



Monterey County

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Board Report

Legistar File Number: 17-0657

June 27, 2017

Introduced: 6/15/2017

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

- a. Approve Amendment No. 3 to Agreement No. A-11983 with Urban Park Concessionaires, dba Monterey Lakes Recreation Company (CalParks), to continue to provide lake resort management services and extend the expiration date from October 31, 2017 for two (2) additional years through October 31, 2019; and
- b. Authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to execute Amendment No. 3 to Agreement No. A-11983.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve Amendment No. 3 to Agreement No. A-11983 with Urban Park Concessionaires, dba Monterey Lakes Recreation Company (CalParks), to continue to provide lake resort management services and extend the expiration date from October 31, 2017 for two (2) additional years through October 31, 2019; and
- b. Authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to execute Amendment No. 3 to Agreement No. A-11983

SUMMARY/ DISCUSSION:

On October 1, 2007, the County took ownership of assets from Water World Resorts, Inc. and Lake San Antonio Resorts, Inc., including both real and personal property, as authorized by the Board of Supervisors on July 24, 2007. Six months later, on April 22, 2008, the County contracted with a management company to operate the resort business operations at both lakes which include marinas, stores, restaurants, fueling facilities, lodging units, and boat rentals.

Subsequently, on May 3, 2011 the Board of Supervisors approved the Management Agreement with Urban Park Concessionaires (commonly referred to as CalParks) for an 18-month term from May 11, 2011 through October 31, 2012. The Board also approved Addendum No. 1 to extend the term for a one-year extension through October 31, 2013 and Addendum No. 2 to extend the term through January 31, 2015. The agreement and addenda have authorized CalParks to manage operations at Lakes San Antonio and Nacimiento ("Lakes").

On May 17, 2016, the Board of Supervisors approved a new agreement through July 26, 2016. This date was agreed to allow the Fiscal Year 2016-17 budget process to be completed. The proposed budget had contemplated layoffs of full time County employees. The Board allocated one-time funding for Fiscal Year 2016-17 that allowed for the restoration of three (3) employees and expense funds for the County to continue with the operations of resort repairs, public safety, water, sewer and trash removal.

On July 19, 2016 the Board of Supervisors approved Amendment No. 1 to the new agreement, extending the term through October 31, 2017. This was intended to allow the County time to begin the analytical work needed to decide whether to negotiate a new agreement for up to a five-year period as requested by the vendor, or to rebid as either a Management Agreement, Concession Agreement or a combination.

On December 13, 2016, the Board of Supervisors approved the integration of the Monterey County Parks Department into the Resource Management Agency. As part of the integration, RMA generally assumed responsibility for Parks agreements; however, the CAO's Office assumed lead for agreements with Laguna Seca. It was determined that the County would issue a new Request for Proposal (RFP) for Lakes management. In preparation of this RFP, staff is requesting a two (2) year extension of the current agreement with CalParks to allow time to prepare a complete and thorough scope of work that will clearly detail the roles and responsibilities of both the County and the contractor.

Staff will be developing and conducting a comprehensive RFP of qualified bidders to enter a long-term agreement to manage three Lakes operations, which include Nacimiento, Lake San Antonio-South Shore and Lake San Antonio-North Shore. In the meantime, RMA has been working closely with CalParks to consider additional assigned duties effective July 1, 2017. Additional duties include maintenance and repair of all buildings and facilities at the Lakes, maintenance of grounds and open space, security for the Lakes during peak season, and environmental monitoring. County staffing levels would not be affected by this action. RMA will continue to assign staff as needed for management of County parks regardless of this agreement.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel and the Auditor-Controller's Office have reviewed and approved Amendment No. 3 as to form and legality, and fiscal provisions, respectively.

FINANCING:

Lake operations are currently funded out of Fund 452 (Lakes Fund). Under the current agreement, CalParks draws a monthly Management Fee of 1.5% of Monthly Gross Revenue (2.5% if Lake San Antonio is closed) and an annual Management Incentive Fee of 25% of the Annual Net Profit as defined in the Agreement. CalParks submits profit and loss (P&L) financial statements monthly. If the monthly statement shows a profit, 1.5% of revenue is retained by CalParks and reported on the P&L. Conversely, if there is a loss, CalParks will invoice the County, which is then paid out of the Lakes Fund. There is no change to the payment provisions in the proposed Amendment. Staff will be returning to the Board of Supervisors via the Parks Committee and Budget Committee with operating budgets to reflect associated appropriations and revenue increases for the Lakes Fund, Fund 452.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Maintaining public access to parks like Lake San Antonio and Lake Nacimiento provide an important function for enjoying the outdoors and providing recreational opportunities. Active recreation can help improve health. Effectively managing the Lakes can help reduce financial burden on the County.

Check the related Board of Supervisors Strategic Initiatives:

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

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Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A - Agreement

Attachment B - Amendment 1

Attachment C - Amendment 2

Attachment D - Amendment 3

(Attachments on File with the Clerk of the Board)