shall be preserved within state wildernesses, state reserves, state parks, or natural or cultural preserves, or, for those areas situated seaward of the mean high tide line, shall be designated state marine reserves, state marine parks, state marine conservation areas, or state marine cultural preservation areas.

Improvements may be undertaken to provide for recreational activities, including, but not limited to, camping, picnicking, swimming, hiking, bicycling, horseback riding, boating, waterskiing, diving, winter sports, fishing, and hunting.

Improvements to provide for urban or indoor formalized recreational activities shall not be undertaken within state recreation areas.

(b) Underwater recreation areas, consisting of areas in the nonmarine aquatic (lake or stream) environment selected and developed to provide surface and subsurface water-oriented recreational opportunities, while preserving basic resource values for present and future generations.

(c) State beaches, consisting of areas with frontage on the ocean, or bays designed to provide swimming, boating, fishing, and other beach-oriented recreational activities. Coastal areas containing ecological, geological, scenic, or cultural resources of significant value shall be preserved within state wildernesses, state reserves, state parks, or natural or cultural preserves, or, for those areas situated seaward of the mean high tide line, shall be designated state marine reserves, state marine parks, state marine conservation areas, or state marine cultural preservation areas.

(d) Wayside campgrounds, consisting of relatively small areas suitable for overnight camping and offering convenient access to major highways.

**5080.03.** (a) The department may enter into contracts with natural persons, corporations, partnerships, and associations for the construction, maintenance, and operation of concessions within units of the state park system for the safety and convenience of the general public in the use and enjoyment of, and the enhancement of recreational and educational experiences at, units of the state park system.

(b) Concessions shall not be entered into solely for their revenue producing potential.

(c) With respect to any unit of the state park system for which a general development plan has been approved by the commission, any proposed concession at that unit shall be compatible with that plan.

**5080.18 (a)(1).** The maximum term shall be 10 years, except that a term of more than 10 years may be provided if the director determines that the longer term is necessary to allow the concessionaire to amortize improvements made by the concessionaire, to facilitate the full utilization of a structure that is scheduled by the department for replacement or redevelopment, or to serve the best interests of the state. The term shall not exceed 20 years without specific authorization by statute. Except as provided in Section 5080.16, all renewals of concession contracts pursuant to this paragraph shall be subject to competitive bidding requirements.

**5080.20.** A contract, including a contract entered into on lands operated pursuant to an agreement entered into under Article 2 (commencing with Section 5080.30), that is expected to involve a total investment or estimated annual gross sales in excess of one million dollars (\$1,000,000), shall not be advertised for bid, negotiated, renegotiated, or amended in any material respect unless and until all of the following requirements have been complied with:

(a) The commission has reviewed the proposed services, facilities, and location of the concession and determined that they meet the requirements of Sections 5001.9 and 5080.03 and are compatible with the classification of the unit in which the concession will be operated.

(b) At least 30 days advance written notice of the proposed concession has been provided by the director to the appropriate policy and fiscal committees of the Legislature and the Joint Legislative Budget Committee.

(c) The proposed concession is accompanied with documentation sufficient to enable the commission and the Joint Legislative Budget Committee to ascertain whether the concession will conform to the requirements of this article and to evaluate fully all terms on which the concession is proposed to be let, including the rent and other returns anticipated to be received.

**5080.23(b).** For any concession contract authorizing occupancy by the concessionaire for a period of more than three years of any portion of the state park system that is entered into pursuant to this section, the department shall prepare a request for proposal, which shall include the terms and conditions of the concession sufficient to enable a person or entity to submit a proposal for the operation of the concession on the basis of the best benefit to the state. Proposals shall be completed only on the basis of the request for proposal.