



STATE PARK AND RECREATION COMMISSION

Berkeley, CA
September 21, 2023

STAFF REPORT: Camp Store and Restaurant at San Elijo 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.

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 a Camp Store and restaurant at San Elijo 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 total investment for facility improvements will exceed \$1,000,000.

II PROJECT DESCRIPTION

The San Elijo SB campground is a popular beach camping destination for surfers, snorkelers, divers, and beach combers and is approximately .5 mile from end to end, located along Coast Highway 101 in Cardiff, CA. The beach entrance is $\frac{3}{4}$ mile north from San Elijo Lagoon's entrance channel and near the community of Cardiff-by-the-Sea. The campground offers bluff-top campsites overlooking the ocean. There are 162 campsites within the campground offering sites for tents, RVs, and trailers. The nearest grocery store is located approximately 0.4 miles from the camp store in a strip mall that includes several restaurants and a grocery store.

San Elijo SB campground would greatly desire a concessionaire willing to improve upon the already existing footprint while enhancing the features of inside and outside offerings.

The camp store is located in the center of the park, just west of the park entrance. The existing store footprint is 28' x 24' which extends to the outside edges of the camp store, a footprint of 51' x 54'. The store footprint includes an outside deck and seating area which wraps around the building.

The Department intends to advertise to bid a 10-year concession contract to provide food and beverage, beach-related services, camping supplies, laundry, and souvenirs at the existing camp store location at San Elijo SB. The new contract would include the sale of alcohol for on- and off-premises consumption.

The new contract will require a minimum annual rent of \$135,000 per year or 13% of annual gross receipts, whichever is greater. In addition, the contract will require Construction and Completion of Improvements, with a minimum expenditure of six hundred thousand dollars (\$600,000) for the concessionaire to make major capital improvements to update the facility and grounds; and a minimum of 2% of gross receipts to be placed in a Facility Maintenance Improvement Account (FMIA). The future concessionaire will fund renovations to the existing camp store through the FMIA.

Capital Improvements, to update the facility and grounds include:

1. Improvements to the architectural elements of the interior and exterior of the building
2. Additions to facilities and grounds including but limited to, storage cooler, laundry appliances, employee restroom facility, heating and air appliances, lighting fixtures, shelving, public seating, commercial kitchen appliances, dining equipment, and counter tops.
3. Installing new decking and railing to the existing exterior bluff seating area and surrounding patio.
4. Replacing the fence to the north of the concession building to ensure integrity and security of storage space.

III CLASSIFICATION AND GENERAL PLAN

Park Classification:

San Elijo SB was classified as a State Beach in May 1969. 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 San Elijo SB’s scenic and cultural features.

Consistent with the General Plan:

The General Plan for San Elijo SB was originally approved on November 4, 1983. The concessions element of the general plan states “A single retail concession near the campground entrance currently provides food, beverages, and sundry articles to campers. This plan proposes that this concession operation continue in its present form, with the addition of extended seating areas with tables adjacent to the concession building to improve visitor services.” San Diego Coast District provides access to one of the most popular state beaches, San Elijo SB offering blufftop camping and accessible beaches. San Elijo SB provides panorama views of the ocean, with opportunities of fishing, beachcombing, swimming, surfing, beach games, boating, and camping.

San Elijo SB would greatly benefit from a concessionaire operating a camp store and restaurant to enhance visitor experiences by offering camping supplies, rental equipment, beach related souvenirs, toys, laundry facility, and a restaurant to include food and beverages (including alcohol).

The General Plan states: “The purpose of San Elijo State Beach is to make available to the people, for their benefit and enjoyment forever, the scenic, natural, cultural, and recreational resources of the ocean beach and related uplands.”

IV PREVIOUS COMMISSION ACTIONS

Previous SPRC actions include approval of the General Plan, including Resolution 78-83 adopted on November 4, 1983. Resolution 1-2018 was approved on January 26, 2018, for similar concession services. 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 last five reported years of this concession operation.

Fiscal Year	Gross Sales	Rent to State
2015/2016	\$1,181,848	\$175,119
2014/2015	\$1,231,292	\$184,694
2013/2014	\$1,304,103	\$195,962
2012/2013	\$1,209,623	\$193,593
2011/2012	\$1,182,540	\$177,381

Visitation to San Elijo SB camp site over the past 5 years without a concession operation.

Fiscal Year	Visitation
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2021/2022	105,790
2020/2021	102,786
2019/2020	69,381
2018/2019	100,527
2017/2018	183,304

VIII RESULT OF NO ACTION BY COMMISSION

If there is no action by the Commission the concession property will remain vacant. 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, 5080.20, and 5080.23(b).

Appendix A

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.

5080.20: 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.