



City of Yuma

Legislation Text

File #: MC 2024-072, Version: 1

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT: Parks & Recreation	<input type="checkbox"/> Safe & Prosperous <input type="checkbox"/> Active & Appealing <input type="checkbox"/> Respected & Responsible	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance - Introduction
DIVISION: Administration	<input checked="" type="checkbox"/> Connected & Engaged <input type="checkbox"/> Unique & Creative	<input type="checkbox"/> Ordinance - Adoption <input type="checkbox"/> Public Hearing

TITLE:

First Amendment: Concession Services Agreement

SUMMARY RECOMMENDATION:

Amend the existing Concessionaire Agreement with Guzman Hospitality Group LLC, for operation of the restaurant at Desert Hills Golf Course (Parks and Recreation) (Eric Urfer)

STRATEGIC OUTCOME:

This amendment will ensure continuous food and beverage service to patrons of the Desert Hills Golf Course and the public, which aligns with City Council's strategic outcome of Connected and Engaged.

REPORT:

The Concessions Services Agreement between the City and the Guzman Hospitality Group was signed in November of 2022. Services began in January of 2023.

After one full year of service, the Concessionaire requested the rent and utility payments be brought closer to the industry standard of 10% of the Hills Gastropub's annual gross sales. Research confirmed that the range of typical percentage of rent paid per annual gross sales for a restaurant is anywhere from 5% to 10% and utilities are around 3% to 4% of gross sales. The proposed amendment replaces the current payment schedule with a payment schedule that reflects this change.

In addition, the proposed payment schedule splits the amount currently owed in back rent and utilities into equal monthly payments throughout the remaining term of the contract. The current contract has a five-year term. This amended payment schedule would bring the Concessionaire current by the end of the of the contract.

The proposed amendment also amends Section 3.1.5 and 3.1.6 to reflect current operational adjustments made to the outdoor space that will enhance the delivery of good customer service and ensure patron safety.

FISCAL REQUIREMENTS:

CITY FUNDS:	\$ 0.00	BUDGETED:	\$ 0.00
STATE FUNDS:	\$ 0.00	AVAILABLE TO TRANSFER:	\$ 0.00
FEDERAL FUNDS:	\$ 0.00	IN CONTINGENCY:	\$ 0.00
OTHER SOURCES:	\$ 0.00	FUNDING: ACCOUNT/FUND #/CIP	
TOTAL \$ 0.00			
.			
To total; right click number & choose "Update Field"			

FISCAL IMPACT STATEMENT:

NONE

ADDITIONAL INFORMATION:

SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

- Department
- City Clerk's Office
- Document to be recorded
- Document to be codified

Acting City Administrator: John D. Simonton	Date: 05/28/2024
Reviewed by City Attorney: Richard W. Files	Date: 05/28/2024