State of California • Natural Resources Agency
Gavin Newsom, *Governor*

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CALIFORNIA OFF-HIGHWAY MOTOR VEHICLE RECREATION COMMISSION MEETING
STAFF REPORT COVER PAGE
Ocotillo, CA
November 19, 2026

AGENDA ITEM: Consent Calendar

STAFF: Erik Hernandez, Senior Concessions Program Manager

SUBJECT: Request for the Commission to determine the concessions compatibility with the Park's General Plan and Park Unit Classification.

STAFF RECOMMENDATION

Recommend the Off-Highway Motor Vehicle Recreation (OHMVR) Commission take action and determine the operation and development of an off-highway vehicle rental Concession at Oceano Dunes State Vehicular Recreation Area (SVRA) is compatible with the unit classification and General Plan.

SUMMARY

Oceano Dunes SVRA is located in southwestern San Luis Obispo County, California, encompassing 3,600 acres of land west of U.S. Highway 1, between Oceano and Guadalupe-Nipomo Dunes National Wildlife Refuge. Oceano Dunes SVRA includes approximately 800 acres of sand dunes open to both highway registered and off-highway registered vehicles.

There are currently four concession contracts issued for OHV Rental Services which are all currently in holdover status. The Department aims to consolidate these into one contract with the goal of streamlining management, improving safety, standardizing operations, and make available high-demand recreational space for camping and day use.

ATTACHMENTS

- Staff Report

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CALIFORNIA OFF-HIGHWAY MOTOR VEHICLE RECREATION COMMISSION MEETING
Ocotillo, CA
November 19, 2026

STAFF REPORT: Off-Highway Vehicle Rentals at Oceano Dunes SVRA

STAFF: Erik Hernandez, Senior Concessions Program Manager

SUBJECT: Request for the Off-Highway Motor Vehicle Recreation Commission to determine the concession's compatibility with the Park's General Plan and Park Unit Classification.

Primary Authority & Process

- Contract Awards: Under PRC § 5080.03, the California Department of Parks and Recreation (DPR) is authorized to enter into concession contracts to enhance public safety, convenience, and recreation. Contracts exceeding a three-year term must typically be awarded via a competitive public Request for Proposals (RFP) process.
- Revenue Allocation: Rents collected from concessions operating inside SVRAs do not go into the general state park fund; instead, they are cleanly deposited directly into the Off-Highway Vehicle Trust Fund (OHVF) to explicitly support OHV programs.

Mandatory Commission Review Thresholds

Pursuant to PRC Section 5080.20, any proposed concession contract within the state park system that expects to involve a total investment or gross sales exceeding $1,000,000 requires formal oversight:

- Compatibility Determination: The contract proposal must be presented to the respective oversight body—the Off-Highway Motor Vehicle Recreation (OHMVR) Commission for SVRA properties—to officially determine whether the concession is fully compatible with the park unit's classification and General Plan.
- Legislative Notification: Following commission approval, the concession proposal must be submitted to the Legislature for a mandatory review period before bidding or solicitation can begin

PROJECT DESCRIPTION

Oceano Dunes State Vehicular Recreation Area (SVRA) is located in southwestern San Luis Obispo County, California, encompassing 3,600 acres of land west of U.S. Highway 1, between Oceano and Guadalupe-Nipomo Dunes National Wildlife Refuge. Oceano Dunes SVRA includes approximately 800 acres of sand dunes open to both highways registered and off-highway registered vehicles.

The proposed staging area for the new concession contract will be located beyond marker post 3, with an approximate staging location of 20,000 square feet. Vehicles entering the SVRA from the current Grand and Pier Avenue entrances must drive on the beach and on a seasonal basis, cross Arroyo Grande Creek, to access the area designated for OHV use and the camping areas.

There are currently four concession contracts issued for OHV Rental Services, in which the California Department of Parks and Recreation (Department) aims to consolidate these into one contract. All four contracts are currently in a holdover status. A new concession contract will reduce the maximum allowable rental fleet from approximately 400 OHVs to 200 and relocate the staging area to a designated 20,000 sq. ft. zone beyond marker post 3. This restructuring aims to streamline management, improve safety, standardize operations, and free up high-demand recreational space for camping and day use.

At a minimum, the new contract will require an annual rent of seventy-five thousand dollars ($75,000) or ten percent (10%) of Gross Receipts, whichever is greater, provide directional signage within the open riding area, and fencing around the designated concession area involving a minimum investment of ten thousand dollars ($10,000) into such improvements. In addition, two percent (2%) of monthly Gross Receipts is to be placed into a facility maintenance and improvement account (FMIA). The actual annual rent and facility improvements will be determined by the competitive bid process.

BUSINESS AND PUBLIC ACCESS IMPACTS

Recreational Space and Visitor Experience: Relocating and consolidating concession staging from south of Post 2 into a designated approximately 20,000-square-foot area beyond Post 3 will return high-demand beach front visitor space to day use, thereby increasing the total number of day use entry passes available while reducing commercial congestion and supporting a safer dune experience for park visitors.

Public Access and Rental Demand: The proposed 200-OHV fleet is intended to align rental inventory, with current market demand and observed rental activity at Oceano Dunes SVRA for much of the year. The fleet maintains substantial rental access for visitors who do not own or transport personal OHVs while reducing the excess of commercial inventory within the SVRA.

Business Considerations: Consolidation will transition four concession operations into one competitively awarded concession, concentrating existing rental demand within a single operation and providing more consistent safety, service, and operational standards.

CLASSIFICATION AND GENERAL PLAN

Park Classification: Oceano Dunes was classified as a "State Vehicular Recreation Area" in 1975. In accordance with Public Resources Code (PRC) section 5090.43, such classification applies primarily to areas "selected, developed, and operated to provide off-highway vehicle recreation opportunities. State vehicular recreation areas shall be selected for acquisition on lands where the need to establish areas to protect natural and cultural resources is minimized, the terrain is capable of withstanding motorized vehicle impacts, and where there are quality recreational opportunities for off-highway motor vehicles." The proposed concession operation will continue to enhance park visitor use and enjoyment of Oceano Dunes SVRA's natural dune landscape and cultural features.

Consistent with the General Plan: The General Plan for Oceano Dunes SVRA was approved in April of 1975, previously under the name of Pismo Dunes SVRA. Amendments to the General Plan were later executed on September 10, 1982, and February 16, 1994. The plan's concessions section states, "the basic needs of the off-highway vehicle operator should be met in this area. This would include concession facilities, such as fuel and service. Eventually, a concession-operated storage and rental service may prove economically feasible." The proposed concession operation will enhance park recreational and educational experience at Oceano Dunes SVRA.

PREVIOUS COMMISSION ACTIONS

Previous commission actions include approval of the General Plan in 1975 under what was previously called Pismo Dunes SVRA, and an amendment to the General Plan including resolution 12-94 adopted in February of 1994. This action is brought before the OHMVR Commission for review and approval based on PRC section 5080.20, because the overall gross receipts from this operation as a concession will exceed $1,000,000 annually.

LEGAL ISSUES

There are no known legal issues relating to the Commission's approval of this project.

FISCAL IMPACT TO STATE

The following information is the fiscal impact during the past five reported years of this concession operation across four concessionaires:

Fiscal Year	Park Visitation	Concessionaire	Gross Receipts	Rent to State
2025/26	1,192,125	Arnie's ATV Rentals	$561,621.50	$56,779.10
		BJ's ATV Rentals	$1,414,054.92	$141,405.51
		Steve's ATV Rentals	$1,856,320.41	$185,632.05

		Sun Buggie Fun Rentals	$1,588,375.60	$190,595.06
2024/25	1,081,403	Arnie's ATV Rentals	$622,484.02	$97,902.45
		BJ's ATV Rentals	$1,282,870.12	$302,802.27
		Steve's ATV Rentals	$2,086,453.12	$289,815.29
		Sun Buggie Fun Rentals	$2,290,155.72	$274,819.67
2023/24	1,056,166	Arnie's ATV Rentals	$694,437.65	$69,456.05
		BJ's ATV Rentals	$1,559,972.65	$157,997.24
		Steve's ATV Rentals	$2,652,396.07	$265,239.62
		Sun Buggie Fun Rentals	$2,326,378.79	$279,165.46
2022/23	911,256	Arnie's ATV Rentals	$487,422.20	$48,743.05
		BJ's ATV Rentals	$1,944,232.58	$194,422.96
		Steve's ATV Rentals	$2,972,253.32	$297,225.32
		Sun Buggie Fun Rentals	$2,079,769.10	$249,572.66
2021/22	1,121,057	Arnie's ATV Rentals	$772,306.85	$77,191.10
		BJ's ATV Rentals	$3,414,651.70	$341,465.19
		Steve's ATV Rentals	$5,149,628.52	$514,957.02
		Sun Buggie Fun Rentals	$3,416,792.65	$410,015.12

RECOMMENDATION

The Department recommends the Off-Highway Motor Vehicle Recreation (OHMVR) Commission determine the continued operation and development of off-highway vehicle rentals at Oceano Dunes SVRA through a concession contract is compatible with the unit classification and the General Plan. This project is presented in accordance with PRC section 5080.20 because the total annual gross sales are anticipated to exceed $1,000,000.

RESULT OF NO ACTION BY COMMISSION

If there is no action by the Commission, the existing concession contracts will continue to operate on month-to-month status. The Department will lose the opportunity for increased revenue as well as improvements established through the competitive bid process.

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[1] Reflects July 2025 – December 2025 park visitation numbers.

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