



## MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**  
**FROM: LOGAN SNYDER, MARINA GENERAL MANAGER**  
**RE: ISLAND GRILL CONCESSIONAIRE CONTRACT AND LEASE AGREEMENT AT THE  
FRISCO BAY MARINA**  
**DATE: MAY 23, 2023**

**Summary and Background:** The Island Grill at the Frisco Bay Marina is operated and managed by Bobby Kato and Doug Sakata. Their existing food and beverage concessionaire agreement and lease agreement with the Town of Frisco was effective May 14, 2019, and is for five (5) successive one year renewal terms until September 30, 2024.

Mr. Kato and Mr. Sakata would like to make improvements in 2023 to the Island Grill premises including the addition of a modular beer cooler with glycol and a true tap system. The Town does not have the budget to make such improvements at this time. These improvements will be fixtures and become a part of the real property owned by the Town upon their installation. Mr. Kato and Mr. Sakata will pay for the improvements and Frisco will reimburse them for the improvements over the summer of 2023 and the summer of 2024. None of these improvements will hinder future development of this space.

Mr. Kato and Mr. Sakata would also like an extension to their concession rights for a period of seven (7) years from the date of the new agreement, which is through the summer of 2029 operating season. All other terms of the agreements remain in effect. The agreements can be terminated by either party provided notice is given prior to the end of the initial term or any renewal term.

**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.

The Island Grill opened for business during the 2005 season while, at the time, the food and beverage building was still under construction. On April 10, 2007, the Town approved the First Amendment to the Frisco Marina Concessionaire Agreement and Lease. It amended the renewal provisions, operating fees and other requirements as a result of building construction delays. A Second Amendment was approved in 2008 to renew the term to September 30, 2013, extend the operating hours to include Memorial Day and re-allocate janitorial services costs. A third amendment was approved in 2013 to renew the term to September 30, 2018. A new concessionaire contract and lease agreement was approved on May 14, 2019, for five (5) successive one year renewal terms.

The proposed amendment is for a seasonal term of seven (7) years, which is through the summer of 2029 operating season.

**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. In 2022, the Town of Frisco received \$55,000 in revenue through this agreement. Revenue remained consistent between the years of 2019-2022, averaging \$50,750 per year over this four (4) year period. Per the terms of this new agreement, the concessionaire will plan, pay for and install or construct improvements to the Island Grill facility, including the addition of a modular beer cooler with glycol and a true tap system. Concessionaire will provide Frisco with an estimate of the work prior to ordering and starting construction. If Frisco approves the estimate, concessionaire will pay for all improvements and secure all necessary permits for the work in 2023. Frisco will reimburse concessionaire the total cost in equal parts over the summer of 2023 operating season and the summer of 2024 operating season. Preliminary estimates for the work and equipment are estimated to be \$30,000. The Marina operates as an enterprise fund and revenues are generated to offset expenses. Concessionaire revenue for food and beverage service (line item 90-9000-3479) is budgeted in 2023 for \$50,000. Revenue in this line item will be less in 2023 due to this project. Staff will find savings in the expense budget to account for this project and estimated \$15,000 expense.

**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.

**Staff Recommendation:** Staff recommends the Town Council approve the Island Grill Concessionaire Contract and Lease Agreement for Food and Beverage Services dated May 23, 2023, and thereby terminate the existing agreement and lease.

**Approved By:**

Tom Fisher, Town Manager  
Diane McBride, Assistant Town Manager  
Leslie Edwards, Finance Director

**Attachments:**

Attachment 1: Island Grill 2023-2029 Concessionaire Agreement

Attachment 2: Island Grill 2023-2029 Lease

Attachment 3: Resolution 23-21 Approving Lease for the Island Grill