

JALAMA BEACH COUNTY PARK

A Park in Transition

SUMMARY

Despite its popularity, all is not well with Jalama Beach County Park. The Grand Jury found that the County does not receive sufficient revenue from RV and trailer rentals at the park, the concessionaire contract is awarded without bids, the absence of a reservation system inconveniences potential visitors, and the Parks Department has made no visible progress on expansion plans.

Jalama Beach County Park is located in one of the most isolated areas on the California coastline, and has been a favorite camping area for the local community for more than 50 years. The park facilities consist of 110 camping sites, each equipped with a barbeque pit and picnic table. Of the sites, 28 offer electrical hook-ups. Camping sites are rented on a daily basis. Also available are 105 day-use parking spaces for access to the beach and ocean.

For the past 26 years, the current concessionaire has had an exclusive contract to operate a general store for the sale of food, beverages, supplies and related beach equipment. In October 2004, the contract was amended to permit the concessionaire to rent trailers as part of the concession. Other parties provide camping equipment as well. The Grand Jury believes that the County of Santa Barbara should derive revenue from these added business activities.



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INTRODUCTION

The Grand Jury received a complaint regarding the use of the park for a trailer rental program offered by the concessionaire. The Grand Jury examined the concession contract and its amendment and reviewed the operation of the park and the granting of the concession. The Grand Jury also examined the County's method of charging commissions for the concessionaire sales and for outside providers of equipment. The Grand Jury also interviewed the concessionaire and various Parks Department officials.

OBSERVATIONS AND ANALYSIS

The 22.8-acre park is located five miles north of Point Conception where the coastline shifts from a north-south to an east-west orientation. The park is surrounded by open space to the north, east and south, and borders on the Pacific Ocean on the west. The park is bounded by Vandenberg Air Force Base to the north and the Bixby Ranch to the south. At the site of the park, the colder northern California currents converge on the warmer southern California current creating a rich and diverse environmental region. The park sits at the terminus of Jalama Road, a winding fourteen-mile, two-lane road from Highway 1 to the coast. Jalama Beach Park is located almost 19 miles south of Lompoc and 56 miles north of Santa Barbara.

The park facilities consist of 110 camping sites, each equipped with a barbeque pit and picnic table. Of the sites, 28 offer electrical hook-ups. Camping sites are rented on a daily basis. Also available are 105 day-use parking spaces for access to the beach and ocean.

The use of the park has increased in recent years. During the most recent five-year period, the park has averaged annual attendance of 145,500. Revenues have increased substantially. Recreational vehicle (RV) use accounts for 65% of park usage. September is usually the most popular month of the year, with the park experiencing about 20% of its annual usage. Park rangers estimate that demand for camping sites during peak season months is about 30% above current capacity. This overcrowding may be impacted by the closure of the Lompoc Beaches from March to October each year for the annual mating of the endangered Snowy Plover.

Concessionaire

The concessionaire has operated at the park for 26 years and is in the second ten-year renewal of its concession contract. The current agreement ends in October 2006. The concessionaire operates the general store, which supplies food and supplies to campers and is the sole authorized provider of these services. In 2004, the concession contract was amended to permit the concessionaire to rent trailers to campers.

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The amendment prohibits the storage of trailers in campsites or on the park grounds. A trailer may be brought onto the park grounds only after a camper has secured a campsite and paid all applicable camping fees. When members of the Grand Jury inspected the park, trailers were being stored on the property. The County sought to remedy the violation by advising the concessionaire not to store trailers on the property.

The amended concession contract does not limit the concessionaire's ability to rent a specific number of trailers. It is conceivable, though not likely, that the concessionaire could pre-empt all campsites with trailers, thereby limiting outside use by campers with their own trailers. The Grand Jury believes that the concessionaire should be limited to a specific number of trailers that can be rented.

The concessionaire pays the County \$400 per month or six per cent of the gross sales, whichever is greater. This is a fee fixed by the County for Jalama Beach Park.

Park Reservations

The park posts an electronic sign on Jalama Road near Highway 1 that advises the public when RV and trailer sites and "Day Use" sites are full. The sign is manually activated and may not be current. If not current, the camper may endure a difficult 14-mile journey only to be turned away.

The park has no reservation system in place. If a reservation system were in place, it would alleviate many of the problems related to availability of camping sites. A reservation system would permit advance payment, provide better cash accountability and eliminate confusion and frustration related to use and availability of park sites.

Although the Parks Department has no reservation system for campsites, the concessionaire takes advance reservations for the rental of trailers. The promotion of the park and rental of trailers from the concessionaire imply the existence of a reservation system. This inconsistency between the concession contract and the actual operations of the concessionaire should be resolved by a contract amendment that would recognize the operation of the business as it exists.

Outside Providers

Campers have several options when camping at Jalama Beach Park. A camper may arrive in a recreational vehicle or with a trailer owned by the camper. In such a case, the camper pays the entry fees and nightly site fees to the County. The camper may opt to rent a recreational vehicle from an off-park-site provider and arrive at the park in the rented RV or trailer. This use is the same as the camper-owned RV or trailer. The camper may rent a trailer from the concessionaire. In this case the concessionaire earns revenue from the trailer rental, and the County receives only a concession fee with no fee for the added trailer rental business.

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The camper may rent an RV from an off-park-site provider, who will deliver the RV to the park. In this case, neither the concessionaire nor the County earns revenue from this rental. Since the concession agreement is exclusive, these outside RV providers should be required to register and pay a concession fee to the County for these rentals.

By granting an exclusive right to the concessionaire to rent trailers and RVs, the County may place a burden on the concessionaire. It may be practical to give the concessionaire the right to sub-contract RV rentals to an outside party where this party pays a fee to the concessionaire from the rental. This would allow the concessionaire and the County to receive some benefit from the rentals.

It does not appear to be good public policy to grant a 10-year exclusive use agreement to a single concessionaire under circumstances where the popularity and use of a park have changed over the years. The County could provide thresholds in a concession contract that would convert an exclusive concession contract to a non-exclusive concession contract upon the happening of defined events.

Concession Grants

The granting of concessions subject to a fixed concession fee contract is subject to possible abuse. While standards may exist on which to base the award of a concession to an operator, there is the possibility that favoritism and other non-objective standards may be used. In addition, the use of such fixed concession fee contracts may create the impression that these long-term contracts are not available to other qualified operators. There is no assurance that the County is deriving sufficient revenue from private operators in its parks system.

The Grand Jury recommends that the fairest and most transparent method of awarding a concession is to open the process to competitive bidding on the concession fee with a minimum of \$400 or six per cent, whichever sum is greater. In this way, the marketplace will determine the amount of the concession fee, and, assuming that there are fair and objective standards for operators, the selection of the concessionaire will be openly and fairly determined. Even if there were no bids, the minimum concession fee would remain at the current level.

Master Plan

The Parks Department in 1999 developed the Jalama Master Plan that set out future expansion and created a vision for the park. The plan provided for expansion of the park to 100 acres, a new main gate, a new day-use area, new beach access to the south, a new store and café, new ranger residences and maintenance area, private cabins and a 40% increase in total RV campsites. The estimated 1999 cost of the improvements was \$4.3 million, which included repairs to the Jalama Road. The

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1999 study concluded that there was sufficient net income generated to fund the improvements.

There has been little progress in implementing the Master Plan. In view of the growing demand for use of park facilities, the Grand Jury recommends that the Board of Supervisors give implementation of the Master Plan high priority.

FINDINGS

Finding 1

The current concession contract is an exclusive contract for a long-term concessionaire. It provides for operation of a general store and the sale of food, supplies and the rental of trailers.

Finding 2

The current concession contract provides for a fixed concession fee for all sales and services.

Finding 3

The County Parks Department renewed the concession contract 10 years ago, apparently without open bidding.

Finding 4

The current concession contract, which expires in 2006, does not reflect how the park actually operates.

Finding 5

The current concession contract does not control the number of trailers that the concessionaire may rent.

Finding 6

Although the current concession contract prohibits storage of trailers on parklands or implementation of a reservation system, the concessionaire stores trailers on parkland and does take reservations for trailers.

Finding 7

The County Parks Department has no reservation system.

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Finding 8

The County derives no revenue from business activities at the park that are conducted by businesses other than the concessionaire.

Finding 9

There has been little progress with respect to implementation of the Jalama Beach Park Master Plan.

RECOMMENDATIONS

Recommendation 1

The 2006 concession contract should provide for RV rentals in addition to trailer rentals with consideration given to a new concession fee arrangement for RV and trailer rentals.

Recommendation 2

Award of the concession should be open, based on a Request for Proposals (RFP) or bid process with concession fees based on market rates.

Recommendation 3

Off-park-site equipment providers should be required to pay concession fees if such providers deliver equipment to the park.

Recommendation 4

The Parks Department should implement a reservation system.

Recommendation 5

The County should enforce its concession agreements.

Recommendation 6

The concessionaire should be limited to a specific number of trailers that can be rented.

Recommendation 7

The Board of Supervisors should give priority to the implementation of the Jalama Beach Park Master Plan.

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REQUEST FOR RESPONSE

In accordance with Section 933(c) of the California Penal Code, each agency and government body affected by or named in this report must respond in writing to the findings and recommendations in a timely manner. The following are the affected agencies for this report, with the mandated response period for each:

Santa Barbara County Board of Supervisors – 60 days

Findings 1, 2, 3, 4, 5, 6, 7, 8, 9

Recommendation 7

Santa Barbara County Parks Department – 90 days

Findings 1, 2, 3, 4, 5, 6, 7, 8, 9

Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9