



# Napa County

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## Legislation Details (With Text)

**File #:** 21-1053 **Version:** 1  
**Type:** Agreement **Status:** Passed  
**File created:** 10/7/2021 **In control:** Board of Supervisors  
**On agenda:** 10/19/2021 **Final action:** 10/19/2021  
**Title:** County Executive Officer will provide an update of activities at Lake Berryessa and requests approval of and authorization for the Chair to sign the following agreements:

1. Exclusive Negotiation Agreement with Sun Lake Berryessa LLC (Sun Communities) to conduct environmental studies, site investigation and due diligence, prepare environmental documents, and enter into negotiations for a long-term agreement for development and operation of resort concessions at Steele Canyon, Spanish Flat, and Monticello Shores concession areas; and
2. Amendment No. 2 to Agreement No. 170664B-17 with Ragatz Realty increasing the amount by \$15,000 for a new maximum of \$140,000, extending the term through June 30, 2022, and amending the scope of work to include identification of eligible bidders for Berryessa Point.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Agreement - Sun Communities, 2. Agreement - Ragatz, 3. Berryessa Point Graphics (added after meeting), 4. Sun Proposal (added after meeting), 5. Correction Memorandum (added after meeting)

Date	Ver.	Action By	Action	Result
10/19/2021	1	Board of Supervisors		

**TO:** Board of Supervisors

**FROM:** Minh C. Tran, County Executive Officer

**REPORT BY:** Leigh Sears, Concessions Manager

**SUBJECT:** Lake Berryessa Concessions - Exclusive Negotiation Agreement with Sun Communities

### RECOMMENDATION

County Executive Officer will provide an update of activities at Lake Berryessa and requests approval of and authorization for the Chair to sign the following agreements:

1. Exclusive Negotiation Agreement with Sun Lake Berryessa LLC (Sun Communities) to conduct environmental studies, site investigation and due diligence, prepare environmental documents, and enter into negotiations for a long-term agreement for development and operation of resort concessions at Steele Canyon,

Spanish Flat, and Monticello Shores concession areas; and

2. Amendment No. 2 to Agreement No. 170664B-17 with Ragatz Realty increasing the amount by \$15,000 for a new maximum of \$140,000, extending the term through June 30, 2022, and amending the scope of work to include identification of eligible bidders for Berryessa Point.

## **EXECUTIVE SUMMARY**

Staff will provide the Board with an update of activities to date regarding development at Lake Berryessa. The County has assumed management of certain concession areas at Lake Berryessa from the United States Bureau of Reclamation (BOR) pursuant to a Managing Agreement executed in March 2020. Pursuant to the Managing Agreement, the County issued Request for Proposals No. CEO112001 for resort concession areas at Lake Berryessa (RFP) for Steele Canyon, Spanish Flat, and Monticello Shores. County staff and Ragatz Realty, a real estate consultant retained by the County reviewed the proposals and selected Sun Communities as the firm to recommend to the Board of Supervisors for approval to develop resort concessions at Steele Canyon, Spanish Flat, and Monticello Shores.

Today's requested action will commit the County to negotiating exclusively with Sun Communities on one or more long term concessions agreements for the three concession areas, while Sun Communities conducts due diligence, site investigations, environmental studies, and prepares CEQA and NEPA documents and will amend the contract with Ragatz Realty to include support in issuing a Request for Information for viable concessionaires for Berryessa Point.

## **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
Where is it budgeted?	County Executive Office
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Ragatz Realty is experienced in identifying viable concessionaire firms and is expert in recreational development. This agreement will assist the County to identify a concessionaire to successfully develop Berryessa Point.
Is the general fund affected?	Yes
Future fiscal impact:	None
Consequences if not approved:	Berryessa Point will not be developed in the near future.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit

## **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The activities contemplated by the Agreement are either not a project subject to CEQA pursuant to CEQA Guidelines sections 15060(c)(3) and 15378, or consist of information gathering and investigations categorically exempt from CEQA pursuant to CEQA Guidelines section 15306.

## **BACKGROUND AND DISCUSSION**

In March 2020, the BOR and the County entered into Managing Agreement Number 20-LC-20-2623 (Napa County Agreement No. 200285B), for the administration, operation, maintenance and development of public recreation facilities at Lake Berryessa. In November 2020, the County issued Request for Proposals No. CEO112001 for resort concession areas at Lake Berryessa (RFP) for Steele Canyon, Spanish Flat, and Monticello Shores. County staff and a real estate consultant retained by the County reviewed the proposals and selected Sun Communities as the firm to recommend to the Board of Supervisors for approval to develop resort concessions at all three locations.

The purpose of the Exclusive Negotiation Agreement is to commit the County to negotiating exclusively with Sun Communities on one or more long term concessions agreements for the three concession areas, while Sun Communities conducts due diligence, site investigations, environmental studies, and prepares CEQA and NEPA documents. The initial term of the Agreement is 24 months, though the studies, investigations, and preparation of environmental documents could be done sooner, or take longer, than the estimated 24 months. Sun Communities may extend the term by 6 months in its sole discretion, but extensions beyond 6 months will require approval of the Board of Supervisors.

Negotiations on a long term concessions agreement will focus on when and how to implement the proposals Sun Communities submitted in response to the RFP for the three concession areas. Sun Communities' proposal is included as backup information for this agenda item. The Exclusive Negotiation Agreement does not commit Sun Communities to implementing its proposal, and they are free to cease pursuing any or all of the three concession areas at any time. However, Sun Communities has already mobilized engineers and other experts to start investigating and studying the concession areas, and is unlikely to back out of any of the locations unless they determine the proposed concessions are impractical or infeasible. The County anticipates Sun Communities will invest over \$100 million in the three concession areas, provide new employment opportunities, and possibly become an anchor for revitalization of the Lake Berryessa community.

Ragatz Realty, Inc. (formerly Ragatz Sedgwick Realty, Inc.) was originally selected to advise the County on the potential redevelopment and management of five concession areas on the shores of Lake Berryessa. The firm was chosen because of its principals' unique combination of academic accomplishment (Dr. Ragatz was previously a professor of urban and regional planning at the University of Oregon), deep experience in analyzing the feasibility of resort developments (more than 2,500 studies completed in 47 U.S. states and 70 foreign countries) and property development expertise (Grant Sedgwick has managed the design, construction and/or brokerage of several hotels, timeshare resorts, conference centers, golf clubs and restaurants).

Over the course of a five-year relationship with the County of Napa, Ragatz Realty has (i) completed an overview of the development potential of five concession sites at the Lake (ii) conducted - and subsequently updated - exhaustive market research and feasibility studies for all five resorts (iii) drafted and managed an initial Request for Information and Interest that resulted in nine responses from developers (iv) prepared fiscal impact studies of potential development scenarios for each concession site (v) advised senior County staff on

complex negotiations with the Bureau of Reclamation (vi) drafted and managed a Request for Proposals for three concession sites that resulted in four extremely well-qualified responses, and (vii) provided extensive support to County staff in evaluating these proposals and making a definitive recommendation to the Board of Supervisors regarding the selection of a developer/operator. In all these assignments, the consultant's work has proven to be completely satisfactory.

Berryessa Point was not among the three initial sites for which last year's RFP was issued. It is the smallest of the five sites (55 acres compared to an average of 168 acres for the other four) and appeared to require extensive civil engineering reconstruction. Initial feasibility analysis assumed its development potential to be fairly limited - perhaps 100 sites for RV and tent camping, cabins and/or park models as well as 50 or so boat slips. However, it is a beautiful site, in a prominent location, for which expressions of developer/operator interest have recently been received. Ragatz Realty will assist staff development of a Request for Information for viable concessionaires for this additional site.