



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DIANE MCBRIDE, ASSISTANT TOWN MANAGER
RE: CONSENT TO ASSIGNMENT - ISLAND GRILL CONCESSIONAIRE CONTRACT AND LEASE AGREEMENT AT THE FRISCO BAY MARINA
DATE: MAY 28, 2024

Summary and Background: The Island Grill at the Frisco Bay Marina is operated and managed by The Island Grill, Inc., a Colorado corporation that is owned by Mr. Bobby Kato and Mr. Doug Sakata. Mr. Kato has 51% ownership in the corporation, and Mr. Sakata has 49% ownership. Their existing food and beverage concessionaire agreement and lease agreement with the Town of Frisco is for an annually-renewing (unless terminated by either party) seasonal term for a maximum of seven (7) years, which is through the summer of the 2029 operating season.

Mr. Sakata desires to purchase Mr. Kato's interest in The Island Grill, Inc., and thereby to become the sole owner of the interests in that corporation. Both the Island Grill Concessionaire Agreement and the Island Grill Lease Agreement prohibit any assignment or transfer of interests thereunder without the prior written consent of the Town, and each agreement defines a transfer as including any change in the controlling interests of the corporation that is the Concessionaire and Tenant under those agreements.

Because the corporate entity will remain the Concessionaire and Tenant going forward, the Town simply needs to consider consenting in writing to the transfer (assignment) of both of the concessionaire and lease agreements (by way of the transfer in corporate ownership, but not a change in corporate party to the agreements).

In response to the request for the Town's consent, the Town's Attorney, Thad Renaud, has prepared a Consent to Assignment for Council's consideration.

Analysis: In 2005, Council approved the Frisco Bay Marina Concessionaire Agreement with the Island Grill. The agreement set the terms and conditions under which the Island Grill was to operate as the seasonal food and beverage concessionaire for the Frisco Bay Marina. Concurrently, Council also approved a Lease Agreement with the Island Grill which provided the terms and conditions for use of the Town's property in connection with the food and beverage operation.

Since 2005, the Island Grill has cooperated with and participated in Town activities at the Marina and continues to meet all the standards set forth in the Concessionaire and Lease Agreements. Their required reports and fees have been remitted to the Town in a timely manner. The Island Grill offers weekly entertainment and changes their menu to continue to enhance the venue.

Mr. Kato and Mr. Sakata have a specialized understanding of the facility, an ability to operate the business in a professional and efficient manner, and a positive reputation in Frisco and Summit County. They are both a positive influence and contributor to the success of the Frisco Bay Marina. With Mr. Sakata taking over 100% of the business, staff does not anticipate any changes to the business.

Financial Impact: Through the food and beverage concessionaire agreement between the Town and the Island Grill, the concessionaire pays the Town 10% of all gross revenues collected. The 2024 budget (90-9000-3479) for this line item is \$55,000. The “Consent to Agreement” before Council on May 28, 2024, has no impact on this budgetary line item.

Alignment with Strategic Plan: This agreement helps support a thriving economy by encouraging a local business to not only provide goods and services but also to have a positive impact on the experience of residents and visitors. The Town supports Frisco’s economy by recognizing, preserving, and improving upon the assets that sustain our community, including the Frisco Bay Marina. Per the Community Plan, one of the specific topics under Thriving Economy is to “facilitate the retention and expansion of locally-owned business”, which creates a positive business environment and encourages investment and expansion. The Town also recognizes recreational, historical, artistic, and cultural assets and experiences as foundational to the Town’s vibrancy and the quality of life for residents and visitors, which includes the Frisco Bay Marina.

Environmental Sustainability: Concessionaire presently engages in the recycling of waste created and will continue to do so. Mr. Sakata also understands that effective July 1, 2024, he cannot sell or offer for sale any single use plastic water bottles, and that beginning with the 2025 season, he cannot sell or offer for sale any single use plastic cup.

Staff Recommendation: Staff recommends the Town Council approve the Consent to Agreement for the Island Grill Concessionaire Contract and Lease Agreement for Food and Beverage Services dated May 24, 2024, to change ownership of the corporation.

Approved By:

Tom Fisher, Town Manager
Leslie Edwards, Finance Director

Attachments:

Attachment 1: Consent to Agreement for the Island Grill Concessionaire Contract and Lease Agreement for Food and Beverage Services.