

**MONTEREY PENINSULA REGIONAL PARK DISTRICT
BOARD OF DIRECTORS MEETING**

DATE: April 06, 2022
TO: Board of Directors
FROM: Rafael Payan, General Manager
SUBJECT: Review and Approval of Concession Agreement with Z Golf Food & Beverage Services, LLC (DBA “Wedgewood Weddings”) for Events at Palo Corona Regional Park

RECOMMENDED ACTION:

Staff respectfully recommends that the Monterey Peninsula Regional Park Board of Directors (Board) consider receiving and filing this report, approving the **EVENT SPACE CONCESSION AGREEMENT (Agreement)** as presented or substantially in the same form, and entering a multi-year **Agreement (ATTACHMENT 1)** by and between the Monterey Peninsula Regional Park District, a California special district ("MPRPD"), and Z Golf Food & Beverage Services, LLC, a California limited liability company ("Concessionaire" – or –“Wedgewood”).

Mr. Bill Zaruka, CEO -- Z Golf Food & Beverage Services or his representative will be present to respond to any questions the Board may have regarding this matter.

FISCAL IMPACT:

To be determined.

FUNDING SOURCE:

To be determined.

FUNDING BALANCE:

Not presently applicable.

DISCUSSION:

MPRPD recognizes the valuable community benefits the Rancho Canada Unit’s banquet facilities offer our region. Demand for this banquet facility continues to be very strong. As previously directed by the Board, MPRPD’s Legal Counsel and staff entered negotiations with Wedgewood, focusing on a multi-year Agreement. The following summarizes Agreement’s key terms and conditions:

- 1. Term:** The term of this Agreement shall commence on January 1, 2022, and shall end on December 31, 2031, unless sooner terminated or extended pursuant to any provision exercised in this Agreement
- 2. Renewal Terms:** Concessionaire shall have the right, at its option, to extend the Term for two (2) consecutive extension terms which shall be five (5) years each in length.

3. Rent: Concessionaire agrees to pay to Owner:

- A. The greater of the Minimum Rent Payment as set forth in Schedule 1 or (i) Commencement Date – December 31, 2025, eight percent (8%) of the amount of Concessionaire’s gross revenues (gross revenue excludes service charges (gratuities) and sales taxes) derived from its business conducted on the Premises (“Revenues”);
- B. January 1, 2026 – December 31, 2031, nine percent (9%) of Revenues;
- C. First Extension Term, if any, ten percent (10%) of Revenues; and,
- D. Second Extension Term, if any, eleven percent (11%) of Revenues.

4. Concessionaire Investment Obligations. Concessionaire shall expend no less than Two Million Dollars (\$2,000,000.00) (“Expenditure”) toward capital improvements and other alterations (collectively, “Concessionaire Improvements”) that shall be completed no later than as set forth below.

Amount	Timing
\$1,000,000	First 30 months of the Term
\$500,000	Months 31-60 of the Term
\$500,000	If First Extension Term is exercised, then during such First Extension Term

- A. Concessionaire Improvements may include infrastructural, structural, cosmetic, utility, and other improvements and these shall solely be at Concessionaire’s cost and expenditure.
- B. Concessionaire may expend a greater amount at no expense to Owner. The Expenditure shall be applied in the priority set forth in the Agreement on Exhibit E.
- C. Any details of the Concessionaire Improvements but without limit, such as coloring, style of interior or exterior paint or wall coverings, type of flooring, lighting, restroom and other equipment and fixtures, or modifications to Concessionaire Improvements shall require Owner’s prior written approval.
- D. The parties desire to coordinate the timing of Concessionaire Improvements and any independent Owner capital improvement projects so that they occur concurrently and otherwise minimize disruption or inconvenience for both parties.

ATTACHMENT:

- 1. [Event Space Concession Agreement](#)