



Agenda Date: 12/4/2007  
Agenda Placement: 8D  
Set Time: 11:30 AM  
Estimated Report Time: 20 Minutes

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Britt Ferguson for Watt, Nancy - County Executive Officer  
County Executive Office  
**REPORT BY:** Britt Ferguson, Assistant County Executive Officer, 253-4406  
**SUBJECT:** Recommended Special Projects Fund Awards

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### **RECOMMENDATION**

County Executive Officer requests approval of the recommended agencies/projects to receive FY2007-08 through FY2009-10 Special Projects Fund funding in the areas of Parks and Open Space, Visitor Management and Arts and Culture.

### **EXECUTIVE SUMMARY**

Board policy calls for transferring General Fund resources to the Special Projects Fund in an amount equal to 12.5% of the prior calendar year's actual Transient Occupancy Tax (TOT) revenue received by the County. Board policy further states that, for the FY2007-08 through FY2009-10 funding cycle, 60% of annual Special Projects Fund revenues will be allocated to parks and open space projects (with \$200,000 each year set aside for the purchase of Skyline Park and approximately \$300,000 each year set aside to fund Napa County Parks & Open Space District operating costs), 30% will be allocated to visitor management projects and 10% to arts and culture programs or services. Actual funding decisions are to be made through a Request for Proposal (RFP) process.

On August 15, 2007 the County issued a RFP, and 6 proposals were received by the due-date of September 10th. All proposals requested three years worth of funding. In accordance with Board policy, the proposals were reviewed by a Proposal Review Committee which also received a presentation from each agency requesting funding. The Committee rated each proposal against the Proposal Award Criteria approved by the Board. All proposals received a score of at least 60 points, the minimum score required for a proposal to be eligible for funding. However, because more funding was requested than there were resources available, the Committee is not recommending that all proposals be funded as requested. The following summarizes the Committee's recommendations:

#### Parks & Open Space

<u>Proposer</u>	<u>Project</u>	<u>Rating</u>	<u>Recommendation</u>
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Napa County Regional Parks & Open Space District	Napa River Bay Trail	75	Fund in Full
Napa County Regional Parks & Open Space District	Oat Hill Mine Trail	80	Fund in Full
Napa County Regional Parks & Open Space District	Camp Berryessa	80	Fund in Full
Berryessa Trails and Conservation	Lake Berryessa Trail	70	No Funding

Arts & Culture

<u>Proposer</u>	<u>Project</u>	<u>Rating</u>	<u>Recommendation</u>
Napa County Historical Society	On Line Data Base	85	Fund in Full
Arts Council - Napa Valley	Cultural Plan/Map and Marketing	72	89% of Requested Funding in FY07-08; Full Funding in other Two Years

Visitor Management

<u>Proposer</u>	<u>Project</u>	<u>Rating</u>	<u>Recommendation</u>
Napa Valley Mustard Festival	Marketing Activities - Mid-Week Visitation	90	Fund in Full
Napa Valley Conference & Visitors Bureau	Destination Brand Strategy - (1) Brand Blueprint Implementation; (2) Brand Culturalization Training and Education	72	Fund No. (2) - Brand Culturalization in full; No funding for Brand Blueprint Marketing

Due primarily to the recommendation to not fund the Brand Blueprint Implementation component of the Visitor Bureau's proposal, it is estimated that there will be unspent funds, predominantly in the Visitor Management area, in each of the three fiscal years. In accordance with Board policy, these funds will either be allocated in future years RFP processes or revert to the Special Projects Fund fund balance to be used for future parks and open space projects.

At this point, the Board has a number of options, including: (1) approve the Committee's recommendations; (2) Allocate funding differently than the Committee recommended; or (3) Allocate the available funds not recommended for allocation by the Committee (\$165,000 in FY07-08; an estimated \$191,000 in FY08-09 and \$200,000 in FY09-10).

Procedural Requirements

1. **Announce the agenda item**
2. **Staff report on the item**
3. **Board questions for staff**

4. **Public comments**
5. **Invite a motion**
6. **Second for the motion**
7. **Board discussion and debate**
8. **Take the vote**
9. **Announce the result**

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Special Projects Fund
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	<p>The requested action is discretionary in that there is no mandate to transfer General Fund monies to the Special Projects Fund, to allocate Special Projects Fund money in any particular way or to fund these specific recommended proposals. In July 2007 the Board adopted policies to govern the use of these funds and the process used and recommendations contained in this agenda item are consistent with those policies.</p> <p>If approved, the recommendations before the Board today would allocate \$370,000 in FY2007-08, \$269,000 in FY2008-09 and \$423,000 in FY2009-10.</p>
Is the general fund affected?	No
Future fiscal impact:	<p>If approved, the recommendations before the Board today would allocate \$370,000 in FY2007-08, \$269,000 in FY2008-09 and \$423,000 in FY2009-10.</p> <p>The \$370,000 is \$165,000 less than the amount of General Fund resources transferred to the Special Projects Fund in FY2007-08. Based on Board policy that money will revert to the Special Projects Fund's fund balance and be available to help fund the purchase of Skyline Park or for other parks purposes if not needed for the Skyline Park purchase. The \$269,000 is approximately \$191,000 less than the amount of General Fund resources that it is estimated will be transferred to the Special Projects Fund in FY2008-09 and the \$423,000 is approximately \$200,000 less than the amount of General Fund resources that it is estimated will be transferred to the Special Projects Fund in FY2009-10. These funds will be available to allocate via a RFP process in those fiscal years.</p> <p>The final, unaudited, Special Projects Fund fund balance as of June 30, 2007 was \$946,664.</p>
Consequences if not approved:	<p>If the funding is not approved for the recommended projects, then the activities for which funding is requested may not occur unless the agencies requesting funding are able to identify other funding sources. Available funds not allocated will either revert to the Special Projects Fund's fund balance or be available for allocation in future years as described above.</p>

Additional Information:

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

On December 5, 2006, your Board made the following decisions:

- | Each year, except during times of fiscal distress, transfer General Fund resources to the Special Projects Fund in an amount equal to 12.5% of the prior calendar year's actual Transient Occupancy Tax (TOT) revenue received by the County.
- | The primary focus of Special Projects Fund expenditures will be on programs or services related to; (1) parks and open space; (2) visitor management; and (3) arts and culture.

On July 31, 2007 your Board approved the Special Projects Fund " Allocation Principles, Priorities and Process," and the "Request for Proposals Standards and Process" and "Proposal Award Criteria" for the Fiscal Year 2007-08 through FY2009-10 funding cycle. Taken together, these documents established the framework for soliciting proposals and recommending the award of funding for projects in the three focus areas noted above. Key elements of those documents include:

- | Special Projects Fund monies will be invested in projects or services of regional significance that facilitate partnerships with other agencies and use "best practices." Special Projects Fund money will not be used to supplant existing funding.
- | Three Year Goals include: Parks: Provide initial support for Parks & Open Space District's basic operating costs through FY2008-09, purchase Skyline Park, leverage funds to acquire and improve parks properties; Visitor Management: Assist in implementation of the Destination Brand Blueprint and Brand Culturalization Plan, assist in promoting off-peak seasonal tourism, assist in promoting non-weekend tourism; Arts & Culture: Assist in developing a Needs Assessment and plan to enhance access to arts and culture for residents and visitors.
- | Three Year Funding Priorities include providing initial funding for the new Parks & Open Space District, the purchase of Skyline Park and assisting in funding the Destination Brand Blueprint and Brand Culturalization Plan.
- | In each of the next three years allocate 60% of Special Project Fund revenues to Parks & Open Space programs/projects (with \$200,000 set aside for the purchase of Skyline Park), 30% to Visitor Management programs or services and 10% to arts and culture programs or services.
- | Except for the money for the purchase of Skyline Park and approximately \$300,000 per year to fund the initial operating costs of the Parks & Open Space District, all other fund will be allocated through a Request for Proposal process that will involve review and evaluation of proposals by committee appointed by the County Executive Officer, with a recommendation to the Board. The review committee will be composed of a

representative of the County Executive Office, a representative of the County's Community & Intergovernmental Affairs (CIA) Division and three citizens who are not affiliated with any organization seeking funding.

- | Evaluation criteria include: does the proposal address Board goals; will the project or program address a proven unmet need; is the approach supported by empirical evidence; does the proposal address a Three Year Funding Priority; does the organization making the proposal have the capacity to meet contractual deliverables; will the project leverage other funds and what is the likelihood for future sustainability; does the project include credible outcome measures.

Based on the Board's adopted policies, on August 15, 2007 the County issued a Request for Proposals (RFP) (copy attached as Exhibit C). Notification of RFP availability was published in the local newspaper and sent to approximately 50 organizations. Six proposals were received by the due-date of September 10th and all of them requested three years worth of funding, the maximum funding period allowed under the Board's policies. All of the proposals were processed in accordance with the Allocation Principles, RFP Standards and Process and Proposal Award Criteria. All proposals were determined by staff to be complete and meet the RFP's "Basic Requirements" and were passed on to the Proposal Review Committee for consideration.

The Special Projects Fund Review Committee was comprised of:

- | Nancy Watt, representing the County Executive Office
- | Barbara Nemko, interested citizen
- | Jay Hull, interested citizen
- | Jackie Dollar Harrison, interested citizen

The Committee members reviewed each proposal. Each proposer then made a presentation to the Committee, which included time for follow-up questions to further clarify the proposed projects. After reviewing all six proposals and listening to the proposer presentations, the Committee rated each proposal against the Proposal Award Criteria adopted by the Board (included in the attached RFP). According to the Board's adopted Award Criteria, a minimum score of 60 points is required for a proposal to be considered for a funding recommendation. All proposals met this minimum threshold, however, because more funding was requested than there were resources available and, in one case, for other reasons as well, the Committee is not recommending that all proposals be funded as requested. The results of the review process are detailed in Attachment A and summarized below:

<u>Category</u>	<u>Proposer</u>	<u>Project</u>	<u>Rating</u>	<u>Recommendation</u>
Parks & Open Space	Napa County Regional Parks & Open Space District	Napa River Bay Trail	75	Fund in Full
Parks & Open Space	Napa County Regional Parks & Open Space District	Oat Hill Mine Trail	80	Fund in Full
Parks & Open Space	Napa County Regional Parks & Open Space District	Camp Berryessa	80	Fund in Full
Parks & Open Space	Berryessa Trails & Conservation	Lake Berryessa Trail	70	Do not Fund

Arts & Culture	Napa County Historical Society	On Line Data Base	85	Fund in Full
Arts & Culture	Arts Council- Napa Valley	Cultural Plan/Map and Marketing	72	Full funding in each year, except for FY07-07, when 89% of request is recommended
Visitor Management	Napa Valley Mustard Festival	Marketing Activities - Mid-Week Visitation	90	Full Funding
Visitor Management	Napa Valley Conference & Visitors Bureau	Destination Brand Strategy - (1) Brand Blueprint Implementation; (2) Brand Culturalization Training & Education	72	Fund Brand Culturalization in full, but do not fund Brand Blueprint Implementation.

In the case of Arts Council - Napa Valley, less than full funding is recommended in FY2007-08 because the Napa County Historical Society project received a higher ratings and there was not sufficient money available to provide full funding to the Arts Council. The Arts Council was notified of this situation and offered an opportunity to revise their proposal to reflect the lower funding amount. The Arts Council identified additional funding and thus is now able to provide the same deliverables as originally proposed for the lower County funding amount.

In the case of Berryessa Trails and Conservation, no funding is recommended because the projects proposed by the Napa County Regional Parks & Open Space District received higher ratings and there was not sufficient money available to provide funding to Berryessa Trails.

In the case of the Napa Valley Conference & Visitors Bureau, the Committee is recommending that the Brand Culturalization component of the proposal be funded in full and the Brand Blueprint Implementation component not be funded at this time: (1) because the Napa Valley Mustard Festival received a higher rating and there was not sufficient money available to provide full funding to both the Mustard Festival and the Conference and Visitors Bureau; and (2) because the Committee felt that additional work was needed with regard to the Brand Blueprint Implementation to fully justify County funding for that effort. The Committee's specific concerns included:

- | In General, the Committee had a difficult time understanding exactly what the County's "destination brand" was and how what was being proposed in the Brand Blueprint Implementation related to the "destination brand."
- | The Committee also had difficulty understanding how the Brand Blueprint addressed an unmet need.
- | The Committee felt there was a lack of evidence that the approach outlined in the Brand Blueprint would achieve the project's goals.
- | The Committee was concerned that only a one-year "model" budget was submitted, rather than a detailed budget specific to each year as required by the RFP.
- | The Committee was concerned about on-going sustainability. The Proposer indicated that they intended to pursue creation of a County-wide business improvement district to fund long-term operations. However, there is no assurance that will occur and, as requested, Special Projects Fund money would amount to approximately 30% of the cost of the proposed project.

A table showing the amount of funding recommended for each proposer and the amount available in each year of

the three-year funding cycle is attached as Exhibit B. As can be seen, due in large part to the recommendation to not fund any part of the Brand Blueprint Implementation, it is estimated that there will be unspent funds - primarily in the Visitor Management area - in each of the three fiscal years (\$165,000 in FY07-08, \$191,000 in FY08-09 and \$200,000 in FY09-10). For FY07-08, in accordance with Board policy, any funds not allocated to a specific project will revert to the Special Projects Fund's fund balance, to be used for the purchase of Skyline Park (or other Parks projects, if any fund balance remains after Skyline Park is purchased). For FY08-09 and FY09-10, RFP processes would be conducted in those years for any unallocated funds and, if the funds are ultimately not allocated, then they would revert to fund balance and be held for the same purposes as the FY07-08 funds.

At this point, the Board has a number of options, including:

- | Approve the Committee's recommendations.
- | Allocate the funds differently than the Committee recommended by, for example, reducing or eliminating funding for one project and funding, or increasing funding for, another project.
- | Allocate the available funds not recommended for allocation by the Committee (which are primarily in the Visitor Management area).

Once the Board approves funding for the various projects, staff will return with an agenda item requesting Board approval of the relevant funding agreements.

#### **SUPPORTING DOCUMENTS**

- A . Proposal Funding Recommendations - FY07/08-FY09/10
- B . Special Projects Fund - Recommended Annual Funding - FY07/08-FY09/10
- C . Special Projects RFP

CEO Recommendation: Approve

Reviewed By: Maiko Klieman