NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO: Board of Supervisors
FROM: Juan Arias for Steven Lederer - Director of Public Works
Public Works
REPORT BY: Liz Habkirk, Deputy Dir. of PW-Gen Services - 259-8321
SUBJECT: Approval of Agreement with Napa County Fair Association

RECOMMENDATION
Director of Public Works requests approval of and authorization for the Chair to sign an agreement with the Napa County Fair Association (NCFA) for no fee for the term January 1, 2019 through December 31, 2019 for continuous County management of various components of the Fairgrounds for use by visitors and residents of the County, including rental event center space, recreational vehicle parking, and golf course access.

EXECUTIVE SUMMARY
As of December 31, 2018, the Napa County Fair Association (NCFA) no longer manages and operates the County Fairgrounds. In order to continue to offer the benefit of the various components of the Fairgrounds, including rental event center space, recreational vehicle parking, and golf course access to the citizens of Calistoga and the County, staff has been working in cooperation with NCFA in a variety of areas. Today's agreement will formalize this cooperative effort through an agreement allowing the County to continue to use critical assets belonging to NCFA such as mowers, tables, and computer equipment in order to manage ongoing operations at the Fairgrounds. Additionally, NCFA has agreed to continue administering websites related to the Calistoga RV Park and the Mt. St. Helena Golf Course, which will include collection of credit card payments and remittance of those revenues to the County. In recognition of these services, the County is extending temporary use of the residence at 2271 Grant Street for NCFA's office space. NCFA will also be granted authorization to host five special events at the Fairgrounds at no cost allowing these important community events to continue to take place.

FISCAL IMPACT
Is there a Fiscal Impact? Yes
Is it currently budgeted? Yes
Where is it budgeted? 5070-507000 Calistoga Fairgrounds
Is it Mandatory or Discretionary? Discretionary
Discretionary Justification: Through the terms of this Agreement the County will receive revenue collected by the Association for services provided at the Fairgrounds. Without the Agreement the County would be required to expend funds to set-up and manage website and credit card collection agreements to continue providing services, specifically at the RV Park and the Golf Course. This Agreement is more efficient in allowing these activities to continue while the County prepares to sell portions of the property.

Is the general fund affected? No
Future fiscal impact: This agreement will terminate within FY 2019-20.
Consequences if not approved: Operations at the RV Park and the Golf Course would be significantly impacted as many reservations are made via these websites using credit cards. The County would be required to establish its own system if it is desired for these operations to continue.

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 County began acquiring portions of the Napa County Fairgrounds property ("Fairgrounds") in Calistoga in 1938, with the full 70.6 acres of property coming under County ownership by 1976. Until December 31, 2018, the Fairgrounds was operated by the Napa County Fair Association (NCFA), a non-profit organization, who oversaw day-to-day use of the Fairgrounds for golf course operations, recreational vehicle parking, speedway events, and other special events as well as hosting the annual fair event. NCFA terminated their agreement with the County at the end of the 2018 calendar year, and since January 1, 2019, the County has assumed on-going Fairgrounds operations with responsibility for such assigned to the Public Works Department.

In order to continue to offer the benefit of the various components of the Fairgrounds to visitors and residents of the County, including rental of event center space, recreational vehicle parking, and golf course access, staff has been working in cooperation with NCFA in a variety of areas. Today’s agreement will formalize this cooperative effort through five main areas:

1. **County Use of NCFA Assets**: NCFA has authorized the County to use a variety of equipment, furniture, computers, and other assets to facilitate the orderly continued management of all aspects of Fairgrounds Operations during the term of the agreement. Upon termination of the agreement, the County will have the option to purchase certain equipment needed for its ongoing purposes or will return equipment to NCFA.
2. **NCFA On-Going Administration of Fairgrounds Websites/Credit Card Payment Collection**: NCFA will continue to administer four websites related to the Calistoga RV Park and the Mt. St. Helena Golf Course.
These websites are critical to ongoing operations and allow customers a simplified way to pay fees via credit card. NCFA will maintain the websites and collect the credit card payments on the County’s behalf.

3. **Remittance of Revenue by NCFA**: NCFA will remit, monthly, any revenues collected on the County’s behalf less the administrative fees charged to them for maintaining the websites and credit card payment agreements.

4. **Event Agreements**: NCFA will be granted authorization to hold five events during the term of the agreement at no cost. These events include:
   - Arts in April (Event has already occurred)
   - Napa Valley Olive Oil Competition (Event has already occurred)
   - Fair & Fiesta (Event has already occurred)
   - Star Spangled Social Event - Scheduled for July 4, 2019
   - County Christmas Faire - Scheduled for December 2019

5. **Space License Agreement**: NCFA will be granted a space license for a portion of the residence at 2271 Grant Street on the Fairgrounds property for use as their NCFA main office. The space license is granted during the term of the agreement, and NCFA must surrender the licensed space at the termination or expiration of the Agreement.

As staff worked through the transition of managing the property beginning in January, various issues were identified relating to the complexity of ongoing operations. Although delayed, this Agreement has been developed to comprehensively address the various components required for ongoing management. With approval of this Agreement, staff will have the ability to continue Fairground operations for the duration of sale negotiations with the City of Calistoga and any due diligence process.

**SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Leigh Sharp