



County of Monterey

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

Board Report

File #: WRAG 12-016, **Version:** 1

- a. Approve a one-year extension on the Management Agreement between Monterey County and Urban Park Concessionaires, doing business locally as “Monterey Lakes Recreation Company,” at Monterey County Parks lake resort operations, extending the current term through October 31, 2013; and,
- b. Authorize the Chair of the Monterey County Board of Supervisors to sign Addendum No. 1 to the Agreement; and,
- c. Authorize the Chair of the Monterey County Water Resources Agency Board of Directors to sign Addendum No. 1 to the Agreement on behalf of the Water Resources Agency.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve a one-year extension on the Management Agreement between Monterey County and Urban Park Concessionaires, doing business locally as “Monterey Lakes Recreation Company,” at Monterey County Parks lake resort operations, extending the current term through October 31, 2013; and,
- b. Authorize the Chair of the Monterey County Board of Supervisors to sign Addendum No. 1 to the Agreement; and,
- c. Authorize the Chair of the Monterey County Water Resources Agency Board of Directors to sign Addendum No. 1 to the Agreement on behalf of the Water Resources Agency.

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 current Management Agreement with Urban Park Concessionaires (UPC) for an 18 month term from May 11, 2011 through October 31, 2012. The recommendation of the County’s selection committee (comprised of staff from Parks, Water Resources Agency, County Administrative Office, Contracts/Purchasing, and Risk Management) was a result of an RFI which requested Proposals of Interest during the previous December of 2010.

At this time, the recommendation to extend the term of the Agreement for one-year is being made to continue with the existing business relationship and allow for further development of the resort operations through collaboration between all parties. After 18 months of performance, UPC has met expenditure and revenue forecasts set forth in the initial agreement, worked successfully with Parks staff on annual marketing campaigns, and responsibly maintained the facilities and grounds, as per their contractual obligations. They continue to demonstrate their expertise, experience, and capabilities in resort operations.

OTHER AGENCY INVOLVEMENT:

In addition to the Parks Department and Water Resources Agency, the County Administrative Office and County Counsel are in support of this recommendation.

FINANCING:

Under the extended Agreement and Annual Budget Estimate the terms will be status quo: County will reimburse UPC the NET amount of monthly operating expenses offset by monthly revenue. For the Management Fee, UPC will earn a total of 1.5% of the monthly gross revenue and an annual performance incentive based on 25% of the Annual Net Income. The net result of Urban Park Concessionaire's financial performance for the period of July 1, 2011 through June 30, 2012 came in under 6% variance from the approved contract budget (See Attachment A).

Prepared by: Stella Sandoval, Parks Department Finance Manager, (831) 755-4895

Approved by: David E. Chardavoyne, Interim General Manager, (831) 755-8906

Attachments:

Attachment A: Annual Budget & Performance for Fiscal Year 2011-12

Attachment B: Addendum No. 1 to the Management Agreement between Urban Park Concessionaires and the County of Monterey