



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 21-423, Version: 1

Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute a retroactive Amendment #2 with PFD Management Inc, operator of both the Schilling Place Café (located at 1441 Schilling Place, Salinas) and Jo's Café (located at 142 West Alisal Street, Salinas), to authorize a reduction of the contracted monthly minimum Base Rent of \$637.00 per location to \$1.00 per location retroactive to April 1, 2020 through June 30, 2021, for a total reduction in Base Rent not to exceed \$19,080 dollars.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute a retroactive Amendment #2 with PFD Management Inc, operator of both the Schilling Place Café (located at 1441 Schilling Place, Salinas) and Jo's Café (located at 142 West Alisal Street, Salinas), to authorize a reduction of the contracted monthly minimum Base Rent of \$637.00 per location to \$1.00 per location retroactive to April 1, 2020 through June 30, 2021, for a total reduction in Base Rent not to exceed \$19,080 dollars.

SUMMARY/DISCUSSION:

The County entered into an agreement with PFD Management Inc. in April 2017 for the management and operation of both the Schilling Place Café (located at 1488 Schilling Place, Salinas) and Jo's Café (located at 142 West Alisal Street, Salinas). The agreement stipulates that the Contractor shall pay the County a Minimum Base Rent of Eight Thousand Dollars (\$8,000) per year for each location, for a total of \$16,000 dollars per year, payable monthly in twelve installments.

The Contractor requested that the County review operational impacts due to COVID-19 and, if approved, amend the current agreement to reflect a reduction of the required monthly payments of \$637.00 dollars to \$1.00 for each location retroactive to April 1, 2020 through June 30, 2021, for a total reduction of Base rent of \$19,080 dollars. County staff have reviewed the financial reports for both locations and agree that the impact of COVID-19 and the reduction of both staff and public access to the two locations have had a dramatic negative impact on the revenue streams of both operations. The reviewed income statement reports utilized by staff to make this recommendation and provided by the Contractor are on file with the Contracts/Purchasing Officer.

The Contracts/Purchasing Officer, who has the responsibility for the management and oversight of the Concession Lease Agreements, will be performing a secondary review of the contractor's income statement reports for the period of March 1, 2021 through May 31, 2021, and if the revenue reports continue to remain in the negative due to COVID-19 impacts, a full analysis and evaluation of the two operations will be performed, with a recommendation made to the Board of Supervisors for appropriate action or actions to be taken.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office and Budget Office support this action.

FINANCING:

N/A

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Security is a vital part of ensuring visitors as well as employees are safe when conducting business at a county facility.

Economic Development

☒ Administration

Health and Human Services

☐ Infrastructure

☐ Public Safety

Prepared by: Mike Derr, Contracts/Purchasing Officer, 4992

Approved by: Dewayne Woods, Assistant CAO, 5309

Attachments:

1. County Standard Concession Lease Agreement - Dated March 2017
2. County Standard Amendment #1 - Dated July 18, 2018
3. County Standard Amendment #2 - pending approval