



Camarillo City Council

AGENDA REPORT

Date: January 8, 2025

To: Honorable Mayor and City Councilmembers

From: Greg Ramirez, City Manager

Submitted by: Carmen Nichols, Assistant City Manager

Subject: Proposed Second Amendment to Professional Services Agreement No. 2019-134 with North American Services, Inc. (DBA Command Performance Catering) to continue providing wedding and special event management services at the Camarillo Ranch Property

BACKGROUND

Following a Request for Proposal, the City entered into Professional Services Agreement No. 2019-134 (Agreement) with North American Services, Inc., DBA Command Performance Catering (Command Performance), on October 19, 2019, for wedding and special event management services at the Camarillo Ranch Property (Property), beginning November 1, 2019. These services include client site tours, venue reservations, event management, coordination of wedding and special event services, catering and beverage service, and hiring and training of staff to operate and supervise the work. In a separate agreement, the Camarillo Ranch Foundation Board, Inc. (CRFB) operate community programming and events on the Property, including providing public and school tours of the Camarillo Ranch House, barn and grounds; historical exhibits, and cultural and educational events celebrating the legacy of the Adolfo Camarillo family and the City's history.

The Agreement with the City was for a term of three year with the option to extend for two years, for a total agreement term of a five-years. The extension was effectuated August 19, 2022, under Agreement No, 2019-134A (First Amendment), with an effective date of November 2, 2022, through November 1, 2024, and is currently under temporary continued services, pending City Council consideration and approval of an amendment. Although the parties engaged in a five-year agreement, services at the Property were significantly impacted due to COVID-19 health & safety orders which limited events and eventually closed the operation, affecting at least two calendar years. Several events scheduled in 2020 and 2021 were delayed or rescheduled to 2022, with residual effects caused by the "new normal", such as price increases and on materials costs and delays in goods. Additionally, in 2022, the County of Ventura passed new regulations allowing

large private events on residential and urban unincorporated properties surrounding Camarillo and other cities, affecting reservations at the Property. Despite these challenges, revenue trends indicate a gradual increase year over year and have hit the targets that were initially anticipated in 2019 of approximately \$400,000 in annual revenue.

As an enterprise fund, revenues from event management and catering services provide a revenue stream for the City's operation and maintenance costs. However, with sharp post pandemic cost increases for maintenance and improvements costs, the General Fund covers expenditures over revenues, which are typically accessibility improvements and/or capital improvement projects.

DISCUSSION

Contractual and Financial Performance

Trends indicate a gradual increase of events year over year, with an average of approximately \$400,000 in revenue expected annually, and a City target goal of 70-75 private events. Additionally, several community events are hosted by the CRFB with attendance growing at Throw Back Thursdays and Santa Nights. The CRFB also host several house tours and approximately twenty-two school tours annually. Other nonprofit charitable organizations also host their major fundraiser events at the Property, such as the annual Rebozo Festival, and the Meadowlarks' Taste of Camarillo.

Table 1. Performance Per Year (not including CRFB events)

Calendar Year	Total Operating Months	Total Events	Total Revenue Received by City
2019 ¹	2	16	\$ 42,959
2020 ^{1,2}	4	12	\$ 46,878
2021 ^{1,2}	6	55	\$238,693
2022	12	111	\$493,019
2023	12	67	\$340,541
2024	8	45	\$242,588 (as of August)

¹2019, 2020, 2021 any deposits that were received by CRFB for event booked prior to the transition, were kept by CRFB. The City did not receive its half of venue rentals for those bookings. ²Affected by COVID-19 Health & Safety Orders including closures.

No performance problems were reported, in fact, several compliments were received from private parties during the pandemic regarding Command Performance's willingness to work with them regarding the cancellation or rescheduling of their events. Additionally, Chris Valenzuela, CRFB President submitted a letter dated, April 10, 2024 expressing the Board's gratitude for Command Performance's support to the CRFB for programming and events. Commander Eric Tennesen of the Camarillo Police Department reported receiving no complaints or calls for service at the Property related to private or community events.

City staff and representatives from Command Performance and CFRB meet monthly to

discuss upcoming private events, maintenance and operations, and community activities and events. This continuous partnership and effective communication between the three entities has served well for all parties, allowing for proactive planning and problem solving should any potential scheduling conflicts or community needs arise.

Command Performance continues to perform consistently with contractual requirements, submits reports and City revenues timely, and continues to operate with a customer service philosophy that aligns with the City's mission and City Council's expectation of the use of the Property, including coordinating City and CRFB activities.

Recommended Second Amendment

City staff proposes a Second Amendment which increases the City's revenue share, guaranteeing a minimum of \$350,000 beginning November 1, 2024 and \$400,000 in revenue beginning November 1 2025, from the Contractor and shifts some additional responsibilities to Command Performance. Staff considered the impacts of the COVID-19 pandemic on the first five years under the Agreement and first amendment. The continuity of business with a responsible contractor that is knowledgeable in event management and catering services, supportive of City priorities, familiar with CRFB operation and needs, and one that is invested in the community is essential in meeting the City's expectations for high quality service. The term of this extension and the agreement overall, maintains stability, whereas the City and Command Performance can continue planning on expanding operations and greater community use, knowing there is a stable revenue source that provides for maintenance and services.

The proposed Second Amendment allows for an extension of seven years, beginning November 1, 2024, with one additional three (3) year optional extension. This allows Command Performance the ability to fully operate for a total period of fifteen years. Staff considered the guaranteed minimum revenue of a \$350,00 and \$400,000, which is added to the amended scope, excellent quality services provided, and the Contractor's demonstrated efforts for the continuity of business and good relationships with the community especially during unprecedented times. The Agreement maintains a Termination of Agreement clause with or without cause for either Party, with 90 days' notice.

Command Performance is responsible for setting Venue Rental Fees, other event related fees, and catering pricing. Although the business model remains consistent with the Agreement, the Second Amendment provides for an increase to the shared revenue beginning in 2026 and additional revenue generating options, anticipating an increase to the City's overall revenue share. Fees are expected to gradually increase over the term of the Agreement and will be compared with market movement with the expectation to remain competitive with other local venues. When compared to other similar venues in the region, the Camarillo Ranch Property continues to be an affordable venue option.

Table 2. Revenue Share Model-Proposed Increases

	Current Revenue Share for the City	Increase beginning 2026
Catering Commission	\$20 per adult \$10 per child	\$26.00 per adult ¹ \$13.00 per child ¹
Security Fees	30% of all Security Fees	40% of all Security Fees
Venue Rental Fees	35% of Venue Rental Fees	45% of Venue Rental Fees
Saturday Premium Fees	\$8 per Guest	\$8 per Guest ²
Buy Out Fees	50% of Buy Out Fees	50% of Buy Out Fees
Ceremony Fees	50% of Ceremony Fees	50% of Ceremony Fees
Minimum Revenue	\$350,000 Annual Revenue to City (<i>new</i>)	\$400,000 Annual Revenue to City
Extra Time Charge	50% of Fee (<i>new</i>)	50% of Fee
Brick and Brass Bar Charges	32% of Revenue (<i>new</i>)	32% of Revenue

¹With an incremental increase of \$1.00/ adult and \$.50/child per year, thereafter through the end of the Agreement term. ²With an increment increase of \$1.00/ per guest in 2027 and 2028, at which time it will remain at \$10 through the end of the Agreement.

Brick and Brass Package – Command Performance continues to evaluate its business plan to maximize competitive potential revenue options. An example of developing new revenue includes the ‘Brick and Brass Package’, which is the new bar and beverage selection. While the current bar and beverage model allows flexibility for the client by allowing the party to bring its own alcohol served by an ABC certified bartender provided by Command Performance, the ‘Brick and Brass Package’ is convenient for the client and better aligned with market trends. This model requires no cleanup by the client and their hauling of alcohol, after the event. It is estimated that approximately \$40k - \$60k of potential new revenue can be generated depending on the number of events.

Discounted Rates for Short Term Bookings – Friday, Saturdays, and most Sundays during Spring, Summer, and Fall are the most popular days of the week for private events, allowing flexibility for lowering pricing for last minute bookings on open dates. Command Performance will have flexibility of lowering the Venue Rental Fee and Catering Costs up to 50% for events held within 90 days of booking. This type of booking typically serves funerals, business meetings, and last-minute private events. This flexibility currently exists in the Agreement under Section 2.2 of the Agreement, and the City will receive its commission under the stated formula.

Extended Event Hours – Another key change includes extended event hours with an additional charge. Command Performance has reported a loss of potential clients due to limited hours and event ending time at 11:00 p.m. Certain events have traditional or cultural customs or ceremonies where it is reasonable to allow an extended time. Flexibility is built into this amendment to allow for an extension of an event's end time by 2:00 a.m., on a case-by-case basis with an additional fee. Security through the end of the event is always required. On a trial basis this past year, the City agreed to allow Command Performance two events to evaluate potential opportunities and risk, and no problems were reported. Due to the location and business surroundings, there are very few to no disturbances to the immediate vicinity. City staff and Command Performance will continue to review this on a case-by-case basis.

Additional Services – Section 3.5 of the Agreement currently allows for the City to request additional services. Effective with the approval of this amendment, Command Performance will provide, at the City's request, part time customer service and office support and all personnel aspects of these activities. The additional help is necessary to assist public visitors and callers seeking information about public tours, exhibits, and other historical information. This position will also provide additional management oversight of the property including the house, will monitor the day-to-day activities of the Docents and the CRFB, and will monitor Docent and volunteer work. Office support includes assisting the Docents by coordinating and prepping for school tours, exhibits, and other basic clerical support limited to the cultural and historical programming and public use of the property. The cost of additional services will be offset by the City's portion of revenue generated, as described in the amendment to the scope.

The City and Command Performance will continue discussing strategies that will increase visibility and attraction to the Property with the goal of ensuring self-sustainability of maintenance and care of the property. City staff will also continue working with the CRFB to enhance the historical, cultural, and educational opportunities offered at the Property.

FISCAL IMPACT

Projected revenues and maintenance and service expenditures are included in the FY 2024-25 budget and will be developed for future years.

CEQA DETERMINATIONS

Not applicable.

RECOMMENDATION

Approve a Second Amendment (Agreement No. 2019-134B) to Professional Services Agreement No. 2019-134 with North American Services, Inc. (DBA Command Performance Catering) to continue providing wedding and special event management

services at the Camarillo Ranch Property from November 1, 2024, through November 1, 2029, with an option to extend for an additional three years.

ATTACHMENTS

1. Proposed Second Amendment (Agreement No, 2019-134B) with North American Services, Inc. (DBA Command Performance Catering)

REFERENCE MATERIALS – AVAILABLE FOR REVIEW AT CITY HALL

None