A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/15/2020
Agenda Placement: 6Z

NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:	Board of Supervisors
FROM:	Minh Tran - County Executive Officer County Executive Office
REPORT BY:	Molly Rattigan, Deputy County Executive Officer - 253-4112
SUBJECT:	Lake Berryessa Interim Concessions

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chair to sign interim concessions agreements for the term of January 1, 2021 through November 30, 2021 for the following entities and sites once negotiations have been completed:

1. Spanish Flat Partners, LLC for Spanish Flat Recreation Area; and
2. Pleasure Cove Marina, LLC for Steele Canyon Recreation Area.

EXECUTIVE SUMMARY

Staff is seeking authorization for the Chair to engage with staff as necessary to finalize and execute interim concession agreements on or before December 31, 2020 for the term beginning January 1, 2021 and running through November 30, 2021. Contracts need to be executed on or before December 31, 2020 to facilitate the extension of the existing interim concessionaires through the 2021 recreation season while the County completes an RFP for long-term concessionaires for the sites. Staff is working with the concessionaires and the Bureau of Reclamation to finalize revisions to the parties existing interim concessionaire agreements.

Extension of the contracts is exempt from the California Environmental Quality Act under Categorical Exemption 15301, Class 1 (Existing Facilities). The project consists of contract extensions to continue ongoing Lake Berryessa facilities operations with no potential to result in changes to existing conditions.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Napa County will receive fees from concessionaires based on 1% of gross receipts.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This action will continue to provide recreational opportunities at Lake Berryessa as the County works on the long term concessionaire plan. Napa County will receive fee revenue from these contracts.
Is the general fund affected?	Yes
Future fiscal impact:	Agreement extends through November 30, 2021.
Consequences if not approved:	If this item is not approved, there will be limited recreation opportunities at Lake Berryessa during the 2021 recreational season.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Consideration and possible adoption of a Categorical Exemption Class 1: It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. [See Class 1 (“Existing Facilities”) which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301; see also Napa County’s Local Procedures for Implementing the California Environmental Quality Act, Appendix B.]

BACKGROUND AND DISCUSSION

On June 21, 2016, the Board of Supervisors directed staff to enter into negotiations for a Managing Partner Agreement between the County and the Bureau of Reclamation (BOR). BOR has the ability to enter into a Managing Partner Agreement with a non-federal partner for concession management. Under a Managing Partner Agreement, the responsibility to develop and manage public recreation areas is transferred to the partner agency. While there are federal policies and guidelines on how management agreements can be structured, items within the agreement are generally negotiable. The responsibilities and requirements of each agency are outlined in the agreement and, while BOR would retain oversight, the partner agency would assume responsibility for bidding and awarding third-party agreements to provide concession-related services and facilities.

Staff began negotiations with the BOR and quickly learned that it was difficult to negotiate a fair and accurate agreement when the type and interest of concessions are unknown. On December 6, 2016, the Board of Supervisors entered into a Memorandum of Understanding (MOU) with the Bureau of Reclamation to gauge the commercial interest in Lake Berryessa and determine if the types and scope of recreation opportunities are of interest to potential developers and viable under federal, state and local policies and laws. Under this MOU, the County, at its own expense and authority, developed a Request for Information/Interest (RFII) in Lake Berryessa concessions. The results of the RFII will determine whether the County can identify viable concessions partners within the uses identified in the Lake Berryessa Visitor Services Plan and negotiate the Managing Partner Agreement based on the interest generated. Entering into this MOU did not commit the County or the BOR to a Managing Partner Agreement.

Also on December 6, 2016, the Chair signed an agreement with Ragatz Sedgwick Realty (now Ragatz Realty). Ragatz Realty was selected through a Request for Proposal process for its knowledge and experience in developing hotels, resorts and other recreational opportunities worldwide. Under this agreement, Ragatz Realty was contracted to identify concession opportunities at Lake Berryessa. On May 9, 2017, the Board of Supervisors amended this agreement to include additional work including "Phase II" whereby the consultant would assist the County with marketing the opportunity to potential vendors. The Board of Supervisors received an initial report from Ragatz Realty on August 1, 2017.

On October 16, 2018 and May 14, 2019, the the Board of Supervisors received a report from staff and provided direction on a possible phasing plans and continued negotiations with Reclamation.

On November 18, 2019, staff presented an update on the work done by Supervisor Dillon and Supervisor Pedroza to finalize terms for a Managing Partner Agreement. In April 2020, the Management Partner Agreement was signed.

On November 17, 2020, the Board of Supervisors provided direction on the extension of interim concession agreements with the two existing providers at Spanish Flat and Steele Canyon through the 2021 recreation season. County staff has taken this direction and is currently working on finalizing agreements with the two existing interim concessionaires, Spanish Flat Partners, LLC at Spanish Flat and Pleasure Cove Marina, LLC at Steele Canyon. Staff continues to finalize language to complete the contracts. Under these agreements, the following terms will apply:

- The term will extend through November 30, 2021.
- Concession fees will be 1% of Gross Receipts, payable to the County.
- Unlike under the Bureau of Reclamation, concessionaires will have the ability to subcontract for services (i.e. boat rentals, food provision, etc.)
- The maintenance, operations, and insurance requirements of the Concessionaires under the Bureau of Reclamation will remain the same.
- Rates the concessionaires may charge guests will be updated to reflect anticipated costs in 2021.

Staff is seeking authorization for the Chair to engage with staff as necessary to complete the interim concessions agreement and sign the final agreements on or before December 31, 2020 for the term beginning January 1, 2021.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Samuel Ross