

PART – 1

Summary of the Business Opportunity

Reclamation, through this Prospectus, is outlining new commercial services opportunities in five concession areas at Lake Berryessa. These five areas are as follows:

- Putah Canyon Recreation Area
- Monticello Shores Recreation Area
- Berryessa Point Recreation Area
- Spanish Flat Recreation Area
- Steele Canyon Recreation Area

Business options for the next Concession Contract term(s) include lodging of various types, food and beverage services, launch ramps, marinas (slip rentals, boat and houseboat rentals, fuel sales, and sanitary pumpout services), retail sales, campgrounds and RV Parks, day use facilities, etc. Some operations may be seasonal in nature while others may serve year around business demands.

The specific ‘Required’ and ‘Authorized’ services for each of the five locations permitted by Reclamation are outlined in Section 2 of the draft Concession Contract (Part 6 of this prospectus). In 2013-2015 Reclamation has conducted additional long-range planning to identify the market demand, scope and feasibility of Required and Authorized Services at Lake Berryessa. The resulting planning documents have been accomplished to bring up to date the 2005 Environmental Impact Statement/Visitor Services Plan and the 2006 Record of Decision (ROD). These documents serve as the guiding documents during the term of the Concession Contract opportunity that this prospectus describes.

As outlined in detail in PART 3 Section K of this prospectus, bidders may submit proposals on all five concession areas, either singly or as bundled sites to take advantage of potential cost savings from combined operations. The maximum number of areas that any one bidder will be awarded will be three areas.

The aforementioned planning documents plus numerous other helpful documents mentioned throughout this Prospectus may be viewed by visiting a specially developed Lake Berryessa Prospectus website at <http://www.usbr.gov/mp/cao/berryessa/prospectus.html>.

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Reclamation has undertaken substantial planning for future services and has completed or will complete preliminary site plans and 60 percent design level infrastructure plans, and associated environmental documentation for Required Services. Bidders are encouraged to adopt the planning efforts undertaken by Reclamation. As developed, these plans will only require the successful bidder to bring these plans to completion and undertake site-specific environmental documentation and permitting. Successful bidders who propose plans that are substantially different from those developed by Reclamation will be solely responsible for all planning and associated environmental documentation.

All bidders will be bidding on a proposed development program that will require substantial investment on the part of new Concession Contractors. In recognition of these substantial investments, bidders must provide detailed financial pro forma documents as stipulated in PART 5 of this Prospectus. Bidders must not rely on the Government estimates presented in this Prospectus for their support in demonstrating their ability and associated plans for operating economically feasible operations with a reasonable opportunity for a profit. (Please see PART 5 of this Prospectus for detailed information on the proposal evaluation process to be conducted by Reclamation).

Previous concession operations at these five areas at Lake Berryessa operated in a very different business environment for the entire 50 years of their contracts than what is outlined in this Prospectus. They were financially dependent on the rental of long-term trailer sites which were not open to the public at large. At one time there were nearly 1600 trailer sites among the original seven Concession Contractors at Lake Berryessa. These trailer sites rented on a monthly basis and the long term trend had been a nearly 100 percent occupancy rate over the years. Revenue from the trailer sites between 1959 and 2008/2009 accounted for approximately 50 percent of the overall revenue for Concession Contractors. Much of the prime shoreline locations in all of the concession areas had been committed to the long-term exclusive use of the permanent trailer villages. As per the ROD, all the trailers have now been removed and 43 CFR Part 429 prohibits any long-term private trailer installations or any variations of private exclusive use. As a result, Lake Berryessa now has extensive areas available for public use with highly desirable lake access and stellar views of the surrounding hills and pastoral countryside.

Reclamation intends for the next Concession Contract(s) at Lake Berryessa to become fully dependent upon the provision of commercial facilities and services to traditional short-term users in a manner similar to those seen at hundreds of other Federal recreation areas throughout the country that are open for public recreation use.

Public comment has supported the belief, and Reclamation concurs, that the focus on the long-term trailer installations over the past years created a business model that resulted in traditional short-term users mostly going elsewhere for their

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outdoor recreation experiences because they did not perceive the proximity of large permanent trailer installations as conducive to the vacation or recreation experience they desired.

Though past use may have deterred short-term users, the recreational areas around Lake Berryessa provide a unique opportunity to San Francisco and Sacramento area residents and, if successfully marketed, present an opportunity for a strong return on investment for the selected company. With the change to a business model that is committed to the provision of new facilities and services targeting short-term, diverse public use, and the opportunity to develop these operations in attractive areas near the lake shore, Reclamation foresees outstanding untapped commercial opportunities at Lake Berryessa. The environment and scenic vistas surrounding Lake Berryessa provide superior natural surroundings over several other Northern California public recreation areas that conduct financially viable operations. This setting, just a short distance from Napa Valley, in conjunction with the 8-10 million residents within 3 hours drive presents a business potential at Lake Berryessa for the establishment of appropriately designed recreation support facilities and services with outstanding growth potential over the 30 year terms of the next contract(s).

Additionally, the change in business model will also emphasize visitor safety and high quality recreation experiences, to alter a public perception of the former reputation of Lake Berryessa as providing a lower quality experience. To achieve this change Reclamation has updated its draft Concession Contract with several different provisions. Among these is a Risk Management program and Environmental Management Program, with requirements for the successful bidders to provide a safe and healthful environment with sufficient security, a comprehensive safety program, trained staff, quality control inspections, incident reporting guidelines and others. A comprehensive Operating Plan and Maintenance Plan prescribe how the concession areas will be operated and maintained to provide a positive and safe experience, and a Concession Review Program provides a feedback mechanism and accountability for contract compliance.

Marinas with boat slips, boat and houseboat rentals, attractively designed cabin installations, quality RV and camping opportunities and day use facilities are all amenities that are not presently being capitalized upon that should show immediate visitor demand following the re-development focus on traditional short-term use. Current occupancy levels on boat rental slips remaining at Lake Berryessa as well as other comparable areas around Northern California is already very high and increases and upgrades in those fixed assets should be met with immediate user popularity.

This Prospectus will be open for a period of 60 calendar days in recognition of the complexities involved and the potential for individual bidders to develop complex multiple area or single area proposals. The Prospectus is large in size because of

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the need to address five different concession areas. Reclamation acknowledges that 60 days is a shorter bid period than was originally mentioned, in an effort to maintain the estimated timeframes for award of new concession contracts. However this time period should be adequate for preparation and submittal of bids. If a bidder requests an extension and has very compelling justification, Reclamation may be able to provide a short extension.

Reclamation will be amending this prospectus approximately thirty days after it is issued in order to provide additional information, currently under development, regarding 60% infrastructure design and related financial information. Prospective bidders should stay attuned to updates that will be posted on the Lake Berryessa Prospectus Website <http://www.usbr.gov/mp/cao/berryessa/prospectus.html>, and www.fbo.gov.

Reclamation provides through this Prospectus, opportunities for prospective bidders to tour existing facilities, to ask appropriate questions and to express any concerns regarding aspects of this concession business opportunity (see PART 3 Section B of this Prospectus).