

APPENDIX 7.2

LAKE BERRYESSA CONCESSIONS HISTORY

In 1948, construction of Lake Berryessa was authorized as part of Reclamation's Solano Project. The Solano Project was initiated to control flooding and to supply water for agricultural, municipal, and industrial uses. The primary project facility was Monticello Dam, constructed on Putah Creek in 1957.

In 1958, before public recreational use of the reservoir was officially sanctioned, Napa County entered into a management agreement with the Bureau of Reclamation to administer the recreational development of federally owned lands at Lake Berryessa.

In October 1959 the National Park Service issued a 'Public Use Plan' (PUP) that they had been assigned and accomplished, in behalf of Reclamation, outlining a future for development of concessionaire facilities and programs at Lake Berryessa for support of public recreation use. The PUP called for the development by concessionaires and Reclamation of traditional short-term 'park like' facilities. The focus was on camping and marina development with associated retail and food/beverage sales. There was no mention or apparent consideration of developing exclusive long-term trailer villages. The 1958 agreement assigning recreational development of Lake Berryessa to Napa County included a preliminary General Development Plan, subsequently incorporated into the PUP.

The seven existing concession operations were all authorized to begin operations in 1958 and 1959. These are the same contracts, with one exception, that are now expiring in 2008/2009. The exception is Pleasure Cove that saw the original contract terminated in 2004 and currently operating under an interim contract that will expire on December 1, 2007. The seven contracts were originally authorized for a maximum of 30 years but in 1980 Congress passed Public Law 96-375 that among other things provided two 10 year extension options for the seven concession contracts at Lake Berryessa. Those options were both authorized resulting in the upcoming expirations after 50 years of operation.

In the early 1960's the concessionaires began requesting of Napa County authorization to begin developing trailer installations to be operated in a manner similar to the continuing operations. Napa County approved such developments and Reclamation concurred with no apparent address of the development direction prescribed in the PUP. There are no apparent historic records that indicate exactly how many trailer sites were authorized at each of the seven locations but eventually there were over 1600 such sites developed. At the same time that the trailer facilities were being developed some of the short-term facilities; camping, lodging, marinas, and retail also developed.

The development of the long-term trailer installations were immediately popular and became the core economic base for the concession operations at Lake Berryessa. The trailer installations, for the most part, were developed on the prime lakeshore areas within the concessionaire land assignments. Short-term facilities serving the traditional recreating public have always been a part of the mix at the Lake Berryessa concession operations and they were developed adjacent to the long-term trailer areas. With the exception of marina facilities and some lodging the short-term facilities at Lake Berryessa never became popular destinations areas for area visitors with the exception of holiday weekends. Short-term public use facilities have been very popular and

commercially successful over the years in other areas, i.e. Lake Shasta, New Melones, Lake Oroville, Folsom Lake, and numerous others located significantly farther away from the population centers of their users than the operations at Lake Berryessa.

In 1972 an audit by the General Accounting Office of the United States determined the following:

“The Bureau’s failure to control adequately the development of public recreational facilities at Lake Berryessa has resulted in a situation where access to and use of the lake by the general public has been severely restricted because of (1) extensive development by concessionaires of mobile home parks along the shoreline and (2) failure to provide public recreational facilities in accordance with the Public Use Plan.”

In 1975 Napa County relinquished their control and management of all recreation oversight at Lake Berryessa and returned that responsibility to Reclamation where it has remained since. It has proven unfeasible to restructure the concession operations and the associated ‘long-term/short-term focus’ during the life of the existing concession agreements/contracts. Several attempts were made by Reclamation to upgrade the opportunities for short-term users with some success for day users in the development of Oak Shores and Capell Cove.

The recent planning and EIS work including thousands of public comments made it clear that the weak business profile for the short-term concession recreation facilities at Lake Berryessa was attributable to the proximity of the large trailer villages and the focus on their operations and not due to lack of public demand in the area for appealing short-term facilities. The atmosphere and associated experience for traditional short term users at Lake Berryessa has not been as positive as that perceived by members of the public willing to travel the greater distance to numerous other public land areas featuring water based recreation.

The present opportunity to restructure the concession contracts upon expiration of the existing operations in 2008/2009 has been the target of Reclamation throughout the last six years of planning and public comment resulting in the recent completion of an Environmental Impact Statement, the associated Visitor Services Plan and the recent Record Of Decision for Lake Berryessa that establishes the operational focus for development and operation of short-term visitor use concession facilities.

This Prospectus is soliciting bids from qualified individuals and companies to initiate and manage new and upgraded facilities following the expiration of the existing contracts and removal of the long-term trailer installations.