



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/6/2016

Agenda Placement: 6N

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Alice Hughey for Leanne Link - County Executive Officer
County Executive Office

REPORT BY: Molly Rattigan, Deputy County Executive Officer - 253-4112

SUBJECT: Memorandum of Understanding with the Bureau of Reclamation

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chairman to sign the following documents regarding concession management and operations at Lake Berryessa:

1. A Memorandum of Understanding with the Bureau of Reclamation for the purpose of gaining information about potential recreational and commercial interests at Lake Berryessa; and
2. An agreement with Ragatz Sedgwick Realty Incorporated in the amount of \$50,000 for the term December 6, 2016 through December 31, 2017 for the marketing and identification of potential concessionaires.

EXECUTIVE SUMMARY

Staff is recommending the Board authorize the Chairman to sign a Memorandum of Understanding with the Bureau of Reclamation (BOR) to authorize the County to seek commercial interest in Lake Berryessa concessions. Additionally, staff is recommending approval of an agreement with Ragatz Sedgwick Realty in the amount of \$50,000. Ragatz Sedgwick 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 Sedgwick Realty will assist the County with identifying interested concession partners by marketing the opportunity to the resort community and performing a feasibility analysis to determine the best use of each site within the Visitor Services Plan.

If Ragatz Sedgwick is successful in identifying interest, the County and BOR will move forward with negotiating a Managing Partner Agreement for recommendation to the Board of Supervisors and creating a formal Request for Proposal process to select a concessionaire. If the marketing efforts of Ragatz Sedgwick do not identify interest in Lake Berryessa, staff will return to the Board of Supervisors to discuss next steps.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Housing and Intergovernmental Affairs
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item is discretionary in that there is no mandate for the County to enter into a Memorandum of Understanding with the Bureau of Reclamation for concession management at Lake Berryessa. The Board of Supervisors previously directed staff to negotiate with the Bureau and staff is recommending the approval of a marketing agreement to gauge the interest in Lake Berryessa concessions to better inform the negotiations process.
Is the general fund affected?	Yes
Future fiscal impact:	The future fiscal impact is unknown. While the agreement with Ragatz Sedgwick is \$50,000, the future cost and revenue to the County depend on the interest in Lake Berryessa concessions and whether the County can successfully negotiate a Managing Partner Agreement to assume concession management.
Consequences if not approved:	If this item is not approved, the County will not enter into a Memorandum of Understanding with the Bureau of Reclamation and seek marketing services for Lake Berryessa concessions. Without the marketing data and interest, the County may not be able to continue to negotiate a Managing Partner Agreement. The Board would need to direct County staff to cease negotiations, continue negotiations without the necessary information, or identify an alternative plan.
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

The Bureau of Reclamation (BOR) recently completed a nearly two year process to identify a concessionaire to run the recreational portions of Lake Berryessa. BOR has informed Napa County and the public that the process was unsuccessful and that it failed to identify a concessionaire with whom it could enter into negotiations.

On April 5, 2016, in response to the current status of the lake, the Board authorized staff to engage in discussions with staff from BOR and the Department of the Interior (DOI) regarding the future of the concession areas of Lake Berryessa. Supervisor Diane Dillon was designated as a representative of the Board to engage in discussions.

On June 7, 2016, the County entered into an agreement with Perkins Coie for specialized legal advisory services on federal statutory and regulatory law as it pertains to concessions management at Lake Berryessa.

On June 21, 2016, the Board of Supervisors directed staff to enter into negotiations for a Managing Partner Agreement between the County and the 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. While subject to negotiation, there is an opportunity for BOR to share up to 50% of the cost incurred by the County for the bidding and awarding process and up to 50% of the administrative cost to manage the concessions. The County of Napa previously ran the concessions at Lake Berryessa from 1958 to 1975. BOR has successful Managing Partner Agreements with Santa Barbara County at Cachuma Lake, the East Bay Regional Parks District for Contra Loma Reservoir and the State of Wyoming for Keyhole State Park, among many others.

Staff began negotiations with the BOR and quickly learned that it is difficult to negotiate a fair and accurate agreement when the type and interest of concessions are unknown. Staff from the County and BOR discussed entering into a Memorandum of Understanding (MOU) 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, will develop 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 does not commit the County or the BOR to a Managing Partner Agreement.

Staff is recommending the Board authorize the Chairman to sign the MOU with BOR and an agreement with Ragatz Sedgwick Realty in the amount of \$50,000. Ragatz Sedgwick 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 Sedgwick Realty will assist the County with identifying interested concession partners by marketing the opportunity to the resort community and performing a feasibility analysis to determine the best use of each site within the Visitor Services Plan.

If Ragatz Sedgwick is successful in identifying interest, the County and BOR will move forward with negotiating a Managing Partner Agreement for recommendation to the Board of Supervisors and creating a formal Request for Proposal process to select a concessionaire. If the marketing efforts of Ragatz Sedgwick do not identify interest in Lake Berryessa, staff will return to the Board of Supervisors to discuss next steps.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi