



# Monterey County

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: 21-206**

**March 16, 2021**

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**Matter Type:** General Agenda Item

- a. Receive a report on the current operations at Lake San Antonio; and
- b. Provide direction regarding operations at Lake San Antonio.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Receive a report on the operations at Lake San Antonio; and
- b. Provide direction regarding operations at Lake San Antonio.

**SUMMARY:**

On December 10, 2019, the Resource Management Agency (RMA) presented a draft Lake San Antonio Operations Plan for the Board of Supervisors' consideration and approval and requested that the Board adopt a resolution to amend the Fiscal Year (FY) 2019-20 Adopted Parks Budget to increase appropriations to add six positions at Lake San Antonio (LSA). The Board deferred action on this recommendation and requested staff to return with alternatives for a more scaled down operation.

Per the Board's direction, Public Works, Facilities, & Parks (PWFP, successor to the former RMA) developed and returns today with four operating scenarios for the LSA facility for Board consideration.

**DISCUSSION:**

In response to Board direction, PWFP developed four operating scenarios for the LSA park facility (Attachment A). The four scenarios presented in Attachment A include varying service level offerings and estimated revenues. The scenarios range from full public closure of LSA to funding augmentation to engage sufficient staff to sustainably operate the park facility. An analysis of the four LSA Scenarios is provided in Attachment B. Attachment C offers a comparison between the staffing plan proposed on December 10, 2019, and the proposed scenarios presented today. For informational purposes, the scenarios present existing staffing resources allocated to maintain LSA funded by prior Board actions that do not impact the net financial need of each scenario and the new staffing resources requested. The scenarios reflect revenues offsetting operating expenditures for services, supplies, materials, and other costs and the remaining net financial need when the expenditures exceed projected revenues.

A detailed discussion providing historical background regarding LSA operations since County Parks was reorganized under the RMA in 2016 through the present, including the transition of LSA from the enterprise fund and third-party management to a fully County-operated facility, is provided in Attachment D.

The four operating scenarios presented do not address deferred maintenance and investment needs at LSA. A significant need to address deferred maintenance and invest in the park's infrastructure and facilities has been a concern for several years. The existing facilities, however, are conducive for patronage focused on equestrian, camping, boating, fishing, and day-use activities. Most support amenities for these functions specifically are in usable condition: boat ramps remain usable when water levels permit; certain campgrounds are open offering from primitive to full hookup facilities; fishing along the shoreline and swimming off the beach are also available.

PWFP's preference of the presented scenarios is Scenario 4 as it affords the best opportunity to allay further erosion of LSA's facilities and offers the strongest likelihood for a positive long-term outcome with LSA fully recovering from its present untoward financial situation. Should Scenario 4 be selected by the Board, the requested staffing and operational expenditures will allow for targeted focus on marketing and event opportunities to increase revenues. As revenues increase, investment strategies can be gradually introduced to further attract park users and revenues.

Additionally, staff is actively exploring other funding opportunities to enhance LSA operations. Currently, Proposition 68 (Prop 68) grant funding is being aggressively pursued. Staff plans to request Board approval to submit applications before the end of this calendar year for several available Prop 68 grants for LSA as well as other facilities within the County Parks system.

Two potential LSA projects being evaluated for Proposition 68 (Prop 68) grant funding that could significantly increase visitation and decrease reliance on favorable lake water levels include: a replacement marina at LSA-South Shore and an Amphitheater at LSA-North Shore. LSA-South Shore's Marina has been out of commission since 2014. Lack of a viable fueling option and secure overnight parking for vessels has significantly impacted park visitation, particularly by multiple night camping groups with vessels. Prop 68 grant funding, if awarded, would allow the County to remove and replace the existing unusable marina with a new state-of-the-art dock. A functional marina would greatly increase lake and campground usage on both shores, provided that a staffing level is available to perform vessel inspections seven days a week consistently. LSA-North Shore has been especially plagued by low water levels that reduces park visitation. The potential for large events at North Shore remains exceptional. Since 2014, several large, successful events at North Shore have boosted revenues substantially. Staff plans to seek the Board's support to apply for Prop 68 grant funding to build a large amphitheater to capitalize on this asset and draw large events to the park. Creating a *Summer Concert Series* would likely realize tremendous gains in camping and day-use revenues despite low lake water levels. Required infrastructure upgrades at the location would be included as part of the grant application's scope of work for a proposed project.

PWFP requests the Board receive this report on the LSA operations and provide direction regarding its future level of operations.

OTHER AGENCY INVOLVEMENT:

RMA/PWFP staff collaborated with the Parks Commission and the Lockwood community during the preparation of the original Plan. RMA/PWFP staff worked closely in collaboration with the Parks Ad Hoc Committee and the Parks Commission during the iterations, preparation, and analysis of the Plan now brought forward. In January 2021, several community meetings were hosted by PWFP staff regarding input for potential Prop 68 grant funded projects. Input from the various meetings was considered in the Plan. The Parks Ad Hoc Committee was presented the updated Plan on January 7, 2021, and their feedback has been incorporated into this report. The Parks Commission voted to support this item at their Special Meeting on January 14, 2021.

FINANCING:

Staff submitted budget augmentations during the development of the FY 2020/21 Recommended Budget for Lake San Antonio operations. Those augmentations were not approved as part of the FY 2020/21 Approved Budget for Park Operations. Expenditures and revenues associated with LSA operations are being captured within the FY 2020/21 General Fund Budget Unit 8510 for Park Operations. As a result of lost revenues from COVID-19 and the 2020 fire impacts, the day-use Parks revenues dropped significantly, by over forty (40) percent, compared to FY 2019/20 revenue. However, LSA revenues, which were not budgeted, fell slightly by only seven (7) percent over the same period from the prior fiscal year due to a drop in boating and overall increase in camping.

The following is a brief overview of the four (4) scenarios to operate Lake San Antonio prepared for the Board's consideration:

Scenario 1 involves full closure of LSA resulting in a net additional annual financial need of \$162,064 as continued maintenance of the closed facility is still required.

Scenario 2 represents current operations solely under County oversight at a reduced scale of operations without Basecamp Hospitality, resulting in further erosion of the facility. In FY 2019/20, LSA revenues offset LSA operating expenses for services, existing temporary staff, supplies, materials, and other costs. Under Scenario 2, LSA is not projected to need any additional net funding for the short-term, assuming current conditions and resources remain at status quo. Under Scenario 2, LSA facilities will continue to erode resulting in loss of services and a drop in park use creating a further decline in revenues. While this scenario may appear desirable from an immediate financial need perspective, staff would not recommend operating under this scenario for more than one year as it does not offer a remedy, it just "kicks the can down the road."

Scenario 3 includes the current operating level in Scenario 2, plus a slight increase in operations with the addition of two (2) permanent positions (a Parks Services Aide III and a Parks Services Aide II), along with seven (7) temporary/seasonal Park Services Aide I positions, and commensurate increase in services, supplies, materials, and other costs. Under Scenario 3, LSA is projected to require a net additional annual financial need of \$330,799, so it could move toward providing consistent public-facing services, including gate operations and Quagga/Zebra Mussel inspections and addressing small deferred maintenance projects.

Scenario 4 requires a net additional annual financial need of \$584,245 and expands Scenario 3 by adding three (3) permanent positions (Park Services Aide I), along with commensurate increase in services, supplies, materials, and other expenditures, to allow a viable LSA operation for FY 2021/22 and improve LSA's revenue trajectory significantly by re-establishing services that bring in revenue, such as lodge rentals, store operations, etc.

Staff has included in its FY 2021/22 Baseline Budget Request, budget augmentations that lead up to the resources reflected under Scenario 4, while the existing five (5) permanent filled Park Operations staff were included in the Baseline Budget as general funds had previously been approved by the Board. Staff is recommending Scenario 4 as it limits further erosion of LSA's facilities and offers the strongest likelihood for a positive, long-term financial outcome for operation of the facility.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation is consistent with the Board of Supervisors Economic Development, Administration, and Health & Human Services Strategic Initiatives by providing efficient, cost-effective management of County Parks. Availability of parks and open spaces provides the public with enhanced opportunities for healthy living lifestyle activities.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

- Attachment A-Four Scenarios for LSA Operations
  - Attachment B-Lake San Antonio Scenario Analysis
  - Attachment C-Lake San Antonio Staffing by Scenario
  - Attachment D-Detail Discussion
- (Attachments are on file with the Clerk of the Board)