



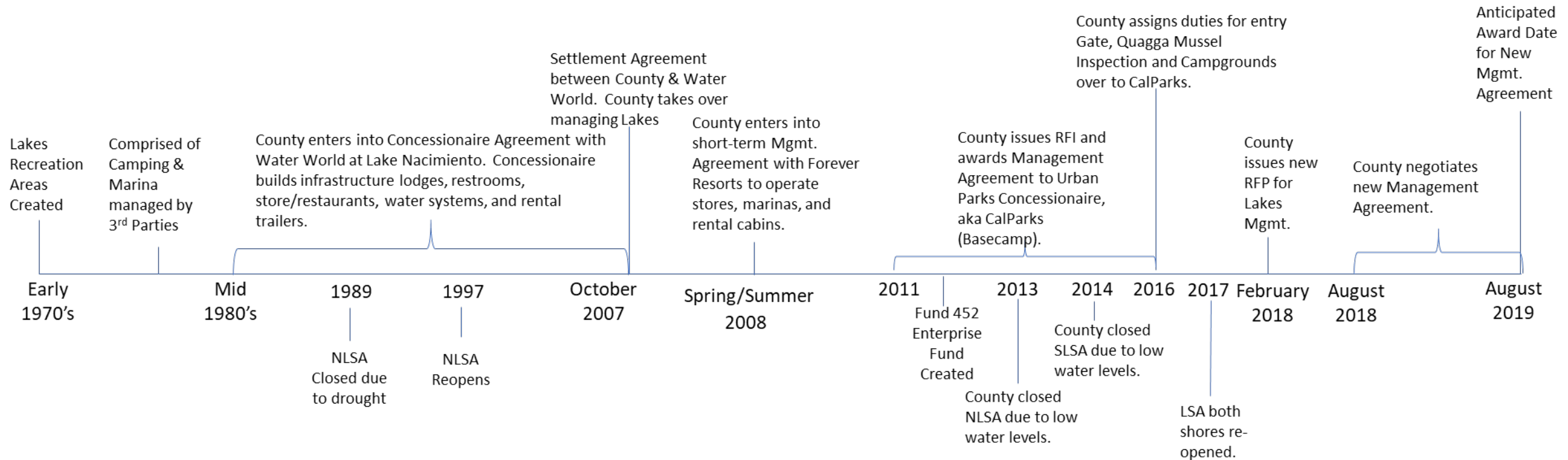
Management Agreement: Lake Nacimiento Resort and Recreation Area

PARKS COMMISSION

AUGUST 1, 2019

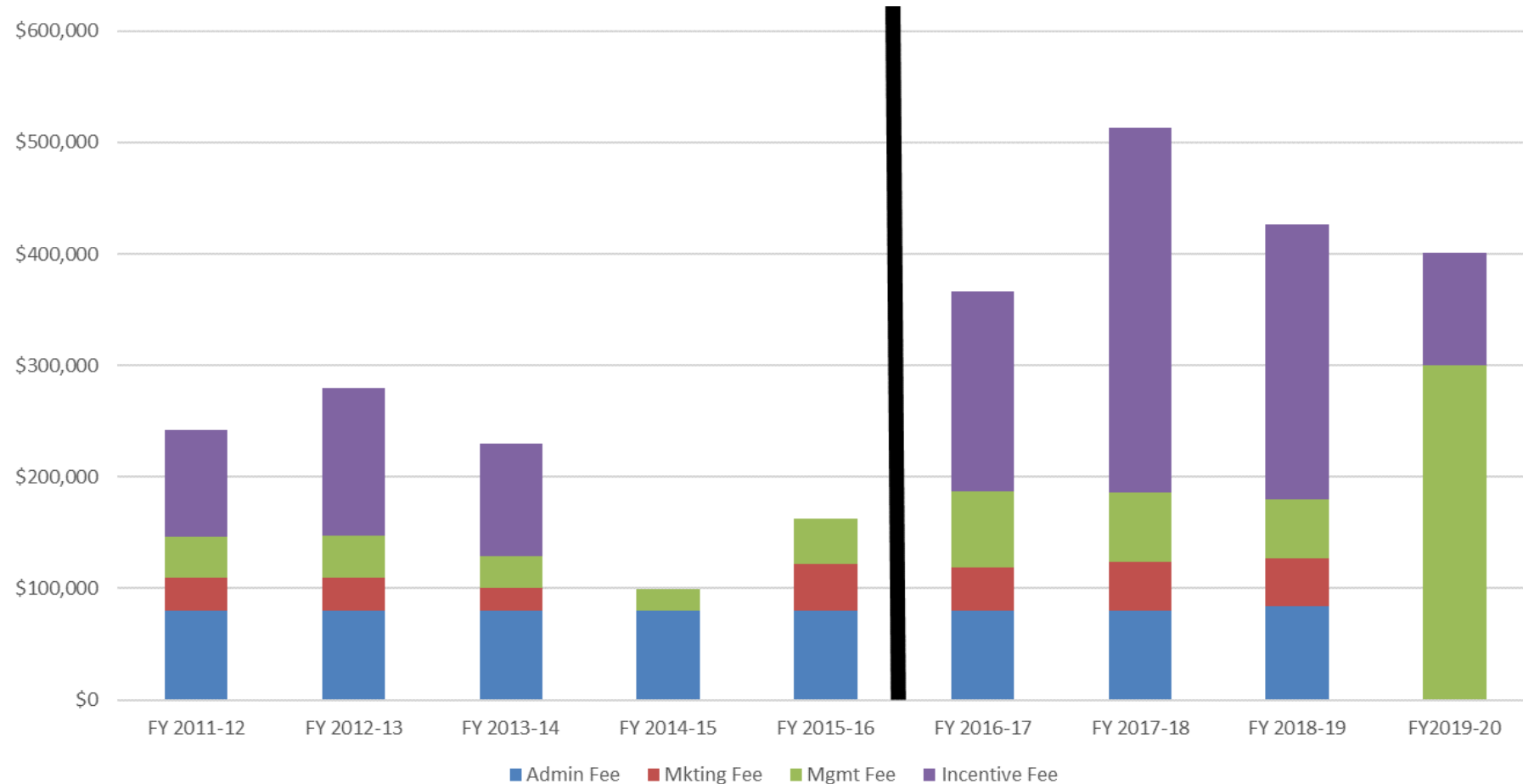
PRESENTER: SHAWNE ELLERBEE

Timeline of Lakes Concessionaire/ Management Agreement





History of Basecamp's Compensation for Managing Lakes



Compensation Comparison between Current and New Agreement

	Current Agreement Compensation Terms	Original Proposal by Basecamp	Counter Proposal by Basecamp	Final Counter by Basecamp	New Agreement - Final Terms*
	FY2019-20	FY2019-20	FY2019-20	FY2019-20	FY2019-20
Lake Nacimiento Revenue (Gross Sales)	\$ 4,209,794	\$ 4,209,794	\$ 4,209,794	\$ 4,209,794	\$ 4,209,794
Basecamp Expenses	\$ 2,751,021	\$ 2,751,021	\$ 2,751,021	\$ 2,751,021	\$ 2,751,022
County Expenses Counted towards ANI Calculation	\$ 449,347	\$ 449,347	\$ 449,347	\$ 449,347	\$ 449,347
Total Expenditures Included in Adjusted Net Income	\$ 1,009,426	\$ 1,009,426	\$ 1,009,426	\$ 1,009,426	\$ 1,009,425
Total Fees Paid/Proposed	\$ 435,507	\$ 1,334,168	\$ 718,881	\$ 445,943	\$ 400,943
Operating Net Gain/(Loss) Current Agreement	\$ 573,919	\$ (324,742)	\$ 290,545	\$ 563,483	\$ 608,483
<u>Other County Costs Impacting Enterprise Fund</u> (not factored into ANI calculation)	\$ 555,974	\$ 555,974	\$ 555,974	\$ 555,974	555,974
Impact on Net Position	\$ 17,945	\$ (880,716)	\$ (265,429)	\$ 7,509	\$ 52,509

*Final Terms: Fixed Mgmt Fee \$300K/Yr (escalated by CPI), 10% ANI Incentive Fee

Net Position Impact Based on Water Level

	Low Water Scenario FY 2019-20	Average Water Scenario FY 2019-20	High Water Scenario FY 2019-20
Lake Nacimiento Revenue (Gross Sales)	\$ 3,106,333	\$ 3,727,600	\$ 4,193,550
Subtotal Basecamp Expenses	\$ 2,457,193	\$ 2,400,887	\$ 2,400,693
Total County Expenditures Included in Adjusted Net Income	<u>\$ 199,793</u>	<u>\$ 877,366</u>	<u>\$ 1,343,510</u>
Basecamp Fees - Based on New Agreement			
Fixed Mgmt Fee \$300K/Yr (esc by CPI)	300,000	300,000	300,000
Incentive Fee @ 10% based on ANI	38,386	95,428	134,351
	<u>\$ 338,386</u>	<u>\$ 395,428</u>	<u>\$ 434,351</u>
Operating Net Gain/(Loss) New Agreement	<u>\$ (138,593)</u>	<u>\$ 481,938</u>	<u>\$ 909,159</u>
<u>Other County Costs Impacting Enterprise Fund, not factored into ANI Calc</u>			
Salary and Benefits	6,888	6,888	6,888
Services and Supplies	214,960	214,960	214,960
Interest On Other Long-term Debt	Removed as County Transfer Funds to Pay the Interest		
Surface Patrol	110,915	110,915	110,915
Depreciation	199,454	199,454	199,454
Cost Plan Charges	23,757	23,757	23,757
Interfund Reimbursement	-	-	-
Gain/Loss on Sales of Capital Assets	-	-	-
Subtotal Other County Costs	<u>\$ 555,974</u>	<u>\$ 555,974</u>	<u>\$ 555,974</u>
Impact on Net Position	<u>\$ (694,567)</u>	<u>\$ (74,036)</u>	<u>\$ 353,185</u>



New Management Agreement

- Basecamp 100% responsible for management, operations, and maintenance of Resort and Recreation areas at Lake Nacimiento, including security and water & waste water systems.
 - Lodges, Trailers, Camping, Reservations, Housekeeping, Store(s), Marina, Vessel Rentals, Pool, Security, entry
- Seven (7) Year Agreement (8/1/19 to 12/31/2026)
 - Option to terminate if Lease Agreement between County and MCWRA terminates
 - Option to renegotiate terms if changes in Lease Agreement between County and MCWRA
 - Option to renegotiate after two consecutive years operating at a negative Adjusted Net Income
- Management, operations and maintenance of the Resort/Recreation areas at Lake Nacimiento
 - Clearly defined roles and responsibilities for maintenance (Basecamp) vs capital repairs (County)
 - Requires operations/maintenance/staffing/marketing plans for County approval
- No hidden fees or excluded profit centers
 - Administration/Marketing/Alcohol
- Annual Financial Audit on all financial statements (Full Audit)