



Council Chamber
580 Pacific St.
Monterey, California

City Council Agenda
Council Regular Meeting

Tuesday, June 2, 2020

4:00 PM - 5:30 PM
7:00 PM – 11:00 PM

City Council
Clyde Roberson, Mayor
Dan Albert, Councilmember
Alan Haffa, Councilmember
Ed Smith, Councilmember
Tyler Williamson, Councilmember

City Manager
Hans Uslar

IMPORTANT NOTICE:

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, and to do all we can to help slow the spread of COVID-19 (coronavirus):

- Meetings of the Monterey City Council and its Boards and Commissions will be conducted with virtual (electronic) participation only. Members of the public may watch the live stream of the City Council and Boards and Commission meetings at <https://www.youtube.com/cityofmonterey> (up to 10 second delay) or on television on Channel 25 (up to 90 second delay). The YouTube live stream has the shortest delay and is recommended for anyone wishing to provide public comment (see details below).
- **BEFORE EACH MEETING**, members of the public may participate by submitting comment(s) to cityclerk@monterey.org from an email account or a cell phone's texting app until ½ hour before the start of the meeting. These emails and text messages will be shared with the Council or relevant Board or Commission prior to the start of the meeting, but will not be read aloud during the meeting. Writings distributed for discussion or consideration on these agenda items, pursuant to Government Code § 54957.5, will be made available at the following link: <https://monterey.org/Submitted-Comments>
- **DURING EACH MEETING**, members of the public may participate by calling and speaking live during the designated time(s), subject to time limits that may be imposed pursuant to the Brown Act. To provide public comment:
 - Please follow along with the meeting on the [YouTube live stream](#), as it has the shortest delay, and only call when the public comment period is announced.
 - When the public comment period is announced, call the telephone number that will be provided on-screen and announced by the Mayor. Enter the conference room number, then #.
 - You will be muted upon joining the call.
 - Enter *5 to "raise your hand." When it is your turn to speak, you will be unmuted. Please remember to turn the sound off on your television or computer when it is your turn to talk (or as soon as you call in). Leaving your television or computer on will cause interference with the broadcast and the audience will not be able to hear you.
 - Between comment periods, please hang up the phone. If you wish to comment on another item, please call back when the public comment period is announced.

***Afternoon Session Agenda ***

4:00 - 5:30 p.m.

CALL TO ORDER

PUBLIC COMMENTS

PUBLIC COMMENTS allows you, the public, to speak for a maximum of three minutes on any subject which is within the jurisdiction of the Monterey City Council and which is not on the agenda. Any person or group desiring to bring an item to the attention of the City Council may do so by addressing the Council during Public Comments or by addressing a letter of explanation to: City Clerk, City Hall, Monterey, CA 93940. The appropriate staff person will contact the sender concerning the details. NOTE: Public Comments are taken during the afternoon session and continued at the evening session. Individuals may choose to speak once for up to three minutes at either session, but not both.

CONSENT ITEMS

CONSENT AGENDA consists of those items which are routine and for which a staff recommendation has been prepared. A member of the public or a Councilmember may request that an item be placed on the regular agenda for further discussion.

Award of Construction Contracts

1. Award a Construction Contract in the Amount of \$1,818,555.25 to Granite Rock Company for the USAG POM Pavement Repair 2019 Project for Presidio Municipal Services Agency Projects ***PMSA*** (Categorically Excluded from NEPA 32 CFR, Not a Project Under CEQA per Pub. Resource Code, § 21080)
2. Award Municipal Improvements Job Order Contract 2020-2021 for Presidio Municipal Services Agency (PMSA) Projects in the Amount of \$1,000,000 to The Don Chapin Co., Inc. ***PMSA*** (Not a Project under CEQA per Article 20, Section 15378 and under General Rule Article 5, Section 15061; Excluded from NEPA per Title 32 CFR 651 Appendix B Categorical Exclusion (e) (1))
3. Award a Construction Contract to Monterey Peninsula Engineering in the Amount of \$550,749 for the Casa Verde / Helvic / Portola / McNear Intersection Improvements Project (Exempt from CEQA Article 19, Section 15301, Class 1) *** NCIP***

Resolutions

RESOLUTIONS are passed to express the policy of the Council on certain items or programs, or are passed to direct certain types of administrative action. A resolution may be changed by adoption of a subsequent resolution. Resolutions only require one reading and are approved when "passed and adopted."

4. Authorize an Agreement with the City of Seaside to Recognize Seaside as the Fort Ord Reuse Authority (FORA) Environmental Services Cooperative Agreement, Economic Development Conveyance Agreement, and Local Redevelopment Authority Successor-in-Interest (Not a Project under CEQA per Article 20, Section 15378 and under General Rule Article 5, Section 15061)
5. Authorize the City Manager to Enter into a New Agreement Among Monterey County Public Agencies for the County of Monterey to Provide 9-1-1 Emergency Communications and Dispatch Services (Not a Project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)
6. Adopt a Resolution Authorizing the City Manager to Enter into an Agreement with the Monterey Peninsula Chamber of Commerce to Administer Grants for the Covid-19 Local Economic Stimulus Plan (LESP) Utilizing Appropriated Funds (Not a

Project Under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

7. Adopt the Annual Reports and Approve Resolutions to Set a Public Hearing Date to Levy the Annual Assessment for the Cannery Row Business Improvement District, the New Monterey Business Improvement District, and the North Fremont Business Improvement District (Not a project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)
8. Authorize the City Manager to Execute a Contract with POM Incorporated for the Purchase of Single Space Solar Smart Meters for On-Street Parking in the Amount of \$339,692 (Exempt per CEQA Guidelines Article 19, Section 15301, Class 1)
9. Authorize an Escrow Agreement with the Fort Ord Reuse Authority (FORA) and City of Del Rey Oaks in order for FORA to transfer \$7,269,813 for the South Boundary Road Project into an Escrow Account (Not a Project under CEQA per Article 20, Section 15378 and under General Rule Article 5, Section 15061)
10. Authorize a Supplemental Appropriation from the Parking Fund Ending Balance of \$336,895 and Amend Resolution 19-147 Awarding a Contract with TIBA Parking Systems, LLC for the Purchase, Installation and Maintenance of Parking Access and Revenue Control Systems (PARCS) for Off-Street Parking Facilities to Increase the Total Contract Amount from \$1,888,372 to \$2,225,267 (Exempt per CEQA Guidelines Article 19, Section 15301, Class 1) ***CIP***
11. Appropriate \$8,941 in Donated Funds to the 2019-20 Library Trust Fund Budget (Not a Project Under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

Other

12. Authorize the Mayor to Send Letters to Monterey One Water, Monterey Peninsula Unified School District, Monterey Peninsula Water Management District, and Transportation Agency for Monterey County on behalf of the City Requesting these Agencies Consider Revising Fee Schedules for Residential Development to a Square Footage Basis and to Collect Fees at Certificate of Occupancy (Not a Project Under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

*** End of Consent Agenda ***

Adjourn to City Council Meeting

PUBLIC HEARING

PUBLIC HEARINGS are held to receive public comment on certain items pending Council action. You are welcome to offer your comments after being recognized by the Mayor. The Council may limit the time allocated to each speaker.

13. Amend the City General Plan and Municipal Code Section 38-107 to Prioritize and Require Utility Undergrounding and Amend the Cannery Row Conservation District and Old Town Area Plan to Delete References to Undergrounding (Exempt from CEQA Per Article 19, Sections 15202, 15304, 15305, and 15308 Classes 2, 4, 5, and 8 and Sections 15061(b)(3))

1st Reading by Title Only of an Ordinance Amending Monterey City Code Section 38-107 to Require Utility Undergrounding

***** Adjourn to Closed Session (See additional agenda) *****
Council will adjourn to closed session no later than 5:00 p.m.

RECESS 5:30 p.m.

RECONVENE

***** Evening Session Agenda *****
7:00 - 11:00 p.m.
No discussion of a new item will be started after 10:30 p.m.

PLEDGE OF ALLEGIANCE

CONTINUED PUBLIC COMMENTS
PUBLIC COMMENTS allows you, the public, to speak for a maximum of three minutes on any subject which is within the jurisdiction of the Monterey City Council and which is not on the agenda. Any person or group desiring to bring an item to the attention of the City Council may do so by addressing the Council during Public Comments or by addressing a letter of explanation to: City Clerk, City Hall, Monterey, CA 93940. The appropriate staff person will contact the sender concerning the details. NOTE: Public Comments are taken during the afternoon session and continued at the evening session. Individuals may choose to speak once for up to three minutes at either session, but not both.

ANNOUNCEMENTS FROM CLOSED SESSION

PUBLIC APPEARANCE (EVE)
PUBLIC APPEARANCE items are reports on non-routine issues that might stimulate public discussion, but that do not require formal noticing as public hearings. You are welcome to offer your comments after being recognized by the Mayor. The Council may limit the time each speaker is allocated.

14. City Manager Report on Covid-19 Response Efforts (Not a project under CEQA per Article 20 Section 15378 and under General Rule Article 5 Section 15061)
15. Provide Direction Regarding the COVID-19 FY20/21 General Fund Deficit, Proposed Budget Reductions, Strategies and/or Revenue Enhancements (Not a Project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)

COUNCIL COMMENTS
Councilmembers may ask a question for clarification, make a brief announcement or make a brief report on his or her activities. In addition, Council may provide a referral to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any City matter, or direct staff to place a request to agendaize a matter of business on a future agenda (G.C. 54954.2).

CITY MANAGER REPORTS

The City Manager may make a brief report on his activities or a brief announcement. He may also ask for clarification or direction regarding scheduling of Council meetings and study sessions.

Adjourn to City Council Meeting

ANNOUNCEMENTS FROM CLOSED SESSION

ADJOURNMENT

Members of the public have the right to address the City Council on any item on the Agenda, before or during its consideration [G.C. §54954.3(a)]. The Mayor will formally open the floor for public comment on items such as "Public Appearance" and "Public Hearings." If you wish to speak to items in any other categories, for example "Consent Agenda," please advise the City Clerk or the Mayor prior to the Council's action on that item, and you will be recognized. Notification as much in advance as possible is appreciated.

The City Council meeting packet may be reviewed by the public in the Library or the City Clerk's Office. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection at the front counter at the City Clerk's Office, Room 6 at City Hall, Madison & Pacific Streets, Monterey, California 93940 during normal business hours.

Information distributed to the Council at the Council meeting becomes part of the public record. A copy of written material, pictures, etc. should be provided for this purpose.

City Council Meetings are cable cast live and videotaped for replay on Monterey's Government Access Channel 25 by Access Monterey Peninsula (AMP).

CITY OF MONTEREY'S 24-HOUR SUGGESTION HOTLINES:

Voicemail: (831) 646-3799
 Fax: (831) 646-3793
 Email: suggest@monterey.org
 WebPage: <http://www.monterey.org>



The City of Monterey is committed to including the disabled in all of its services, programs and activities. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (831) 646-3935. Notification 30 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA Title II]. Later requests will be accommodated to the extent feasible. For communication-related assistance, dial 711 to use the California Relay Service (CRS) to speak to City offices. CRS offers free text-to-speech, speech-to-speech, and Spanish-language services 24 hours a day, 7 days a week. If you require a hearing amplification device to attend a meeting, dial 711 to use CRS to talk to the City Clerk's Office at (831) 646-3935 to coordinate use of a device.

Upcoming city meetings are listed at <http://isearchmonterey.org>

More information is available by calling (831) 646-3935



Council Agenda Report

Date: 6/2/2020

Item No.: 1.

FROM: Steve Wittry, Public Works Director
Prepared By: Javier Hernandez, Engineering Assistant

SUBJECT: Award a Construction Contract in the Amount of \$1,818,555.25 to Granite Rock Company for the USAG POM Pavement Repair 2019 Project for Presidio Municipal Services Agency Projects ***PMSA*** (Categorically Excluded from NEPA 32 CFR; Not a Project under CEQA per Pub. Resource Code, § 21080)

RECOMMENDATION:

That the City Council adopt the attached resolution:

1. Approving the plans and specifications for the USAG POM Pavement Repair 2019 Project, ("Project") and granting the Public Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;
2. Accepting all responsive, responsible bids;
3. Awarding a construction contract to the lowest responsive, responsible bidder Granite Rock Company, in the amount of \$1,818,555.25 for the Base Bid plus Additive Bid No.1, and Additive Bid No. 2;
4. Authorizing the City Manager, or his designee, to execute the contract upon the receipt of information required by the Project plans and specifications; and,
5. Authorizing staff to expend up to an additional 15% for unforeseen construction contingencies for timely completion of the Project.

POLICY IMPLICATIONS:

This action is consistent with the City's policy to provide services to the U.S. Department of the Army through the Presidio Municipal Services Agency (PMSA) per the Intergovernmental Support Agreement (IGSA) between the City of Monterey and the Federal Government.

FISCAL IMPLICATIONS:

On May 12, 2020, the Finance Department received and opened bids as follows:

<u>Bidder</u>	<u>Base Bid</u>	<u>Alt. No. 1</u>	<u>Alt. No. 2</u>	<u>Grand Total Bid</u>
Granite Rock Company	\$1,353,847.80	\$228,880.00	\$235,827.45	\$1,818,555.25
Teichert Construction	\$1,358,109.00	\$300,965.00	\$56,626.25	\$1,715,700.25
Granite Construction	\$1,422,819.00	\$474,055.00	(-\$134,258.00)	\$1,762,616.00
Don Chapin Company	\$1,495,250.00	\$292,670.00	\$110,687.25	\$1,898,607.25
Cal Valley Construction	\$1,725,384.00	\$297,285.00	\$77,606.00	\$2,100,275.00
MVC Enterprises Inc.	Non-Responsive	Non-Responsive	Non-Responsive	Non-Responsive
<i>Engineer's Estimate</i>	<i>\$1,413,705.00</i>	<i>\$287,000.00</i>	<i>\$279,250</i>	<i>\$1,979,955.00</i>

Note: The Project specifications identified that the Base Bid would be utilized for the Basis of Award. The Grand totals listed above include the base bid plus two (2) additive bid alternates. The project expenditures listed below follow staff recommendation to award the Base Bid plus Additive Bid No.1 and Additive Bid No. 2, for a Total Bid amount of \$1,818,555.25.

Estimated Construction Cost for Base Bid:

Lowest Base Bid	\$1,353,847.80
Additive Alternate No.1	\$ 228,880.00
Additive Alternate No.2	\$ 235,827.45
Construction Contingency (15%)	\$ 272,783.29
Total Construction Cost (This Authorization)	\$2,091,338.54
Construction Management (City Staff & Indirect Cost)	\$ 95,000.00
Total Estimated Cost to Complete the Project	\$2,186,338.54

Funding Available:

USAG POM Pavement Repair 2019 Project (POM 19-037)	\$2,187,818.50
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As of June 2, 2020 sufficient IJO funding is available in project account number POM2020003 for the construction of the Base Bid plus Additive Bid No.1 and Additive Bid No. 2. Execution of this project is fully funded by the Department of the US Army through the IGSA.

ENVIRONMENTAL DETERMINATION:

The Department of US Army has determined the project is in accordance with the National Environmental Policy Act (NEPA) and determined to qualify for a Categorical Exclusion under the provisions set forth in "Part II Department of Defense, Department of the Army, 32 CFR Part 651 Environmental Analysis of Army Actions; (29 March 2002 Edition) Appendix B to Part 651- Categorical Exclusions" as follows:

Environmental Protection Plan: An Environmental Protection Plan (EPP) will be required for this action. The EPP shall clearly demonstrate how adherence to environmental requirements (as included in this section) will be achieved. The EPP shall be submitted for approval prior to the initiation of work to the Directorate of Public Works, ATTN: Joelle Lobo (joelle.l.lobo.civ@mail.mil), Environmental Division, Presidio of Monterey. The EPP does not relieve PMSA from the requirements of environmental laws and regulations applicable to the work included in this PWS.

General: Project must operate in full compliance with the most recent Federal, State, and local environmental laws, regulations, and programs.

Cultural Resources:

- a. Corporal Ewing Road: Although no ground disturbance is anticipated along Corporal Ewing Road, a qualified archaeologist (per 36 CFR 61) and Native American consultant from the Ohlone/Costanoan-Esselen Nation shall be on site during road work in this area to ensure a prompt response in the event of an inadvertent discovery.

- b. Landfill Area/Mason Road: A qualified archaeologist (per 36 CFR 61) shall be on site during any ground disturbing activity (ex. Installation of catch basin) occurring in this area.

Cultural Resources: If cultural resources are inadvertently discovered during construction (eg. arrowheads, bones, bottles, horseshoes, etc.), work shall be halted within 30-meters (100-feet) of the find until it can be evaluated by the U.S. Army Cultural Resources Program Manager (Presidio CRM) (Laura Prishmont Quimby; 831-242-7926). Inadvertent discoveries will require implementation of procedures set forth in the Presidio of Monterey's Integrated Cultural Resources Management Plan (ICRMP) and Army Regulation (AR)200-1, which includes consultation procedures and planning requirements IAW Section 106 of the National Historic Preservation Act (NHPA) (16 U.S.C. 470f; 36 CFR Part 800).

If an inadvertent discovery of human remains occurs, work shall cease within 30-meters of the find for 30 days and immediate notification must be made to the Presidio CRM. The Presidio CRM will preliminarily determine if the remains are from a recent crime scene (50 years old or less) or are of Native American descent and will immediately notify the Presidio Garrison Commander. If the remains appear recent, a 30-meter radius will be declared off limits to everyone except authorized personnel and the Army's Criminal Investigation Command will assume control of the crime scene. If the remains appear to be of Native American descent, the U.S. Army will coordinate with the appropriate Native American tribes per Section 3 of NAGPRA. An inadvertent discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony will require implementation of procedures set forth in the ICRMP and AR 200-1, which includes consultation procedures and planning requirements IAW Section 3 of the Native American Graves Protection and Repatriation Act (NAGPRA; 25 U.S.C. 3001 et seq.; 43 CFR 10)

Landfill: The CERCLA of 1980 (42 U.S.C. 9601 *et seq.*) regulates hazardous materials released into the environment that occurred before 1986. Along with the Superfund Amendments and Reauthorization Act of 1986, it establishes the Superfund Program to clean up hazardous waste sites. The DoD's implementing program for Superfund is the Installation Restoration Program (IRP).

The IRP is a comprehensive program designed to address contamination from past activities and restore Army lands to usable conditions. The IRP requires the Army to identify, investigate, and clean up hazardous substances, pollutants, and contaminants that pose environmental health and safety risks at active military installations and formerly used defense sites. All IRP sites on the POM have been cleaned up with the exception of a closed landfill that has been capped to prevent exposure to the underlying soil.

For road repairs/replacement on Mason Road between the Ord Road junction and Building 827, ensure no digging/grading beyond surface layer of current pavement is conducted, due to potential exposure of landfill materials beneath the area. Qualified individual with gas detection equipment (specifically for lower explosive limit detection) must be on site during operations for this section of road repairs.

Stormwater Management: Best Management Practices (BMPs) are required to minimize any erosion or illicit discharges to storm drains per the Small Municipal Separate Storm Sewer Systems (MS4) Permit (General Permit). BMPs implemented must be according to the latest

California Stormwater Quality Association (CASQA) Construction BMP handbook. Any illicit discharges to storm drains must be reported immediately to POM Environmental Division (Erika Marx; 831-242-7925).

Stormwater Management: Work on catch basins shall be scheduled during dry weather.

Stormwater Management: Ensure minimal disturbance to current landscaped and unpaved areas by locating temporary storage, laydown yards, and parking of equipment on pavement/hardscape. Any disturbance or damage to vegetation or surrounding soil, must be restored to its original condition or better using Presidio of Monterey, Integrated Natural Resource Management Plan (INRMP) approved plants or seed mix.

Air Quality: Control of fugitive dust is required by Monterey Bay Air Resources District Rules 400-403 and 424, and enforced by District staff. Cover or maintain at least two feet of free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered. Limit vehicle speeds on unpaved roads to 15 miles per hour (mph). (2) California regulations limit idling from both on-road and off road diesel-powered equipment. The California Air Resources Board (CARB) enforces idling limitations and compliance with diesel fleet regulations. (3) minimize diesel-powered equipment idling time either by shutting equipment off when not in use or reducing the time of idling to five (5) minutes [California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site.

Air Quality: Portable generators must either be certified under the Portable Equipment Registration Program (PERP) via the California Air Resource Board or a local air district (MBARD) permit must be obtained prior to use. Contact POM Environmental Division (Justin Pryor; 831-242-6161) to coordinate. Use of portable diesel generators will require certification with the California Air Resources Board.

Traffic: Road closures and traffic control plan will need to be coordinated with POM DPW.

Waste Diversion: The POM is required to divert (recycle, reuse, etc.) at least 60 percent (60%) of its yearly non-hazardous construction and demolition wastes from the waste stream. Please report Solid Waste Disposal and Diversion to POM Environmental Division.

ALTERNATIVES CONSIDERED:

Council could choose to reject the bids and re-advertise the project; however, that is not recommended, as bids received are consistent with similar work, and this contract implements PMSA roadwork.

DISCUSSION:

The project consists of the removal and replacement of deteriorated and damaged asphalt concrete (AC) along various Presidio of Monterey roads. Road repairs include demolition, pavement grinding, spot repair, slurry seal, road reconstruction, utility adjustments, installation of curb ramps, pavement marking, and miscellaneous related work.

On July 26, 2019, through the IGSA, PMSA was awarded project IJO POM 19-037 for POM Pavement Repair 2019. The primary objective of this work is to repair the failing surfaced conditions located on Mason Road, SSG Fronins Street and Corporal Ewing Road that were identified in the Presidio Pavement Management Survey.

The project plans and specifications were developed by City staff and extensively advertised for construction bids and are available for public review in the Office of the City Engineer (580 Pacific Street, Room 7). Due to the work occurring, lack of a competitive, local bidding pool for this kind of road work at this scale, staff determined an exception to Chapter 28, Article 2, Local Hiring for Public Works Projects was appropriate. Firms that perform this kind of work are typically larger scale operations that travel to where the job is located and bring their own crews to expedite the process.

On May 12, 2020, the City received six (6) bids. One of the bids received was deemed Non-Responsive due to bidder using the wrong bidding form. Due to fluctuations in the construction industry, staff utilized the base bid as the basis of award for this project. The lowest responsive base bid was submitted by Granite Rock Company, from Watsonville, California, in the amount of \$1,353,847.80. Due to the available funding, staff recommends award of the Base Bid plus Additive Bid No.1 consisting of additional work on Mason Road from Ord Road to Rifle Range Road and Additive Bid No. 2 consisting of an alternative construction method that will provide additional road base augmentation on Mason Road. The addition of this work results in a contract award of \$1,818,555.25.

Granite Rock Company has performed and successfully completed this kind of work in the City of Monterey. In addition, they have submitted references for its work product. Staff has checked the firm's references and are comfortable with the ability of the contractor to perform the work successfully.

Therefore, staff recommends that the City Council adopt the attached resolution:

1. Approving the plans and specifications for the USAG POM Pavement Repair 2019 Project, ("Project") and granting the Public Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;
2. Accepting all responsive, responsible bids;
3. Awarding a construction contract to the lowest responsive, responsible bidder Granite Rock Company, in the amount of \$1,818,555.25 for the Base Bid plus Additive Bid No.1 and Additive Bid No. 2;
4. Authorizing the City Manager, or his designee, to execute the contract upon the receipt of information required by the Project plans and specifications; and,
5. Authorizing staff to expend up to an additional 15% for unforeseen construction contingencies for timely completion of the Project.

JH/jl

Attachments: 1. Resolution

e: Angela Montes, Granite Rock Company (Awardee)
Jeffrey M. Post, IGSA Manager

Joelle Lobo, USAG POM NEPA Program Manager
Andreas Baer, Senior Engineer
Scott Lines, Senior Administrative Analyst
John Hansen, Accounting Assistant

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:

<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __-__ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

AWARD A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$1,818,555.25 TO GRANITE ROCK COMPANY FOR THE USAG POM PAVEMENT REPAIR 2019 PROJECT FOR PRESIDIO MUNICIPAL SERVICES AGENCY PROJECTS *PMSA*****

WHEREAS, on the 12th day of May 2020, at 2:00 p.m. in the City of Monterey Council Chambers, the City Finance Director's designee received six (6) bids for the USAG POM Pavement Repair 2019 Project ("Project");

WHEREAS, due to the lack of a competitive, local bidding pool for this kind road work (slurry seal), staff determined an exception to Chapter 28, Article 2, Local Hiring for Public Works Projects was appropriate. Firms that perform this kind of work are typically large-scale operations that travel to where the job is located and bring their own crews to expedite process;

WHEREAS, Granite Rock Company of Watsonville, CA; Teichert Construction of Pleasanton, CA; Granite Construction Company of Watsonville, CA; Don Chapin Company, Inc. of Salinas, CA; and Cal Valley Construction of Fresno, CA submitted responsive bids for the Project;

WHEREAS, the bid submitted by MVC Enterprises Inc. of Temecula, CA was deemed non-responsive for the Project;

WHEREAS, the basis of award for the project was the Base Bid;

WHEREAS, Granite Rock Company, has submitted the lowest responsible, responsive Base Bid in the amount of \$1,353,847.80;

WHEREAS, funding is available, and it will yield a superior project, staff recommends the award of the Base Bid plus Additive Bid No. 1 and Additive Bid No. 2, for a total award in the amount of \$1,818,555.25;

WHEREAS, the project is fully funded by the Department of the Army through the Intergovernmental Support Agreement (IGSA) and sufficient funding is available in the project account number IJO POM 1903702 for pavement repairs encompassed by the recommended award; and,

WHEREAS, the proposed work for the Department of the US Army has been reviewed in accordance with the National Environmental Policy Act (NEPA) and determined to qualify for a Categorical Exclusion under the provisions set forth in "Part II Department of Defense, Department of the Army, 32 CFR Part 651 Environmental Analysis of Army Actions; (29 March 2002 Edition) Appendix B to Part 651-Categorical Exclusions" as follows:

Environmental Protection Plan: An Environmental Protection Plan (EPP) will be required for this action. The EPP shall clearly demonstrate how adherence to environmental requirements (as included in this section) will be achieved. The EPP shall be submitted for approval prior to the

initiation of work to the Directorate of Public Works, ATTN: Joelle Lobo (joelle.l.lobo.civ@mail.mil), Environmental Division, Presidio of Monterey. The EPP does not relieve PMSA from the requirements of environmental laws and regulations applicable to the work included in this PWS.

General: Project must operate in full compliance with the most recent Federal, State, and local environmental laws, regulations, and programs.

Cultural Resources:

- a. Corporal Ewing Road: Although no ground disturbance is anticipated along Corporal Ewing Road, a qualified archaeologist (per 36 CFR 61) and Native American consultant from the Ohlone/Costanoan-Esselen Nation shall be on site during road work in this area to ensure a prompt response in the event of an inadvertent discovery.
- b. Landfill Area/Mason Road: A qualified archaeologist (per 36 CFR 61) shall be on site during any ground disturbing activity (ex. Installation of catch basin) occurring in this area.

Cultural Resources: If cultural resources are inadvertently discovered during construction (eg. arrowheads, bones, bottles, horseshoes, etc.), work shall be halted within 30-meters (100-feet) of the find until it can be evaluated by the U.S. Army Cultural Resources Program Manager (Presidio CRM) (Laura Prishmont Quimby; 831-242-7926). Inadvertent discoveries will require implementation of procedures set forth in the Presidio of Monterey's Integrated Cultural Resources Management Plan (ICRMP) and Army Regulation (AR)200-1, which includes consultation procedures and planning requirements IAW Section 106 of the National Historic Preservation Act (NHPA) (16 U.S.C. 470f; 36 CFR Part 800).

If an inadvertent discovery of human remains occurs, work shall cease within 30-meters of the find for 30 days and immediate notification must be made to the Presidio CRM. The Presidio CRM will preliminarily determine if the remains are from a recent crime scene (50 years old or less) or are of Native American descent and will immediately notify the Presidio Garrison Commander. If the remains appear recent, a 30-meter radius will be declared off limits to everyone except authorized personnel and the Army's Criminal Investigation Command will assume control of the crime scene. If the remains appear to be of Native American descent, the U.S. Army will coordinate with the appropriate Native American tribes per Section 3 of NAGPRA. An inadvertent discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony will require implementation of procedures set forth in the ICRMP and AR 200-1, which includes consultation procedures and planning requirements IAW Section 3 of the Native American Graves Protection and Repatriation Act (NAGPRA; 25 U.S.C. 3001 et seq.; 43 CFR 10).

Landfill: The CERCLA of 1980 (42 U.S.C. 9601 *et seq.*) regulates hazardous materials released into the environment that occurred before 1986. Along with the Superfund Amendments and Reauthorization Act of 1986, it establishes the Superfund Program to clean up hazardous waste sites. The DoD's implementing program for Superfund is the Installation Restoration Program (IRP).

The IRP is a comprehensive program designed to address contamination from past activities and restore Army lands to usable conditions. The IRP requires the Army to identify, investigate, and clean up hazardous substances, pollutants, and contaminants that pose environmental health and safety risks at active military installations and formerly used defense sites. All IRP

sites on the POM have been cleaned up with the exception of a closed landfill that has been capped to prevent exposure to the underlying soil.

For road repairs/replacement on Mason Road between the Ord Road junction and Building 827, ensure no digging/grading beyond surface layer of current pavement is conducted, due to potential exposure of landfill materials beneath the area. Qualified individual with gas detection equipment (specifically for lower explosive limit detection) must be on site during operations for this section of road repairs.

Stormwater Management: Best Management Practices (BMPs) are required to minimize any erosion or illicit discharges to storm drains per the Small Municipal Separate Storm Sewer Systems (MS4) Permit (General Permit). BMPs implemented must be according to the latest California Stormwater Quality Association (CASQA) Construction BMP handbook. Any illicit discharges to storm drains must be reported immediately to POM Environmental Division (Erika Marx; 831-242-7925).

Stormwater Management: Work on catch basins shall be scheduled during dry weather.

Stormwater Management: Ensure minimal disturbance to current landscaped and unpaved areas by locating temporary storage, laydown yards, and parking of equipment on pavement/hardscape. Any disturbance or damage to vegetation or surrounding soil, must be restored to its original condition or better using Presidio of Monterey, Integrated Natural Resource Management Plan (INRMP) approved plants or seed mix.

Air Quality: Control of fugitive dust is required by Monterey Bay Air Resources District Rules 400-403 and 424, and enforced by District staff. Cover or maintain at least two feet of free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered. Limit vehicle speeds on unpaved roads to 15 miles per hour (mph). (2) California regulations limit idling from both on-road and off road diesel-powered equipment. The California Air Resources Board (CARB) enforces idling limitations and compliance with diesel fleet regulations. (3) minimize diesel-powered equipment idling time either by shutting equipment off when not in use or reducing the time of idling to five (5) minutes [California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site.

Air Quality: Portable generators must either be certified under the Portable Equipment Registration Program (PERP) via the California Air Resource Board or a local air district (MBARD) permit must be obtained prior to use. Contact POM Environmental Division (Justin Pryor; 831-242-6161) to coordinate. Use of portable diesel generators will require certification with the California Air Resources Board.

Traffic: Road closures and traffic control plan will need to be coordinated with POM DPW.

Waste Diversion: The POM is required to divert (recycle, reuse, etc.) at least 60 percent (60%) of its yearly non-hazardous construction and demolition wastes from the waste stream. Pls. report Solid Waste Disposal and Diversion to POM Environmental Division.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby:

1. Approves the plans and specifications for the USAG POM Pavement Repair 2019 Project, ("Project") and grants the Public Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;
2. Accepts all responsive, responsible bids;
3. Awards a construction contract to the lowest responsive, responsible bidder Granite Rock Company, in the amount of \$1,818,555.25 for the Base Bid plus Additive Bid No.1 and Additive Bid No. 2;
4. Authorizes the City Manager, or his designee, to execute the contract upon the receipt of information required by the Project plans and specifications; and,
5. Authorizes staff to expend up to an additional 15% for unforeseen construction contingencies for timely completion of the Project.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 2.

FROM: Steve Wittry, P.E., Public Works Director
Prepared By: Richard F. Llantero, P.E., Associate Civil Engineer

SUBJECT: Award Municipal Improvements Job Order Contract 2020-2021 for Presidio Municipal Services Agency (PMSA) Projects in the Amount of \$1,000,000 to The Don Chapin Co., Inc. ***PMSA*** (Not a Project under CEQA per Article 20, Section 15378 and under General Rule Article 5, Section 15061; Excluded from NEPA per Title 32 CFR 651 Appendix B Categorical Exclusion (e) (1))

RECOMMENDATION:

That the City Council adopt a resolution:

1. Approving the specifications for the Municipal Improvements Job Order Contract 2020-2021 for the Presidio Municipal Services Agency (PMSA) Projects ("Project") and granting the Public Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;
2. Accepting all responsive, responsible bids;
3. Awarding a construction contract for the Grand Total Bid to the lowest responsive, responsible bidder, The Don Chapin Co., Inc., for a term of one year with the option to renew for one additional year, and with an annual funding limit of \$1,000,000; and,
4. Authorizing the City Manager, or his designee, to execute the contracts upon the receipt of information required by the Project plans and specifications.

POLICY IMPLICATIONS:

This action is consistent with the City's policy to provide services to the Department of the U.S. Army through the Presidio Municipal Services Agency (PMSA) per the Intergovernmental Support Agreement (IGSA) between the City of Monterey and the Federal Government.

The use of job order service contracts is also consistent with Council policy and direction for timely delivery of projects.

FISCAL IMPLICATIONS:

This action does not appropriate any funding. Projects constructed under the contracts shall be fully funded by the Presidio of Monterey (POM) Public Works Authority Fund. Project work orders are funded through task orders issued and funded by the Federal Government.

Only one bid was received and opened by the Finance Director's designee on May 12, 2020. The base bid total represents the sum of unit costs of representative tasks and is used for purposes of comparing bid responses. Actual charges to the proposed contract depends on the type and quantity of on-call work performed. The results are as follows:

Bidder

The Don Chapin Co., Inc.

Bid Amount

\$314,473.22

Total award amount for this contract is \$1,000,000 annually. There is no minimum dollar value of work guaranteed under this Job Order contract, and assignment of work orders is at the sole discretion of the City and U.S. Army.

As set forth in Monterey City Code Section 28-20 (g), City Council may award individual annual contracts, referred to as job order contracts, none of which may exceed one million dollars (\$1,000,000) for repair, remodeling, or other work to be done according to unit prices. The contracts shall be awarded to the lowest responsive, responsible bidder and shall be based on plans and specifications for typical work. No job order contract shall exceed two (2) years (including any extensions), except as necessary to complete outstanding work orders that were awarded within the two (2) year period.

ENVIRONMENTAL DETERMINATION:

The City of Monterey Planning Office determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 (CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines Section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA and NEPA applicability by the City and the Army's Directorate of Public Works as applicable.

The U.S. Army Environmental Division determined that the proposed action is excluded from the National Environmental Policy Act (NEPA) per Title 32 CFR 651 Appendix B Categorical Exclusion (e) (1) because the project involves routine procurement of goods and services (complying with applicable procedures for sustainable or "green" procurement) to support operations and infrastructure, including routine utility services and contracts.

ALTERNATIVES CONSIDERED:

The City Council could choose to reject all bids and not award this job order construction contract and direct staff to advertise for bids for each construction project individually. However, job order contracts have been proven to be an effective tool to construct routine PMSA projects in a timely, efficient manner. Job order contracts also give the City the capability to construct urgent projects and perform emergency repairs on short notice. Non-routine building projects will continue to be bid via the formal and informal bidding process as per the City's purchasing guidelines.

DISCUSSION:

The City of Monterey's Public Works Department utilizes four methods to construct PMSA projects in the most cost-effective and efficient manner possible, including Formal Bidding, Informal Bidding, Job Order Construction Contracting, and in-house work utilizing City crews; Job Order Construction contracting has proven to be an effective tool in dealing with emergency work and the ever-increasing number of PMSA projects.

Historically, Job Order construction contracts have been awarded by Council annually to expedite repairs and upgrades of common, repetitive work according to competitively bid unit pricing based on quantities that are unknown at the time of award of the contract. The City has successfully used Job Order contractors for many years to deliver PMSA projects. It gives the City the capability to construct the most urgent projects and perform emergency repairs on short notice.

The publicly advertised call for bids contained a Bid Schedule, whereupon bidders were required to list rates for the various routine construction items. These rates cover the repair, replacement, upgrade, and construction of any structure, shelter or enclosure and miscellaneous associated work.

The Base Bid establishes unit prices for the various bid items that may be used in the execution of project work orders during normal construction hours for PMSA projects (M-F, 7:00 am to 5:00 pm). The Alternate Additive Bid establishes an Adjustment Factor to be applied to all bid items that may be used in the execution of project work orders that must be performed outside of these normal construction hours. The premium work week is a provision required by the BASOPS contract to reduce the impact of construction noise during class hours. For the purpose of awarding this Job Order contract, the basis for determining the low bidder is the Total Base Bid (items A-1-a through HH-1-a).

The intent of this contract is to provide the City with a readily available work force for new construction, repairs and upgrades to existing infrastructure and emergency repairs of any value up to the contract limit, as the City deems appropriate. The contracts do not give the contractors exclusive rights to perform all work done by the City. Certain projects may be performed by City work forces or be sent for bid proposal throughout the term of the contract, which may include this type of work.

The contracts shall remain in effect for all written work orders issued by the City during a twelve-month period beginning with the effective date of the Notice to Proceed or until the exhaustion of the contract limit, whichever occurs first. There is no minimum dollar value of work guaranteed under the contracts, and assignment of work orders is at the sole discretion of the City.

The Don Chapin Co., Inc. has successfully performed Job Order construction services and completed other individually bid projects for the City in the past. Staff recommends that the City Council adopt the attached resolution.

RFL/jl

Attachments: 1. Resolution

e: The Don Chapin Co., Inc.
 George Helms, General Services Superintendent

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __-__ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**AWARD MUNICIPAL IMPROVEMENTS JOB ORDER CONTRACT 2020-2021 FOR
PRESIDIO MUNICIPAL SERVICES AGENCY (PMSA) PROJECTS IN THE AMOUNT OF
\$1,000,000 TO THE DON CHAPIN CO., INC. ***PMSA*****

WHEREAS, on the 12th day of May 2020, at 2:00 pm in the City of Monterey Council Chambers, the City Finance Director's designee received only one bid, for the Municipal Improvements Job Order Contract 2020-2021 for Presidio Municipal Services Agency (PMSA) Projects;

WHEREAS, job order contracts have been proven to be an effective tool to construct routine projects in a timely, efficient manner, and give the City the capability to construct urgent projects and perform emergency repairs on short notice;

WHEREAS, The Don Chapin Co., Inc. with their Total Bid of three hundred fourteen thousand four hundred seventy three dollars and twenty two cents (\$314,473.22) was the lowest responsive, responsible bidder. This bid total represents the sum of units costs of representative tasks and is used for purposes of comparing bid responses. Actual charges to the proposed contract depends on the type and quantity of on-call work performed;

WHEREAS, the City of Monterey Planning Office determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 (CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines Section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA and NEPA applicability by the City and the Army's Directorate of Public Works as applicable.

The U.S. Army Environmental Division determined that the proposed action is excluded from the National Environmental Policy Act (NEPA) per Title 32 CFR 651 Appendix B Categorical Exclusion (e) (1) because the project involves routine procurement of goods and services (complying with applicable procedures for sustainable or "green" procurement) to support operations and infrastructure, including routine utility services and contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby

1. Approves the specifications for the Municipal Improvements Job Order Contract 2020-2021 for the Presidio Municipal Services Agency (PMSA) Projects ("Project") and grants the Public

Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;

2. Accepts all responsive, responsible bids;
3. Awards a construction contract for the Grand Total Bid to the lowest responsive, responsible bidder, The Don Chapin Co., Inc., for a term of one year with the option to renew for one additional year, and with an annual funding limit of \$1,000,000; and,
4. Authorizes the City Manager, or his designee, to execute the contract upon the receipt of information required by the Project plans and specifications.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 3.

FROM: Steve Wittry, P.E., Public Works Director
Prepared By: Max Rieser, P.E., Associate Civil Engineer

SUBJECT: Award a Construction Contract to Monterey Peninsula Engineering in the Amount of \$550,749 for the Casa Verde / Helvic / Portola / McNear Intersection Improvements Project (Exempt from CEQA Article 19, Section 15301, Class 1))
*** NCIP***

RECOMMENDATION:

That the City Council adopt the attached resolution:

1. Approving the plans and specifications for the Casa Verde / Helvic / Portola / McNear Intersection Improvements Project ("Project") which are available in the Office of the City Engineer (Room 7), and granting the Public Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;
2. Accepting all responsive, responsible bids;
3. Awarding a construction contract for the Base Bid to the lowest responsive, responsible bidder, Monterey Peninsula Engineering, in the amount of \$550,749;
4. Authorizing the City Manager, or his designee, to execute the contract upon the receipt of information required by the Project plans and specifications; and,
5. Authorizing staff to expend up to an additional 15% for unforeseen construction contingencies for timely completion of the Project.

POLICY IMPLICATIONS:

This action is consistent with the following City Council Value Drivers and Strategic Initiatives of "Working to improve the quality of life of our residents," by improving accessibility and maintaining our existing infrastructure.

FISCAL IMPLICATIONS:

On May 12, 2020, four (4) bids were received and opened by the Finance Director's designee as follows:

<u>Bidder</u>	<u>Base Bid</u>
Monterey Peninsula Engineering, Marina, CA	\$ 550,749.00
Precision Grade, Inc., San Juan Bautista, CA	\$ 568,930.00
The Don Chapin Company, Inc., Salinas, CA	\$ 579,991.00
Granite Construction Company, Watsonville, CA	\$ 598,985.32
Base Bid Engineer's Estimate	\$ 582,150.00

Estimated Construction Cost:

Construction Contract (Base Bid)	\$ 550,749
Construction Contingency (15%)	\$ 82,612
Construction Management	<u>\$ 24,000</u>
Total Construction Cost (This Authorization)	\$ 657,361

Funding Sources

Casa Verde/Helvic/McNear/Portola Int (35n1920)	\$662,468
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As of 5/19/2020, sufficient funding is available to complete the project the Casa Verde / Helvic / McNear / Portola Intersection project account (35n1920).

ENVIRONMENTAL DETERMINATION:

The City of Monterey Planning Office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Section 15301, Class 1) because the project proposes a minor alteration of an existing intersection. Intersection improvements at the intersection of Casa Verde Way, McNear Street and Portola Avenue would involve the replacement of existing asphalt and new ADA accessible curb ramps for the purpose of public safety, and does not involve the creation of additional lanes.

Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions founds at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located -a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Exception a – Location – does not apply to projects which are exempt under Class 1.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. There would be no cumulative impact because the project involves the replacement of existing asphalt and new ADA accessible curb ramps for the purpose of public safety, and does not involve the creation of additional lanes.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment

due to unusual circumstances. No unusual circumstances are anticipated due to improvements' limited scope and distinct locations.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report (EIR). The project involves the minor alteration of an existing intersection and would not impact scenic highways.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. The proposed improvements would involve the replacement of existing asphalt and new ADA accessible curb ramps for the purpose of public safety, and does not involve the creation of additional lanes. No impact to sites included on any list compiled pursuant to Section 65962.5 of the Government code would occur.

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The project would involve pavement replacement and new improvements within an existing intersection; therefore, impacts to archeological resources would not occur.

ALTERNATIVES CONSIDERED:

Council could choose not to award the construction contract for the Project; however, this is not recommended as the Project implements accessibility improvements, maintenance and reconstruction activities that are required to maintain existing public infrastructure; bids were lower than the Engineer's Cost Estimate; and the City has sufficient funding available to award this construction contract at this time.

DISCUSSION:

The Casa Verde / Helvic / McNear / Portola Intersection (35n1920) project was approved as part of the FY18/19 budget. The project scope includes constructing bulbouts, installing street lights and rectangular rapid flashing beacon (RRFB) to improve pedestrian accessibility and improve visibility for drivers.

Preparation of the Project design, plans and specification was performed by Whitson Engineers, the City's on-call Civil Engineering and Surveying Services consultant. The Project was extensively advertised for bids and project plans and specifications were available for public review in the Office of the City Engineer (580 Pacific Street, Room 7). On May 12, 2020, the City received four (4) bids. The lowest responsive, responsible bid was submitted by Monterey Peninsula Engineering, Marina, CA, with a grand total bid in the amount of \$550,749. The low bid is 5% below the engineer's estimate and is fully funded by the award amount.

References for the lowest responsive, responsible bidder, Monterey Peninsula Engineering, have been checked and staff is confident in the contractor's ability to perform the work

successfully. In addition, the contractor has successfully completed similar projects for the City in the past.

Therefore, staff recommends that the City Council adopt the attached resolution:

1. Approving the plans and specifications for the Casa Verde / Helvic / Portola / McNear Intersection Improvements Project ("Project") which are available in the Office of the City Engineer (Room 7), and granting the Public Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;
2. Accepting all responsive, responsible bids;
3. Awarding a construction contract for the Base Bid to the lowest responsive, responsible bidder, Monterey Peninsula Engineering, in the amount of \$550,749;
4. Authorizing the City Manager, or his designee, to execute the contract upon the receipt of information required by the Project plans and specifications; and,
5. Authorizing staff to expend up to an additional 15% for unforeseen construction contingencies for timely completion of the Project.

SW/mjr

Attachments: 1. Resolution

e: Monterey Peninsula Engineering

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:

<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __-__ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**AWARD A CONSTRUCTION CONTRACT TO MONTEREY PENINSULA ENGINEERING IN
THE AMOUNT OF \$550,749 FOR THE
CASA VERDE / HELVIC / PORTOLA / MCNEAR INTERSECTION IMPROVEMENTS
PROJECT ***NCIP*****

WHEREAS, on the 12th day of May, 2020 at 2:00 pm in the City of Monterey Council Chambers, the City Finance Director's designee received four (4) bids for the Casa Verde / Helvic / Portola / McNear Intersection Improvements Project ("Project");

WHEREAS, Monterey Peninsula Engineering, Precision Grade, Inc., The Don Chapin Company, Inc., and Granite Construction Company submitted responsive, responsible bids for the Project;

WHEREAS, Monterey Peninsula Engineering, Marina, CA submitted the lowest, responsive, responsible grand total bid in the amount of \$550,749;

WHEREAS, execution of this project is funded by the Casa Verde / Helvic / McNear / Portola Intersection project and sufficient funding is available in project account 35n1920; and,

WHEREAS, the City of Monterey Planning Office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Section 15301, Class 1) because the project proposes a minor alteration of an existing intersection. Intersection improvements at the intersection of Casa Verde Way, McNear Street, and Portola Avenue would involve the replacement of existing asphalt and new ADA accessible curb ramps for the purpose of public safety, and does not involve the creation of additional lanes.

Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located -a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Exception a – Location – does not apply to projects which are exempt under Class 1.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. There would be no cumulative impact because the project involves the replacement of existing asphalt and new ADA accessible curb ramps for the purpose of public safety, and does not involve the creation of additional lanes.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment

due to unusual circumstances. No unusual circumstances are anticipated due to improvements' limited scope and distinct locations.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report (EIR). The project involves the minor alteration of an existing intersection and would not impact scenic highways.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. The proposed improvements would involve the replacement of existing asphalt and new ADA accessible curb ramps for the purpose of public safety, and does not involve the creation of additional lanes. No impact to sites included on any list compiled pursuant to Section 65962.5 of the Government code would occur.

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The project would involve pavement replacement and new improvements within an existing intersection; therefore, impacts to archeological resources would not occur.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby

1. Approves the plans and specifications for the Casa Verde / Helvic / Portola / McNear Intersection Improvements Project ("Project") which are available in the Office of the City Engineer (Room 7), and grants the Public Works Director, or his designee, the authority to approve all amendments and addenda thereto as necessitated by conditions in the field;
2. Accepts all responsive, responsible bids;
3. Awards a construction contract for the Base Bid to the lowest responsive, responsible bidder, Monterey Peninsula Engineering, in the amount of \$550,749;
4. Authorizes the City Manager, or his designee, to execute the contract upon the receipt of information required by the Project plans and specifications; and,
5. Authorizes staff to expend up to an additional 15% for unforeseen construction contingencies for timely completion of the Project.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 4.

FROM: Kimberly Cole, Community Development Director
Prepared By: Karin Salameh, Assistant City Attorney

SUBJECT: Authorize an Agreement with the City of Seaside to Recognize Seaside as the Fort Ord Reuse Authority (FORA) Environmental Services Cooperative Agreement, Economic Development Conveyance Agreement, and Local Redevelopment Authority Successor-in-Interest (Not a Project under CEQA per Article 20, Section 15378 and under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council authorize the City Manager to enter into an agreement with the City of Seaside (Seaside) to recognize Seaside as the Fort Ord Reuse Authority's (FORA) successor-in-interest to the Environmental Services Cooperative Agreement and the Economic Development Conveyance Agreement/Local Redevelopment Authority.

POLICY IMPLICATIONS:

The City of Monterey General Plan encourages economic diversification and Fort Ord is a key opportunity site. Specifically, General Plan Policy a.3. states: "Explore ways to diversify the Monterey economy to provide higher paying jobs and a balance to cyclical elements of the visitor economy."

FISCAL IMPLICATIONS:

There are no direct costs associated with entering into the proposed agreement. Seaside has committed to not requiring any payment for the transfer of former Fort Ord property and ESCA-related services are funded by the Army.

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines") Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action has no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES CONSIDERED:

The City Council could choose to not enter into the proposed agreement; however, this is not recommended as the federal government has already recognized the City of Seaside as the successor to FORA under the Environmental Services Cooperative Agreement and the Economic Development Conveyance Agreement/Local Redevelopment Authority.

DISCUSSION:

FORA was established in 1994 under California law to plan, facilitate and manage the transfer of former Fort Ord property from the U.S. Army to the governing local jurisdictions. Pursuant to state law FORA will cease to exist on June 30, 2020.

On June 23, 2000, FORA and the Army entered into an Economic Development Conveyance Agreement (EDC) and recognized FORA as the local redevelopment authority (LRA) under federal law. Pursuant to that Agreement FORA was to acquire portions of the former Fort Ord consisting of approximately five thousand two hundred (5,200) acres of land. FORA and Monterey then executed an Implementation Agreement dated August 10, 2001 (See Attachment 2), which defined the terms for transfer of former Fort Ord real property from FORA to Monterey. As part of that agreement Monterey agreed to receive the former Fort Ord property within Monterey's jurisdiction upon FORA's receipt of all regulatory (Army, DTSC, EPA) sign-offs. Although FORA has submitted deed transfer requests to the Army for all of Monterey's outstanding property, it appears that some of the properties may not transfer before June 30, 2020. Accordingly, a successor to FORA will need to be appointed to facilitate the transfer of land from the Army to Monterey. Other local jurisdictions are in a similar circumstance and the federal government will only work with one local redevelopment authority.

Additionally, in 2007 FORA, Army, California Department of Toxic Substances Control (DTSC) and the United States Environmental Protection Agency (EPA) entered into a series of agreements in order to fulfill the Army's responsibility under the Comprehensive Environmental Responsibility, Coordination, and Liability Act (CERCLA). Pursuant to those agreements, including the Environmental Services Cooperative Agreement (ESCA), FORA has acted, and its Successor will act, as an Army Response Action Contractor, with the Army providing funding to perform these services. The Army CERCLA responsibilities include Long Term Obligations (LTO) that FORA currently performs, and its successor will perform, under contract and funding from the Army.

On February 21, 2020, FORA and the City of Seaside executed the Environmental Services Cooperative Agreement (ESCA) and Local Redevelopment Authority (LRA)/Economic Development Conveyance Agreement Successor Implementing Agreement (the Successor Implementing Agreement), which nominated the City of Seaside to be FORA's successor to the ESCA and EDC Agreements in order to complete the remaining ESCA tasks and outstanding property transfers. (Attachment 3.) On April 30, 2020, the United States Department of Defense recognized the City of Seaside as the successor Local Redevelopment Authority with an effective date of July 1, 2020. (Attachment 4.) Monterey's outstanding properties (identified in Attachment 5) will be subject to the Army's CERCLA requirements, including the Long Term Obligations, for which the ESCA Successor and its contractor(s) will from time to time, need access to provide ESCA LTO management services.

In the proposed agreement Monterey will (1) recognize the City of Seaside as FORA's successor to the ESCA and EDC Agreements, (2) acknowledge Seaside to be the Department of Defense recognized Local Redevelopment Authority, (3) reaffirm Monterey's commitment to accept its previously designated former Fort Ord properties, and (4) authorize Seaside to enter the properties to perform ESCA-related tasks in the future. Seaside agrees that it will not require any payment for the transfer of the properties and will not have any land use control over Monterey's properties. It is recommended that the City Council authorize the City Manager to enter into the proposed agreement with the City of Seaside in a final form approved by the City Attorney.

Attachments: 1. Resolution
2. August 10, 2001 Agreement between Monterey and FORA
3. February 21, 2020 Agreement between Seaside and FORA
4. April 30, 2020 Department of Defense Letter
5. List of Monterey's Properties

c: Craig Malin, Seaside City Manager
Sheri Damon, Seaside City Attorney

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

AUTHORIZING AN AGREEMENT WITH THE CITY OF SEASIDE TO RECOGNIZE SEASIDE AS THE FORT ORD REUSE AUTHORITY ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT, ECONOMIC DEVELOPMENT CONVEYANCE AGREEMENT, AND LOCAL REDEVELOPMENT AUTHORITY SUCCESSOR-IN-INTEREST

WHEREAS, the Fort Ord Reuse Authority (FORA) is a regional agency established in 1994 under California Government Code Sections 67650, et seq., to plan, facilitate and manage the transfer of former Fort Ord property from the Army to the governing local jurisdictions and pursuant to that act FORA will sunset on June 30, 2020;

WHEREAS, On June 23, 2000, FORA and the Army entered into an Economic Development Conveyance Agreement (EDC) and recognized FORA as the local redevelopment authority (LRA) under federal law. Pursuant to that Agreement FORA was to acquire portions of the former Fort Ord consisting of approximately five thousand two hundred (5,200) acres of land;

WHEREAS, FORA and the City of Monterey executed an Implementation Agreement dated August 10, 2001, which defined the terms for transfer of former Fort Ord real property from FORA to Monterey. As part of that agreement Monterey agreed to receive the former Fort Ord property within Monterey's jurisdiction upon FORA's receipt of all regulatory (Army, DTSC, EPA) sign-offs;

WHEREAS, FORA has submitted deed transfer requests to the Army for all of Monterey's outstanding property, but it some of the properties may not transfer before June 30, 2020. Accordingly, a successor to FORA will need to be appointed to facilitate the transfer of land from the Army to Monterey;

WHEREAS, in 2007 FORA, U.S. Army, California Department of Toxic Substances Control (DTSC) and the United States Environmental Protection Agency (EPA) entered into a series of agreements in order to fulfill the Army's responsibility under the Comprehensive Environmental Responsibility, Coordination, and Liability Act (CERCLA). Pursuant to those agreements, including the Environmental Services Cooperative Agreement (ESCA), FORA has acted, and its Successor will act, as an Army Response Action Contractor, with the Army providing funding to perform these services;

WHEREAS, on February 21, 2020, FORA and the City of Seaside executed the Environmental Services Cooperative Agreement (ESCA) and Local Redevelopment Authority (LRA)/Economic Development Conveyance Agreement Successor Implementing Agreement (the Successor Implementing Agreement), which nominated the City of Seaside to be FORA's successor to the ESCA and EDC Agreements in order to complete the remaining ESCA tasks and outstanding property transfers;

WHEREAS, on April 30, 2020, the United States Department of Defense recognized the City of Seaside as the successor Local Redevelopment Authority with an effective date of July 1, 2020;

WHEREAS, Monterey's properties remaining to be transferred on the former Fort Ord will be subject to the Army's CERCLA requirements, including the Long Term Obligations, for which the ESCA Successor and its contractor(s) will from time to time, need access to provide ESCA LTO management services; and

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines") Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action has no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby authorizes the City Manager to execute an agreement with the City of Seaside in which Monterey will (1) recognize the City of Seaside as FORA's successor to the ESCA and EDC Agreements, (2) acknowledge Seaside to be the Department of Defense recognized Local Redevelopment Authority, (3) reaffirm Monterey's commitment to accept its previously designated former Fort Ord properties, and (4) authorize Seaside to enter the properties to perform ESCA-related tasks in the future; and in which Seaside agrees that it will not require any payment for the transfer of the properties and will not have any land use control over Monterey's properties.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof

IMPLEMENTATION AGREEMENT

THIS IMPLEMENTATION AGREEMENT (this "Agreement") is made as of August 10, 2001, between the Fort Ord Reuse Authority ("FORA") and the City of Monterey (the "Jurisdiction") with reference to the following facts:

RECITALS:

- A. FORA is a regional agency established under Government Code Section 67650 to plan, facilitate, and manage the transfer of former Fort Ord property from the United States Army (the "Army") to the governing local jurisdictions or their designee(s).
- B. FORA will acquire portions of the former Fort Ord from the Army, under an Economic Development Conveyance Memorandum of Agreement (hereinafter the "EDC Agreement") between FORA and the Army and dated June 20, 2000. FORA has delivered to the Jurisdiction a complete copy of the EDC Agreement, which includes a conveyance schedule and terms for property transfers.
- C. The Jurisdiction intends to acquire former Fort Ord property conveyed to FORA under the EDC Agreement. Such property is described in the attached Exhibit A (the "Jurisdiction Property").
- D. FORA, as a regional agency, adopted a Base Reuse Plan in June 1997, which identified (1) environmental actions required to mitigate development and redevelopment of the former Fort Ord (the "Basewide Mitigation Measures"), and (2) infrastructure and related costs necessary to accommodate development and redevelopment of the former Fort Ord (the "Basewide Costs").
- E. FORA is obligated by the California Environmental Quality Act, the Base Reuse Plan and the Authority Act (as defined in Section 1 below) to implement the Basewide Mitigation Measures and incur the Basewide Costs. To carry out such obligations, FORA intends to arrange a financing mechanism to apply to all former Fort Ord properties.
- F. In the Base Reuse Plan, FORA identified land sale and lease (or "property based") revenues, redevelopment revenues, and basewide assessments or development fees, as the primary sources of funding to implement the Basewide Mitigation Measures and to pay the Basewide Costs.
- G. The Authority Act requires all revenues received by FORA and/or the Jurisdiction for the Jurisdiction Property to be divided equally between FORA and the Jurisdiction.
- H. In September 1999, Congress passed Section 2821 of the National Defense Authorization Act for Fiscal Year 2000 (Pub. L. 106-65), otherwise known as No-Cost Economic Development Conveyance Legislation. This legislation allows the Army to transfer property to FORA under the EDC Agreement without monetary consideration. Under this legislation any Sale or Lease Proceeds [as defined in Section 1r below] must be applied to the economic development of the former Fort Ord.
- I. FORA and the Jurisdiction (the "Parties") wish to enter into this Agreement to achieve orderly reuse of the Jurisdiction Property and to meet the mutual financial obligations of the Parties.

WITH REFERENCE TO THE FACTS RECITED ABOVE, the Parties agree as follows:

Section 1. Definitions.

The following capitalized and underscored terms have the following meanings when used in this agreement:

- a. Agreement means this Implementation Agreement.
- b. Army means the United States Army.
- c. Authority Act means, collectively, SB 899 and AB 1600 adopted in 1994, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.
- d. Base Closure Act means Section 2905(b)(4) of the Base Closure Act, as amended by Section 2821 of the Defense Authorization Act for Fiscal Year 2000, No-Cost EDC Legislation - Public Law 106-65.
- e. Base Reuse Plan means the Fort Ord Base Reuse Plan and its accompanying environmental impact report adopted and certified by the FORA Board in June 1997 to guide the reuse of the former Fort Ord, all as amended from time to time.
- f. Basewide Costs means the estimated costs identified in the Base Reuse Plan for the following: FORA Reuse Operations, Net Jurisdictional Fiscal Shortfalls, Caretaker Costs, and Demolition. The Basewide Costs are more particularly described in the Fort Ord Comprehensive Business Plan and the Findings attached to the Base Reuse Plan.
- g. Basewide Mitigation Measures means the mitigation measures identified in the Base Reuse Plan. Basewide Mitigation Measures include: basewide transportation costs; habitat management capital and operating costs; water line and storm drainage costs; FORA public capital costs; and fire protection costs. The Basewide Mitigation Measures are more particularly described in the Fort Ord Comprehensive Business Plan, described in Section 1(f), the Development and Resource Management Plan, and the Findings attached to the Base Reuse Plan.
- h. Direct Leasing Expenses means those leasing expenses actually and reasonably incurred by the Jurisdiction or FORA for purposes of Section 4(d) in the leasing out and operating, as landlord, of a portion of the Jurisdiction-Owned Jurisdiction Property. Such expenses include (without limitation): utilities; administrative overhead; police and fire protection services, to the extent that the need for such services is created by the leasing; insurance; depreciation of capital investments in the leased property in accordance with reasonable depreciation schedules; reasonable contributions to maintenance and replacement reserves; and maintenance.
- i. Direct Sale Expenses means those expenses actually and reasonably incurred by the Jurisdiction or FORA for purposes of Section 4(e) in selling Jurisdiction-Owned Jurisdiction Property to a *bona fide* purchaser for value.
- j. EDC Agreement means the Economic Development Conveyance Memorandum of Agreement between FORA and the Army by which FORA acquires portions of the former Fort Ord from the Army, including Jurisdiction Property.
- k. Fair and Equitable Share means a financial contribution to FORA to be applied toward a Jurisdiction's share of Basewide Mitigation Measures and Basewide Costs. The Fair and Equitable Share is calculated in connection with a particular parcel of Jurisdiction Property, consisting of the sum of the following:

(A) Fifty percent (50%) of the Sale or Lease Proceeds of the particular parcel of Jurisdiction-Owned Jurisdiction Property at the time of its permanent use, to be paid to FORA in accordance with Section 5(g) below; plus

(B) (i) FORA's allocation of tax increment revenue, under California Health and Safety Code Sections 33492.70 and following, generated by the particular parcel of Jurisdiction Property, if there is in effect with respect to the particular parcel of Jurisdiction Property a redevelopment plan adopted in accordance with California Health and Safety Code Sections 33492.70; or

(ii) Such alternate revenue as may be provided under any mechanism established in accordance with Section 10c below, if such a redevelopment plan is not in effect; plus payment of FORA fees and assessments as may be required for the development of the particular parcel of Jurisdiction Property in accordance with FORA's fee policy levied by the Jurisdiction in accordance with Section 6(a) below, subject to reduction on account of Jurisdiction performance and implementation of Basewide Mitigation Measures and Basewide Costs in accordance with Section 6(d) below. FORA's fee policy is attached to this Agreement as Exhibit C.

I. Fort Ord Master Resolution means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. As of the date of this Agreement, the Fort Ord Master Resolution consists of the Resolution adopted March 14, 1997, and amended November 20, 1998, February 19, 1999, and January 21, 2000.

m. FORA means the Fort Ord Reuse Authority.

n. Jurisdiction means the City of Monterey.

o. Interim Use means the Jurisdiction's use of transferred property prior to the Jurisdiction's establishment of a permanent use.

p. Jurisdiction-Owned Jurisdiction Property means all of the Jurisdiction Property that the Jurisdiction acquires through FORA.

q. Jurisdiction Property means the portions of the former Fort Ord located within the jurisdictional limits of the Jurisdiction.

r. Sale or Lease Proceeds means the consideration received by the Jurisdiction or FORA for purposes of Sections 4d and 4e when leasing or selling a portion of the Jurisdiction-Owned Jurisdiction Property, minus any Direct Leasing Expenses and/or Direct Sale Expenses.

s. Transaction Worksheet means a report from the Jurisdiction to FORA (in the form attached as Exhibit B) on the details of a proposed lease, sale, or equivalent use transaction involving Jurisdiction-Owned Jurisdiction Property. The Jurisdiction agrees to deliver a Transaction Worksheet to FORA before consummating any lease, sale, or equivalent use transaction, as more particularly described in Section 5 below. An equivalent use transaction is a transaction, other than a lease or sale transaction, through which the Jurisdiction permits third party use of Jurisdiction-Owned Jurisdiction Property in a manner that confers direct or indirect financial benefit to the Jurisdiction.

Section 2. Compliance With Other Agreements.

a. The Jurisdiction shall use or transfer any Jurisdiction-Owned Jurisdiction Property in compliance with the EDC Agreement, the Base Reuse Plan, the Settlement Agreement in Sierra Club v.

FORA, Monterey County Superior Court Case Number 112014, executed November 30, 1998, the Fort Ord Master Resolution, and the deed restrictions, attached to this Agreement as Exhibit F.

b. FORA and the Jurisdiction shall spend Sale or Lease Proceeds in compliance with the EDC Agreement.

c. At least annually, commencing with the year in which the Army transfers a particular parcel of Jurisdiction Property to FORA and ending on the seventh (7th) anniversary of such transfer, the Jurisdiction shall submit to FORA a written report of the Jurisdiction's uses of all Sale or Lease Proceeds received by the Jurisdiction in connection with such parcel of Jurisdiction-Owned Jurisdiction Property and not shared with FORA under Section 5 (i) below. The Jurisdiction shall have forty-five (45) days from the anniversary of each transfer to prepare and submit its report to FORA.

d. Any liability caused by either Party's failure to spend Sale or Lease Proceeds in compliance with the EDC Agreement shall be borne by the Party who causes such liability.

Section 3. Compliance with Water/Waste Water Allocations.

a. In using, developing, or approving development on the Jurisdiction Property, the Jurisdiction shall not commit (or cause the commitment of) water resources that are unavailable to the Jurisdiction (whether through FORA allocations or otherwise).

b. FORA's current water allocations are set forth in the attached Exhibit E. On June 13, 1997, FORA adopted its Development and Resource Management Plan. Section 3.11.54 of that plan includes procedures for adjusting water allocations. That reallocation procedure is subject to FORA's general operating procedures in Chapter 8 of the FORA Master Resolution. Any such reallocation shall be reviewed by the FORA Water/Wastewater Oversight Committee prior to consideration by the FORA Board.

c. If FORA allocates wastewater discharge capacity rights to the Jurisdiction, any reallocation to these capacity rights shall be made in the same manner as provided in this section for adjustments to water allocations.

Section 4. Acquisition from Army; Disposition to Jurisdiction.

a. FORA shall diligently seek to acquire the portions of Jurisdiction Property from the Army identified within the EDC Agreement.

b. Concurrently with FORA's acquisition of Jurisdiction Property from the Army (or at such other times as the Parties may agree in writing), FORA shall transfer such property to the Jurisdiction, and the Jurisdiction shall accept such property. Upon transfer, such property shall become Jurisdiction-Owned Jurisdiction Property. Each transfer shall include the deed restrictions and notices found in Exhibit F.

c. FORA shall keep the Jurisdiction informed about any conveyance of Jurisdiction Property from the Army to FORA. FORA shall also prepare documents needed to convey property from FORA to the Jurisdiction.

d. If FORA decides to lease portions of the Jurisdiction Property to a third party after transfer from the Army to FORA, but prior to its transfer to the Jurisdiction, FORA agrees to obtain the Jurisdiction's prior written consent to such lease. FORA also agrees to distribute to the Jurisdiction fifty percent (50%) of the Sale or Lease Proceeds as defined in Section 1r.

e. The Jurisdiction may direct FORA to transfer property directly to a third party rather than to the Jurisdiction. If the Jurisdiction so elects, the distribution of Sale or Lease Proceeds as defined in Section 1r shall apply to the direct transfer.

Section 5. Subsequent Jurisdiction Disposition.

a. The Jurisdiction may dispose of Jurisdiction-Owned Jurisdiction Property in its discretion, consistent with this Section 5 and Section 6.

b. The Jurisdiction and FORA shall use a Transaction Worksheet, in substantially the form attached to this Agreement as Exhibit B, to document the estimated and final distribution of Sales or Lease Proceeds as more particularly described in the remaining subsections of this Section 5.

c. Forty-five (45) days prior to the Jurisdiction's anticipated final approval of any leasehold or fee transfer of a portion of Jurisdiction-Owned Jurisdiction Property, the Jurisdiction shall deliver to FORA a completed Transaction Worksheet that includes all relevant information about the proposed transfer as requested in the form attached to this Agreement as Exhibit B. FORA shall have the 45 days to review such Transaction Worksheet and informally resolve any issues it may have with the transaction. Within ten (10) business days after FORA requests substantiating documentation, the Jurisdiction shall deliver to FORA documents to support facts represented in the Transaction Worksheet. The Jurisdiction shall not approve any leasehold or fee transfer of a portion of Jurisdiction-Owned Jurisdiction Property until the earlier of (i) forty-five (45) days after delivering to FORA a Transaction Worksheet that includes all relevant information about the proposed transfer as requested in the form attached to this Agreement as Exhibit B, or (ii) thirty (30) days after FORA has confirmed in writing that the Transaction Worksheet is complete.

d. If FORA disagrees with the Transaction Worksheet, FORA shall provide the Jurisdiction with written notice of its objections, including specific objections and reasoning, at least three (3) business days before the meeting scheduled for the Jurisdiction's governing body to consider approval of the transfer. If the Jurisdiction has complied with the requirements of Section 5c and approves the transfer at the noticed meeting in the manner described in the Transaction Worksheet delivered to FORA, then FORA shall be deemed to have waived its right to protest the transfer unless FORA provided the Jurisdiction written notice of its protest, and the grounds on which it is based, at least three (3) business days prior to the noticed meeting. FORA shall be restricted to those objections contained in the written notice of objections.

Notwithstanding the foregoing provisions, the Parties acknowledge that the transfer process will benefit from early and detailed discussions between FORA and the Jurisdiction.

e. In disposing of Jurisdiction-Owned Jurisdiction Property, the Jurisdiction may require any level or type of consideration permitted by state law. In determining the lawful consideration, the Jurisdiction shall obtain and rely on an appraisal by an appraiser. Alternately, if the Jurisdiction-Owned Jurisdiction Property is within a redevelopment project area, then the Jurisdiction may rely upon an economic consultant's opinion of residual land value consistent in scope and approach with that employed by certified appraisers. In determining the property's fair market value, the appraiser or economic consultant shall be instructed to:

(i) assume that the highest and best use is (A) that use designated in the Base Reuse Plan, if the Jurisdiction authorizes development at such highest and best use, or (B) a less intensive use, consistent with the Base Reuse Plan, designated by the Jurisdiction under Chapter 8 of the Fort Ord Master Resolution, if applicable, and if the Jurisdiction restricts development to such less

intensive use, or (C) any less intensive land use, consistent with the Base Reuse Plan, required by the Jurisdiction in the applicable proposed transfer agreement; and

(ii) consider the effect of any development obligations and use restrictions in the proposed transfer agreement; and

(iii) consider the effect of customary local development fees and exactions, the FORA fees and exactions described in Section 6, and any special taxes or assessments that may be levied in accordance with Section 7.

Each Transaction Worksheet submitted to FORA must include a description of the property's fair market value established under the foregoing assumptions and considerations. If an appraiser determined such value, then the Transaction Worksheet must include the appraisal instructions. When and if the Jurisdiction-Owned Jurisdiction Property is within a redevelopment project area and value was determined by an economic consultant's opinion of residual land value, then the Transaction Worksheet must include a complete description of assumptions and method used to arrive at the value. Finally, the Jurisdiction shall document its analysis of each transaction in a reasonable manner, including staff reports and evidence offered to support governing body findings.

f. In disposing of Jurisdiction-Owned Jurisdiction Property, the Jurisdiction shall include in the disposition documentation a promise by the transferee, and its successors in interest, to comply with Section 7 of this Agreement and the deed restrictions in Exhibit F.

g. When the Jurisdiction receives Sale or Lease Proceeds, the Jurisdiction shall promptly deliver to FORA (i) fifty percent (50%) of the amount of such Sale or Lease Proceeds, and (ii) an update to any applicable Transaction Worksheet. The updated Transaction Worksheet, if any, shall identify the property for which the Sale or Lease Proceeds have been received and specify any Direct Sale Expenses or Direct Leasing Expenses that have been incurred or recalculated for the property since the delivery of the original Transaction Worksheet. The Jurisdiction shall deliver to FORA reasonable documentation to substantiate the information in a Transaction Worksheet update within ten (10) business days after receiving a request from FORA for such documentation.

h. The Sale or Lease Proceeds held by either the Jurisdiction or FORA after payments have been made to FORA under Section 5 (g) may be used by the Parties in any manner consistent with the EDC Agreement and the Base Reuse Plan. [See Authority Act GC 67678) and Base Closure Act.]. The Parties acknowledge that the EDC Agreement requires Sale or Lease Proceeds to be spent only on Economic Development Uses, as defined in the EDC Agreement.

i. Within forty-five (45) days of the end of the last preceding calendar year, the Jurisdiction shall file with FORA a report for the preceding year that summarizes (i) the transactions disclosed in Transaction Worksheets during the year, (ii) Sale or Lease Proceeds received during the year (including the calculation of Direct Sale Expenses and Direct Leasing Expenses), (iii) payments made to FORA during the year, and (iv) expenditures that the Jurisdiction made during the year with its retained Sale or Lease Proceeds. Within ten (10) days after a request by FORA for substantiating documentation, the Jurisdiction shall deliver to FORA reasonable documentation to substantiate the information in the annual report.

Section 6. Basewide Mitigation Measures and Basewide Costs.

a. The Jurisdiction acknowledges that the Authority Act [at Government Code Section 67679(e)] prohibits the Jurisdiction from issuing a building permit for development projects on the Jurisdiction Property unless and until FORA has certified that all development fees that it has levied with

respect to the development project have been paid or otherwise satisfied. To assist FORA in levying development fees, and to the extent legally permissible, the Jurisdiction shall levy, on development projects on the Jurisdiction Property, development fees and assessments in accordance with FORA's adopted fee policy in effect from time to time, to be payable by the project applicant directly to FORA. FORA shall pay all Jurisdiction costs, including reasonable attorneys' fees, incurred defending any legal challenge to the Jurisdiction's authority to levy such development fees and assessments for the benefit of FORA. Nothing in the preceding sentence obligates the Jurisdiction to defend such legal challenge.

b. The Jurisdiction shall not approve a sale, lease, or equivalent use of Jurisdiction-Owned Jurisdiction Property until the Fair and Equitable Share for the particular parcel has been identified in a Transaction Worksheet submitted to FORA under Section 5c.

c. The Jurisdiction shall not complete an approved sale, lease, or equivalent use transaction with respect to a particular parcel of Jurisdiction-Owned Jurisdiction Property until (1) the method of payment of the Fair and Equitable Share for such property has either been established in accordance with the definition of Fair and Equitable Share; (2) some type of financing mechanism is in place to meet the Jurisdiction's Fair and Equitable Share for such property; or (3) otherwise arranged with FORA in writing. This requirement, which supplements other provisions of this Agreement providing for payment to FORA of the Fair and Equitable Share for such parcel, ensures that FORA will receive the tax increment (or equivalent) component of the Fair and Equitable Share for such parcel.

d. The Jurisdiction may fund (or cause the funding of) certain elements of Basewide Mitigation Measures or Basewide Costs from its own resources, grants, or from developers contracting with the Jurisdiction for reuse of the Jurisdiction Property. For each dollar of such Jurisdiction (or Jurisdiction-caused) funding that is not part of the Fair and Equitable Share, there shall be a one (1) dollar reduction in the Fair and Equitable Share that the Jurisdiction would otherwise owe to FORA with respect to any portion of the Jurisdiction Property. The Jurisdiction shall determine when and how the reduction in the Jurisdiction's Fair and Equitable Share will be accounted for. The Jurisdiction shall report on such reductions, including the source of the reduction and how the reduction will be accounted for, in each annual report submitted to FORA pursuant to Section 5(i) above. In addition, any Transaction Worksheet for a transaction in which such a reduction will be accounted for must describe the applicable reduction. Notwithstanding the foregoing, the Jurisdiction shall not fund (or cause the funding of) any elements of Basewide Mitigation Measures or Basewide Costs without first notifying FORA of the Jurisdiction's intention to do so. If FORA reasonably disapproves such funding it shall provide written notice of that disapproval to the Jurisdiction within fifteen (15) days after receipt of the Jurisdiction's notice of intention. Upon receipt of such notice of disapproval from FORA, the Jurisdiction shall not proceed with the proposed funding of Basewide Mitigation Measures or Basewide Costs.

e. When FORA has levied (or the Jurisdiction has levied for the benefit of FORA) development fees or assessments on development projects that constitute Interim Uses, the development fees or assessments paid to FORA in connection with such Interim Uses shall be credited toward development fees or assessments levied on subsequent development projects involving permanent uses of the same property. Under no circumstances is FORA obligated to refund development fees or assessments where a permanent use triggers development fees or assessments that are less than those for a prior Interim Use of the same property.

f. If FORA is unable, despite reasonable good faith efforts, to pay Basewide Costs and undertake Basewide Mitigation Measures, then upon a request from FORA, the Jurisdiction shall initiate a process to consider its own financing mechanisms to raise revenues to contribute, toward Basewide Costs and the cost of undertaking Basewide Mitigation Measures. Nothing in this Section 6(f) requires the Jurisdiction to adopt any specific financing mechanism or contribute any funds to alleviate FORA's funding insufficiency.

g. FORA shall pay Basewide Costs and undertake Basewide Mitigation Measures for the benefit of the Jurisdiction Property to the same extent that FORA pays Basewide Costs and undertakes Basewide Mitigation Measures for the benefit of other property. FORA may pay Basewide Costs and undertake Basewide Mitigation Measures in accordance with a FORA-approved schedule of improvements and mitigations, which may be modified from time to time. FORA shall, however, afford the Jurisdiction an opportunity to participate in FORA's approval of a schedule of improvements and mitigations. During any 5-year period, starting with the first FORA approval of a schedule of improvements and mitigations, the benefit to the Jurisdiction Property must be equitable and proportional to the benefit to other property benefited by Basewide Mitigation Measures.

Section 7. Formation of Financing District.

In consideration for the transfer of Property from FORA to the Jurisdiction, the Jurisdiction agrees, for itself, its tenants, and successors, in interest, not to interfere with, protest, or challenge the imposition and formation of any land-based financing district allowed by Government Code 67679(d) (a "Financing District"), which is reasonably necessary to implement the Basewide Costs and Basewide Mitigation Measures. The Jurisdiction further agrees to provide all reasonable assistance to FORA in such formation, including, if required, voting affirmatively for the formation of any such Financing District. A Financing District is ☐ reasonably necessary to implement the Basewide Costs and Basewide Mitigation Measures if:

- (i) FORA's revenues from all other sources are reasonably expected to be inadequate to the Basewide Costs and Basewide Mitigation Measures consistent with FORA's policy adopted in January 1999 and previously approved in the Base Reuse Plan in 1997. (That cost is estimated to be as much as Two Hundred Twenty-Five Million Dollars [\$225,000,000]); and
- (ii) the special taxes or assessments from such Financing District are limited to the gap between the revenues needed by FORA for such purposes and the revenues otherwise reasonably available to FORA for such purposes.

The Jurisdiction and such tenants, successors in interest or assigns may, however, protest the rate or apportionment of special taxes or assessments over property within such a Financing District if such special taxes or assessments are greater than those identified in Exhibit C (as indexed for inflation). The Jurisdiction shall include this obligation in all conveyance instruments of the Jurisdiction-Owned Jurisdiction Property.

Section 8. Unique Situations.

The attached Exhibit D identifies applicable unique situations for which the allocation of Sale or Lease Proceeds or developer assessments vary from the provisions of sections 5 or 6.

Section 9. Development and Service Costs.

As between the Parties, the Jurisdiction shall be responsible for all development costs, except Basewide Mitigation Measures and Basewide Costs. Jurisdiction costs include, without limitation: non-basewide construction, property clearance, site preparation, project-specific demolition costs, and other project-specific development costs. Nothing in this Agreement requires the Jurisdiction to undertake any development of the Jurisdiction Property or to be responsible for payment of any taxes or fees that would normally be paid by developers or property owners.

Section 10. Redevelopment.

- a. The Jurisdiction shall initiate a process to consider the adoption of a redevelopment plan for a redevelopment area consisting of some or all of the Jurisdiction Property. Nothing in this Agreement requires the Jurisdiction to adopt a redevelopment plan.
- b. The Jurisdiction may assign its rights (and delegate its duties) under this Agreement to the redevelopment agency for the Jurisdiction's jurisdictional boundaries.
- c. If a redevelopment plan, adopted in accordance with California Health and Safety Code Sections 33492.70 and following, is not in effect with respect to all of the Jurisdiction Property within two (2) years after the date of this Agreement, or if a redevelopment plan, adopted in accordance with California Health and Safety Code Sections 33492 and following, is not in effect with respect to a particular parcel of the Jurisdiction Property by the time the Jurisdiction seeks to complete a sale, lease, or equivalent use transaction for such parcel, then the Parties shall negotiate in good faith to identify a financing mechanism that would result in FORA receiving revenue equal to the tax increment revenue that FORA would have received from the Jurisdiction Property (or applicable parcel). If the Parties fail to agree on the calculation of Fair and Equitable Share for a specific project within Jurisdiction Property, FORA may find a project inconsistent with the Base Reuse Plan, as provided in the Authority Act. Nothing in this Section 10© obligates the Jurisdiction to implement any particular financing mechanism.

Section 11. Ordnance.

The Parties shall cooperate with the Army's investigation, characterization, and remediation of potential ordnance and explosives impediments to allow the reuse of the Jurisdiction Property as contemplated by the Base Reuse Plan.

Section 12. Public Information.

FORA and the Jurisdiction will cooperate in providing appropriate public information in open meetings as necessary or requested by the Jurisdiction.

Section 13. Audit.

Each Party may, at its own expense, audit those records of the other Party that directly relate to performance under this Agreement. Each Party has an obligation to make all such records available, within a reasonable period of time, to the auditing Party.

Section 14. Notice.

Formal notices, demands, and communications between the Parties shall not be deemed given unless sent by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personal delivery with a delivery receipt, to the principal office of the Parties as follows:

Jurisdiction:

City of Monterey
ATTN: Fred Meurer,
City Manager
City Hall
Monterey, CA 93940

FORA:

Fort Ord Reuse Authority
ATTN: Michael A. Houlemard, Jr.,
Executive Officer
100 12th Street, Bldg. 2880
Marina, California 93933

Such written notices, demands, and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate as provided in this Section 14. Receipt shall be deemed to have occurred on the date marked on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 15. Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

Section 16. Severability.

If any term of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, then the remaining terms shall continue in full force unless the rights and obligations of the Parties have been materially altered by such holding of invalidity.

Section 17. Dispute Resolution.

a. Dispute resolution procedure. If any dispute arises between the Parties under this Agreement, the Parties shall resolve the dispute in accordance with this Section 17.

b. Duty to meet and confer. The Parties shall first meet and confer in good faith and attempt to resolve the matter between themselves. Each Party shall make all reasonable efforts to provide to the other Party all the information in its possession that is relevant to the dispute, so that both Parties have the information needed to reach agreement. If these negotiations fail to produce agreement after fifteen (15) days from the initial demand, either Party may demand mediation.

c. Mediation. If meeting and conferring do not resolve the dispute, then the matter shall be submitted for formal mediation to the Mediation Center of Monterey County, the American Arbitration Association, the Judicial Arbitration and Mediation Services, or such other mediation service as the parties may mutually agree upon. Either Party may terminate the mediation if it fails to produce agreement within forty-five (45) days from selection of the mediator. The expenses of such mediation shall be shared equally between the Parties.

d. Arbitration. If the dispute has not been resolved by mediation, and if both Parties wish to pursue arbitration, then the dispute shall be submitted to arbitration. The decision of the arbitrator or arbitrators shall be binding, unless within thirty (30) days after issuance of the arbitrator's written decision, either Party files an action in court.

- (i) Any potential arbitrator must affirmatively disclose all of his or her potential conflicts of interest, and a description of the nature of his or her past and current law practice (if applicable), before the Parties select the arbitrator. A Party may disqualify any potential arbitrator whom the Party subjectively perceives to have a conflict or bias.

Any potential arbitrator must be a qualified professional with expertise in the area that is the subject of the dispute, unless the Parties otherwise agree.

- (ii) The Parties shall jointly select a single arbitrator.
- (iii) Before commencement of the arbitration, the Parties may elect to have the arbitration proceed on an informal basis; however, if the Parties are unable so to agree, then the arbitration shall be conducted in accordance with Code of Civil Procedure Sections 1280 and following, and to the extent that procedural issues are not there resolved, in accordance with the rules of the American Arbitration Association. Notwithstanding the foregoing, the requirements of Section 17(d)(iv) shall apply.
- (iv) The arbitrator must issue a written decision setting forth the legal basis of the decision, making findings of all relevant facts and stating how the law was applied to the found facts, and the decision must be consistent with and apply the law of the State of California.

e. Attorney's Fees and Costs. Should the dispute of the Parties not be resolved by negotiation or mediation, and in the event it should become necessary for either Party to enforce any of the terms and conditions of this Agreement by means of arbitration, court action or administrative enforcement, the prevailing Party, in addition to any other remedy at law or in equity available to such Party, shall be awarded all reasonable cost and reasonable attorney's fees in connection therewith, including the fees and costs of experts reasonably consulted by the attorneys for the prevailing Party.

f. Judicial Resolution. If the dispute is not or cannot be resolved by mediation, and if there is not agreement between the Parties to pursue arbitration, then either Party may commence an action in the Superior Court of Monterey County. The prevailing Party, in addition to any other remedy at law or in equity available to such Party, shall be awarded all reasonable costs and reasonable attorney's fees, including the fees and costs of experts reasonably consulted by the attorneys for the prevailing Party.

g. Prevailing Party. For purposes of Sections 17(e) and (f), "prevailing Party" shall include a Party that dismisses an action for recovery hereunder in exchange for payment of the sum allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action or proceeding.

Section 18. Entire Agreement.

This Agreement contains the entire agreement of the Parties with respect to Jurisdiction Property. No other statement or representation by any employee, officer, or agent of either Party, which is not contained in this Agreement, shall be binding or valid.

Section 19. Multiple Originals; Counterparts.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 20. Modifications.

This Agreement shall not be modified except by written instrument executed by and between the Parties.

Section 21. Interpretation.

This Agreement has been negotiated by and between the representatives of both Parties, both Parties being knowledgeable in the subject matter of this Agreement, and each Party had the opportunity to have the Agreement reviewed and drafted by their respective legal counsel. Accordingly, any rule of law (including Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the purpose of the Parties and this Agreement.

Section 22. Relationship of the Parties.

Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between the Parties unless specifically provided herein.

Section 23. Waiver.

No waiver of any right or obligation of either Party hereto shall be effective unless in writing, specifying such waiver, executed by the Party against whom such waiver is sought to be enforced. A waiver by either Party of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

Section 24. Further Assurances.

The Parties shall make, execute, and deliver such other documents, and shall undertake such other and further acts, as may be reasonably necessary to carry out the intent of this Agreement.

Section 25. Days.

As used in this Agreement, the term "days" means calendar days unless otherwise specified.

AS OF THE DATE FIRST WRITTEN ABOVE, the Parties evidence their agreement to the terms of this Agreement by signing below:

Fort Ord Reuse Authority,
A Public Corporation of the State of California

By: [Signature]

Its: Executive Officer

City of Monterey,
A Political Subdivision of the State of California

By: [Signature]

Its: MAYOR

NOTARY ACKNOWLEDGMENT

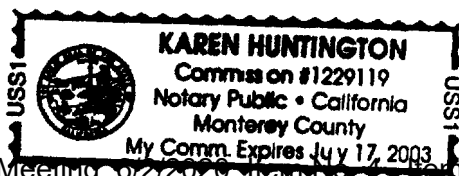
STATE OF CALIFORNIA, COUNTY OF MONTEREY

APPROVED BY:

[Signature]
City Attorney's Office

On Aug 10, 2001, before me Karen Huntington, Notary Public, personally appeared Daniel Albert personally known to me or proved on the basis of satisfactory evidence to be the person whose name is subscribed on the accompanying instrument and acknowledged to me that he/she executed the instrument in his/her authorized capacity and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal, NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA



[Signature]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

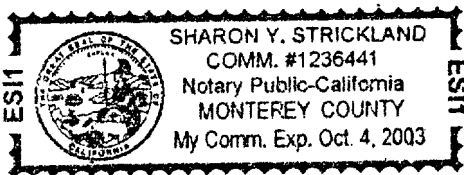
State of California

County of Monterey

On Sept. 19, 2001 before me, Sharon Y. Strickland, Notary

personally appeared Michael A. Hulemar, Jr.

☒ personally known to me – OR – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Sharon Y. Strickland
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Implementation Agreement - City of Monterey

Document Date: Aug. 10, 2001 Number of Pages: 27

Signer(s) Other Than Named Above: Daniel Albert

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

EXHIBIT A
DESCRIPTION OF THE JURISDICTION PROPERTY

A. FORA proposes to transfer the following real property to the Jurisdiction under this Agreement: all COE parcels that designate the Jurisdiction (City of Monterey) as the final recipient.¹

B. All personal property located on the above-described real property, including, but not limited to, all buildings, facilities, roadways, and other infrastructure, including the storm drainage systems and the telephone system infrastructure, and any other improvements thereon (including all replacements or additions thereto between the date of this Agreement and the date of conveyance of the Property to FORA).

¹ See Exhibit A, Attachment 1, for the FORA Parcels Using COE Parcel Numbers map with attached COE Description of Properties previously described as Exhibit "A" of the Memorandum of Agreement Between the Department of the Army and the Fort Ord Reuse Authority dated June 20, 2000.

EXHIBIT B
Transaction Detail Report – Form
FORT ORD REUSE AUTHORITY

TRANSACTION #		JURISDICTION:	
Seller/Lessor: Address:		Buyer/Lessee: Address:	
Phone: Fax:		Phone: Fax:	
Escrow Company:			
Title Company:			
Property Location:			
Parcel #:		Size:	
Valuation Company/Firm:		Date of Valuation:	
Valuation Instructions/Specifics:			
Demolition Required: No <input type="checkbox"/> Yes <input type="checkbox"/> \$ _____ Cost			
Instructions: _____			

Value:			
Proposed Uses of Property:			
Interim Use (Lease): Yes <input type="checkbox"/> No <input type="checkbox"/> Description:			

Costs of Sale/Lease:			
	Estimated	Final	Date
1. Fees (Recording)			
2. Administrative Costs			
3. Title Report			
4. Subdivision Map and Surveys			
5. Site Improvements			
6. Title Insurance			
7. Brokers Fees			
8. Off-Site Improvements			
9. Taxes			
10. Special Conditions			
11. Leasing Expenses			
12. Special Enhancements			
13. Other Items (Attach Supplemental as needed)			

FORT ORD REUSE AUTHORITY

[JURISDICTION]

03/02/01 final draft
City of Monterey.042301

EXHIBIT C

Basewide Development Fee/Assessments

New Residential	\$29,600 per unit
Preston Lease	\$0
Preston Sale	\$8,900 per unit
Other Existing Housing	\$8,900 per unit
New Retail	\$80,000 per acre
New Industrial/Business office	\$3,880 per acre
Hotel/Motel	\$6,600 per room
Park/Recreation	\$-0-

Interim rental fees from Interim Use as defined in Section 1(o) and described in Section 6(e) of this Agreement.

EXHIBIT D

UNIQUE SITUATIONS WITH UNIQUE ALLOCATIONS OF SALE OR LEASE PROCEEDS

PRESTON PARK HOUSING: The three hundred fifty-four (354) units of housing within Preston Park shall be administered as provided in this Agreement, subject to the following additional provisions:

1. The Fort Ord Reuse Authority (FORA) and the City of Marina (Marina) agree to abide by the action taken by FORA Board in December 1999 to apply the net revenues from the leasing of the Preston Park Housing Complex to capital projects and related costs at the former Fort Ord. In addition, FORA and Marina agree that the extension of the Preston Park Lease Agreement as approved by the FORA Board and as attached hereto will govern the expanded area of leasing as may be amended from time to time and as permitted through the term of the lease amendment. FORA and Marina also agree that all revenues from the leasing of the Preston Park Housing Complex shall be in accordance with section 5(g) of this Implementation Agreement. If Marina, at its discretion, at some point in the future, elects to sell a portion or all of the Preston Park Housing Parcels, the proceeds will be distributed and the assessment of the property shall be in accordance with any other transaction covered by this agreement.

The sublease with Mid-Peninsula Housing Corporation shall remain in effect for its term, as extended, and the provisions of the lease to FORA shall apply to the administration of the housing. In March 2000, FORA extended the lease with the U.S. Army for five additional years, with a one-year option to extend. The one-year option is available only if FORA is unable to recover its construction/rehabilitation costs during the five-year extension period.

2. Charges, including those paid to support Marina Public Safety services, may be taken and applied by the City in a manner consistent with the practices and policies, which have applied heretofore in the administration of the sublease and its implementing measures, for the term of the sublease and any extension thereto.
3. The action allocating Preston Park revenues to projects, as taken by the FORA Board of Directors in December 1999, shall continue to apply and the amount of net revenues allocated from the lease of the Preston Park Housing recommended by the Marina City Council and approved by the FORA Board shall continue to be allocated to capital projects and related costs at the former Fort Ord. Clarifications of the approved allocation list shall be made by joint action with a recommendation from the Marina City Council and approval by the FORA Board of Directors.
4. Upon recommendation from the Marina City Council and approval by the FORA Board of Directors, the lease and sublease of Preston Park Housing may be extended for the support of the Department of Defense mission in the Monterey Bay area, to include units within Abrams Park Housing.
5. Any sale of Preston Park housing, or leasing beyond the terms described in this Exhibit, and the distribution of the proceeds there from, shall be in accordance with the provisions of this Agreement.

HAYES HOUSING:

In consideration for the City of Seaside's agreement to undertake the basewide costs associated with building removal at the Hayes Park Project, the development fees for the Hayes Park developer will be reduced by \$10,000 per dwelling unit removed. It is anticipated that this provision will be formally enacted by separate agreement between FORA and Seaside at a future date. To the extent such agreement modifies this general provision, it supersedes this section.

EXHIBIT E

WATER RESERVATIONS AND ALLOCATIONS (Current Year)

ENTITY	FORT ORD REUSE PLAN ALLOCATION In Acre Feet per Year (AFY)
ORD MILITARY COMMUNITY (Reservation)	1729
CSUMB	1035
UC MBEST	230
COUNTY	560
COUNTY/STATE PARKS	45
DEL REY OAKS	75
MONTEREY	65
MARINA (SPHERE)	10
SEASIDE	710
MARINA	1175
<hr/> TOTAL ALLOCATIONS	<hr/> 5634
Assumed Line Loss	532
Reserve	434
<hr/> Total	<hr/> 6600 <hr/>

**EXHIBIT F
DEED RESTRICTION AND COVENANTS**

The Deed Restriction and Covenants is made this ____ day of _____, 200__, by the Fort Ord Reuse Authority ("Owner"), a governmental public entity organized under the laws of the State of California, with reference to the following facts and circumstances.

- A. Owner is the owner of the real property described in Exhibit A to this Deed Restriction and Covenants ("the property"), by virtue of a conveyance of the property from the United States Government and/or the United States Department of the Army to Owner in accordance with state and federal law, the Fort Ord base Reuse Plan ("the Reuse Plan"), and the policies and programs of the Fort Ord Reuse Authority.
- B. Future development of the property is governed under the provisions of the Reuse Plan and other applicable general plan and land use ordinances and regulations of the local governmental entity on which the property is located consistent with the Reuse Plan.
- C. The Reuse Plan provides that the property can only be used and developed in a manner consistent with the Reuse Plan.
- D. The Reuse Plan recognizes that development of all property conveyed from FORA is constrained by limited water, sewer, transportation, and other infrastructure services and by other residual effects of a former military reservation, including unexploded ordinance.
- E. It is the desire and intention of Owner, concurrently with its acceptance of the conveyance of the property, to recognize and acknowledge the existence of these development constraints on the property and to give due notice of the same to the public and any future purchaser of the property.
- F. It is the intention of the Owner that this Deed Restriction and Covenants is irrevocable and shall constitute enforceable restrictions on the property.

NOW, THEREFORE, Owner hereby irrevocably covenants that the property subject to this Deed Restriction and Covenants is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following restrictions and covenants on the use and enjoyment of the property, to be attached to and become a part of the deed to the property. The Owner, for itself and for its heirs, assigns, and successors in interest, covenants and agrees that:

- 1. Development of the property is not guaranteed or warranted in any manner. Any development of the property will be and is subject to the provisions of the Reuse Plan, the policies and programs of the Fort Ord Reuse Authority, including the Authority's Master Resolution, and other applicable general plan and land use ordinances and regulations of the local governmental entity on which the property is located and compliance with CEQA.
- 2. Development of the property will only be allowed to the extent such development is consistent with applicable local general plans which have been determined by the Authority to be consistent with the Reuse Plan, including restraints relating to water supplies, wastewater and solid waste disposal, road capacity, and the availability of infrastructure to supply these resources and services, and does not exceed the constraint limitations described in the Reuse Plan and the Final Program Environmental Impact Report on the Reuse Plan.

3. _____ (Left blank on purpose)

4. This Deed Restriction and Covenants shall remain in full force and effect immediately and shall be deemed to have such full force and effect upon the first conveyance of the property from FORA, and is hereby deemed and agreed to be a covenant running with the land binding all of the Owner's assigns or successors in interest.
5. If any provision of this Deed Restriction and Covenants is held to be invalid or for any reason becomes unenforceable, no other provision shall be thereby affected or impaired.
6. Owner agrees to record this Deed Restriction and Covenants as soon as possible after the date of execution.

IN WITNESS WHEREOF, the foregoing instrument was subscribed on the day and year first above-written.

Owner

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF MONTEREY

On _____, 2001, before me _____, Notary Public personally appeared _____ personally known to me or proved on the basis of satisfactory evidence to be the person whose name is subscribed on the accompanying instrument and acknowledged to me that he/she executed the instrument in his/her authorized capacity and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal, NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

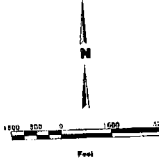


EXHIBIT "A"
DESCRIPTION OF PROPERTIES

Search Results: Click Back Button on Browser to Search Again.

Parcels Database last updated on: 10/4/99 1:54:42 PM

Total Acreage from Query is: 5188.101 Acres

COE Number	Parcel Name	Acreage	Jurisdiction	Recipient	Transfer Status
E11a	Habitat management	154.5	County	EDC	in progress
E11b.1	development / mixed use /ac limit	24.7	County	EDC	in progress
E11b.2	development / mixed use-ac limit	41.7	County	EDC	in progress
E11b.3	sewer treatment facility / development mix	6.2	County	EDC	in progress
E11b.4	water tank 147	0.1	County	EDC	in progress
E11b.6	development / mixed use-aac limit	129.4	County	EDC	in progress
E11b.7	development / mixed use-ac limit	255.3	County	EDC	in progress
E11b.8	ASP / development mixed use	58.8	County	EDC	in progress
E15.1	ROW / retail	49.1	Seaside	EDC	in progress
E15.2	open space	28.7	Seaside	EDC	in progress
E18.1	housing future	73	Seaside	EDC	in progress
E18.2.1	ROW Gigling road	4.9	Seaside	EDC	in progress
E18.2.2	ROW Gigling road	0.1	County	EDC	in progress
E18.3	ROW Normandy/Parker Flats	6.2	Seaside	EDC	in progress
E18.4	water tank	2.2	Seaside	EDC	in progress
E19a.1	housing SFD low density	265.7	County	EDC	in progress

E19a.2	housing SFD low density	218.4	County	EDC	in progress
E19a.3	housing SFD low density	209.3	County	EDC	in progress
E20b	housing Stilwell	101.8	Seaside	EDC	in progress
E20c.1.1.1	housing future	75	Seaside	EDC	in progress
E20c.1.1.2	housing future	113.9	Seaside	EDC	in progress
E20c.1.2	Cable TV area	0.3	Seaside	EDC	in progress
E20c.1.3	ROW N/S road	10.4	Seaside	EDC	in progress
E20c.2.1	housing future	92.5	Seaside	EDC	in progress
E20c.2.2	water tanks/pumps	2.3	Seaside	EDC	in progress
E21a	housing SF low density	138.7	County	EDC	in progress
E21b.1	housing SFD low density	156.7	County	EDC	in progress
E21b.2	housing SFD low density	134.2	County	EDC	in progress
E21b.3	housing SFD low density	58.5	County	EDC	in progress
E23.1	ROW / retail	47.5	Seaside	EDC	in progress
E23.2	ROW / housing future SFD med density	72.6	Seaside	EDC	in progress
E24	ROW / housing future SFD med density	197.1	Seaside	EDC	in progress
E29	BP/LI/O//R&D	34.5	County/Monterey	EDC	in progress
E29a	visitor center / bus park	273.3	Del Rey Oaks	EDC	in progress
E29b.1	ROW future Hwy 68 / habitat	34.5	Del Rey Oaks	EDC	in progress
E29b.2	ROW/BP/LI/O/R&D	30.1	County/Monterey	EDC	in progress

E29b.3	BP/LI/O/R&D	28.4	County/Monterey	EDC	in progress
E29e	ROW/future Hwy 68/OP/R&D	9.5	County/Monterey	EDC	in progress
E2a	development / mixed use	63.7	Marina	EDC	in progress
E2b.1.1.1	development / mixed use	24	Marina	EDC	in progress
E2b.1.1.2	development / mixed use	1.2	Marina	EDC	in progress
E2b.1.2	ROW road	10.6	Marina	EDC	in progress
E2b.1.3	development / mixed use	33.6	Marina	EDC	in progress
E2b.1.4	ROW road	2.2	Marina	EDC	in progress
E2b.1.5	development / mixed use	12.2	Marina	EDC	in progress
E2b.2.1	development / mixed use	71.1	Marina	EDC	in progress
E2b.2.2	ROW road	0.8	Marina	EDC	in progress
E2b.2.3	ROW road	4.4	Marina	EDC	in progress
E2b.2.4	development / mixed use	7.5	Marina	EDC	in progress
E2b.2.5	2/12 Pump and Treat Facility	1.5	Marina	EDC	in progress
E2b.3.1.1	development / mixed use	108.6	Marina	EDC	in progress
E2b.3.1.2	CID Building	1.6	Marina	EDC	in progress
E2b.3.2	ROW 8th St	0.1	Marina	EDC	in progress
E2c.1	development / mixed use	13.2	Marina	EDC	in progress
E2c.2	OU2 Pump and Treat Facility	1.1	Marina	EDC	in progress
E2c.3.1	development / mixed use	10	Marina	EDC	in progress

E2c.3.2	ROW road	13.8	Marina	EDC	in progress
E2c.3.3	development / mixed use	31.7	Marina	EDC	in progress
E2c.4.1.1	ROW road	8.9	Marina	EDC	in progress
E2c.4.1.2	ROW road	2.8	Marina	EDC	in progress
E2c.4.2.1	development / mixed use	13.1	Marina	EDC	in progress
E2c.4.2.2	development / mixed use	2.4	Marina	EDC	in progress
E2c.4.3	ROW road	1.9	Marina	EDC	in progress
E2c.4.4	ROW road	1.1	Marina	EDC	in progress
E2d.1	development / mixed use	15.2	Marina	EDC	in progress
E2d.2	ROW	5.4	Marina	EDC	in progress
E2d.3	development / mixed use	46.6	Marina	EDC	in progress
E2e.1	ROW 6th Ave / 8th St Road	6.1	Marina	EDC	in progress
E2e.2	ROW Intergarrison road	0.2	County	EDC	in progress
E31a	bus park /LI/O/R&D	5.2	Del Rey Oaks	EDC	in progress
E31b	bus park /LI/O/R&D	3.1	Del Rey Oaks	EDC	in progress
E31c	bus park /LI/O/R&D	4.2	Del Rey Oaks	EDC	in progress
E34	ROW / housing future SFD med density	94.7	Seaside	EDC	in progress
E36	bus park /LI/O/R&D	6.3	Del Rey Oaks	EDC	in progress
E4.1.1	housing lower Patton	154	Marina	EDC	in progress
E4.1.2.1	housing lower Patton	13	Marina	EDC	in progress

E4.1.2.2	housing Lower Patton	23	Marina	EDC	not started
E4.1.2.3	ROW Booker Str /lower Patton	1	Marina	EDC	not started
E4.2	housing upper Patton	64.2	Marina	EDC	in progress
E4.3.1	housing Abrams	179.6	Marina	EDC	in progress
E4.3.2.1	housing Abrams	43.6	Marina	EDC	in progress
E4.3.2.2	Housing Lexington Court	7.9	Marina	EDC	in progress
E4.4	housing Preston	98.9	Marina	EDC	in progress
E4.5	water treatment facility	2.9	Marina	EDC	in progress
E4.6.1	ROW middle Imjin road	25	Marina	EDC	in progress
E4.6.2	ROW Imjin road	17.3	County	EDC	in progress
E4.7.1	ROW NE Imjin road	5	Marina	EDC	in progress
E4.7.2	ROW Imjin road	3.1	County	EDC	in progress
E5a	development / mixed use	45.7	Marina	EDC	in progress
E5b	development / mixed use	3.2	Marina	EDC	in progress
E8a.1	Landfill, 75 acre development, HMP	304.1	County	EDC	in progress
E8a.2	Landfill carrot, Univ med density residential	4	County	EDC	in progress
L20.10.1	ROW / north Reservation road	26.2	County	EDC	in progress
L20.10.2	ROW / north Reservation road	5.2	County	EDC	in progress
L20.10.3	ROW / north Reservation road	2.2	County	EDC	in progress
L20.11.1	ROW / Blanco road	31.2	County	EDC	in progress

L20.11.2	ROW Blanco road	7.7	Marina	EDC	in progress
L20.13.1	ROW N/S road	2	Del Rey Oaks	EDC	in progress
L20.13.3.1	ROW S Boundary / NS road	7.9	Del Rey Oaks	EDC	in progress
L20.13.3.2	ROW / part S Boundary Road	2.1	County/Monterey	EDC	in progress
L20.13.4.1	ROW S Boundary / future Hwy 68	0.8	Del Rey Oaks	EDC	in progress
L20.13.4.2	ROW / part S Boundary Road	0.8	County/Monterey	EDC	in progress
L20.13.5	ROW / S Boundary / York road	5.9	County/Monterey	EDC	in progress
L20.14.1	ROW / East Intergarrison road	16.2	County	EDC	in progress
L20.14.2	ROW / Mid Intergarrison road	3.2	County	EDC	in progress
L20.18	ROW / Eucalyptus road	7.2	County	EDC	in progress
L20.19	ROW / North Barloy Canyon road	10.3	County	EDC	in progress
L20.20	ROW / west Camp road	2.3	County	EDC	in progress
L20.21	ROW / part Watkins Gate road	4.4	County	EDC	in progress
L20.22	ROW / Chapel Hill road	2.4	County	EDC	in progress
L20.9	ROW / south Reservation road	18.9	County	EDC	in progress
L23.3.1	development mixed use-ac limit	54.5	County	EDC/MPC	not started
L23.3.2.1	development mixed use-ac limit/historic district	83.2	County	EDC/MPC	not started
L23.3.2.2	development mixed use-ac limit	20.1	County	EDC/MPC	not started
L23.3.3	development mixed use-ac limit	36.4	County	EDC/MPC	not started
L31	Esselen Parcel Surplus II	11.7	Seaside	EDC	in progress

L32.1	public facilities/inst Surplus II	2.9	County	EDC	in progress
L32.4.1	development mixed use / retail Surplus II	52.4	Seaside	EDC	in progress
L32.4.2	ROW / development mixed use / Surplus II	4.3	County	EDC	in progress



**Memorandum of Agreement
By and Between
The Fort Ord Reuse Authority
And
The City of Monterey Regarding Property Ownership and Responsibilities During
the Period of Environmental Services to Remove Munitions and Explosives of
Concern**

This Agreement is made by and between the Fort Ord Reuse Authority ("FORA") and the City of Monterey ("Monterey") to establish the terms for holding and managing (ownership and responsibilities) property during remedial work performed under an Environmental Services Cooperative Agreement ("ESCA") between the U.S. Army ("Army") and FORA. This Agreement is dated for reference on October 11, 2007.

I. RECITALS

1.1 The Army will transfer certain real property to FORA ("ESCA properties") under a Finding of Suitability for Early Transfer ("FOSET"). That real property is described in the attached FOSET 5 document; and

1.2 The FOSET 5 refers to certain Covenants Restricting Use of Property (CRUP). The CRUP restricts the use of the ESCA properties until Munitions and Explosives of Concern ("MEC") have been removed to standards set by the US Environmental Protection Agency and California Department of Toxic Substance Control; and

1.3 The FORA Board appointed a FORA Negotiating Team consisting of voting Board members to negotiate a contract with the Army for FORA to perform MEC remediation services under an ESCA grant; and

1.4 Monterey is a member of the FORA Board of Directors and participated in negotiations that resulted in an ESCA grant award from the Army; and

1.5 FORA and Monterey acknowledge that the ESCA is both an essential contract and a timely benefit for the Monterey Peninsula Region, where the Army provides FORA \$100 million in grant funding to remove MEC from approximately 3,500 acres of the former Fort Ord on the behalf of Monterey and the other Jurisdictions, which will result in Monterey acquiring this property sooner than if the Army continued MEC removal process; and

1.6 The parties to this agreement acknowledge that rapid MEC cleanup is in the best interest of the general public;

1.7 The ESCA grant award has been funded and the MEC cleanup activities will occur once the Army transfers the ESCA properties to FORA; and

1.8. The ESCA Grant pays for insurance coverage for FORA and its MEC removal contractor, LFR, Inc. (hereinafter referred to as "LFR") during the ESCA MEC remedial period; and

1.9. Monterey and FORA acknowledge that this agreement is necessary to describe the terms under which FORA will retain ownership of Monterey lands during the ESCA MEC removal period; and

1.10. The ESCA property that pertains to Monterey consists of Army Corps of Engineers parcel number E29.1; and

1.11. The Implementation Agreement between FORA and Monterey specifies that, "Concurrently with FORA's acquisition of Jurisdiction Property from the Army (or at such other times as the Parties may agree in writing), FORA shall transfer such property to the Jurisdiction, and the Jurisdiction shall accept such property."; and

1.12. The parties acknowledge the mutual advantages of FORA retaining ownership during the ESCA MEC remedial period; and

1.13. The FORA Act (CA Government Code Section 67650) states that FORA "shall become inoperative June 30, 2014," which limits FORA's term of operation; and

1.14. The FORA Act (CA Government Code Section 67650) did not provide FORA with police powers or emergency response capabilities, which was to be Jurisdiction responsibilities under agreement between FORA and the Jurisdictions.

II. AGREEMENT

Now, Therefore, Be It Resolved that FORA and Monterey agree as follows:

2.1. FORA retains ownership for the ESCA/FOSET 5 properties during the MEC Remedial Period. FORA agrees to promptly transfer title to the property to Monterey, and Monterey agrees to accept title, upon Notice of Completion and regulatory approval of completed remediation.

2.2. Monterey will provide public safety response as needed for police, fire, and other emergency needs upon FORA taking ownership of the ESCA properties.

2.3. LFR will have primary responsibility for controlling access to the ESCA properties during the MEC Remedial Period and will coordinate with the Jurisdictions for Jurisdiction approved activities that are not related to MEC removal.

2.4. Access to the ESCA properties will be governed by restrictions included in the CRUP accompanying the transfer of the property as defined by federal and State regulatory agencies. Those restrictions are attached hereto as the CRUP attachments to the FOSET 5 document.

2.5. This Memorandum of Agreement shall become inoperative on the earlier of the following two dates:

a. when the FORA Board determines that 80 percent of the territory of Fort Ord that is designated for development or reuse in the 1997 Fort Ord Base Reuse Plan ("Plan") has been reused, or

b. June 30, 2014.

III. EXECUTION

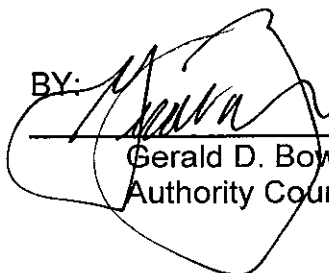
FORT ORD REUSE AUTHORITY

BY:


Joe Russell

Approved as to form:

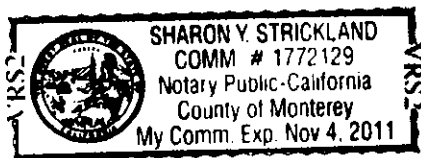
BY:


Gerald D. Bowden
Authority Counsel

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On November 26, 2007
before me, Sharon Y. Strickland, a Notary Public in and for said
State,
personally appeared Joe Russell personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.




Notary Public, State of California

City of Monterey

BY: Fred Muenner

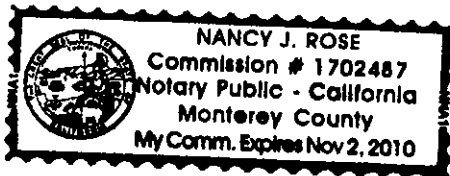
STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

APPROVED BY:

Pault
Attorney's Office

On December 11, 2007
before me, Nancy J. Rose, a Notary Public in and for said
State,
personally appeared Fred Muenner personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Nancy J. Rose
Notary Public, State of California

RESOLUTION No. 07-178 C.S.

**AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF AGREEMENT
BY AND BETWEEN THE FORT ORD REUSE AUTHORITY (FORA) AND THE CITY OF
MONTEREY REGARDING PROPERTY OWNERSHIP AND RESPONSIBILITIES DURING
THE PERIOD OF ENVIRONMENTAL SERVICES TO REMOVE MUNITIONS AND
EXPLOSIVES OF CONCERN**


WHEREAS this agreement, which is made between the City of Monterey and FORA establishes the terms for holding and managing property ownership during the period of environmental services to remove munitions and explosives of concern from properties scheduled to be transferred to the City.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY THAT: The City Manager is hereby authorized to execute a Memorandum of Agreement with the Fort Ord Reuse Authority for this purpose.

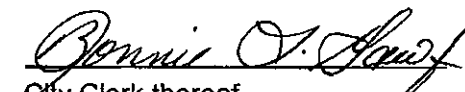
PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 18th day of September, 2007, by the following votes:

AYES:	5	COUNCILMEMBERS:	Della Sala, Downey, Haferman, Selfridge, Sollecito
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None

APPROVED:


Mayor of Said City

ATTEST:


City Clerk thereof



FORT ORD REUSE AUTHORITY

920 2ND Avenue, Suite A, Marina, CA 93933
Tel: 831 883 3672 | Fax: 831 883 3675 | www.fora.org

May 9, 2018

Mr. Hans Usler
Interim City Manager
City Hall – City of Monterey
580 Pacific Street
Monterey, CA 93940



RE: Extend the 2007 Memorandum of Agreement by and between
the Fort Ord Reuse Authority (FORA) and City of Monterey (Monterey)

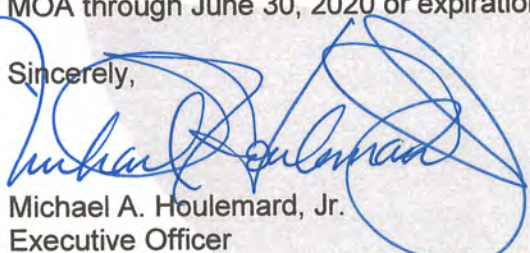
Dear Mr. Usler:

In 2007, the Fort Ord Reuse Authority and Monterey entered into the attached Memorandum of Agreement (MOA) by and between the Fort Ord Reuse Authority (FORA) and Monterey regarding terms of property ownership and responsibilities during the time that FORA performed environmental services to remove munitions and explosives of concern.

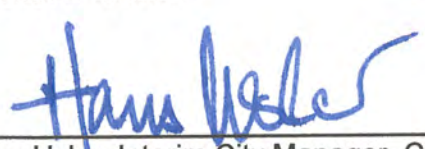
The MOA defined and established the terms for holding and managing (ownership and responsibilities) property in Monterey during remedial work performed under an Environmental Services Cooperative Agreement (ESCA) with the U.S. Army. FORA and County continue to operate as though this agreement remains in effect despite its expiration in 2014.

We request an MOA end date amendment to June 30, 2020 or upon expiration of FORA, whichever is later. Alternatively, we seek your execution below acknowledging effect of the MOA through June 30, 2020 or expiration of FORA, whichever is later.

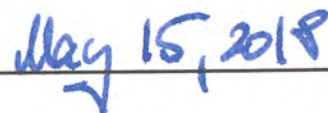
Sincerely,


Michael A. Houlemard, Jr.
Executive Officer

Monterey acknowledges the extension of the 2007 MOA by and between FORA and the Monterey property ownership and responsibilities during the period of environmental services to remove munitions and explosives of concern through 6/30/2020 or upon the expiration of FORA, whichever is later.


Hans Usler, Interim City Manager, City of Monterey

Date:



**FORT ORD REUSE AUTHORITY AND CITY OF SEASIDE
ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT (ESCA) AND
LOCAL REDEVELOPMENT AUTHORITY (LRA)/ECONOMIC DEVELOPMENT
CONVEYANCE AGREEMENT (EDC AGREEMENT)
SUCCESSOR IMPLEMENTING AGREEMENT**

RECITALS.

WHEREAS, the Fort Ord Reuse Authority ("FORA") is a regional agency and a Corporation of the State of California established under California State Law Government Code Sections 67650, et seq., to plan, facilitate and manage the transfer of former Fort Ord property and is acknowledged as the federally recognized local reuse authority for property transfers from the Army, to the governing local jurisdictions or their designees.

WHEREAS, the City of Seaside, California ("Seaside"), is a general law Municipal Corporation of the State of California.

WHEREAS, FORA and Seaside are each a "Party", and together the "Parties" to this Agreement.

WHEREAS, Fort Ord, California was placed on the National Priorities List (Superfund) in 1990 due to leaking underground storage tanks, contaminated groundwater and a 150-acre landfill.

WHEREAS, in 1990, the Army executed a Federal Facility Agreement ("FFA") under CERCLA Section 120 outlining the Army's Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") clean up responsibilities with respect to the former Fort Ord. The Army remains responsible for certain actions under that FFA. The FFA was amended on or about July 26, 2007, the effect of which suspends the FFA for FORA's ESCA obligations so long as FORA or its successors are in compliance with the AOC.

WHEREAS, the former Fort Ord was closed on September 30, 1994 pursuant to and in accordance with the Defense Base Closure and Realignment Act of 1990, as amended (Public Law 101-510; hereinafter referred to as the "Base Closure Act").

WHEREAS, in accordance with Section 2905(b)(4) of the Base Closure Act, as amended by Section 2821 of the Defense Authorization Act for Fiscal Year 2000, Pub. L. No. 106-65 (1999), and the implementing regulations of the Department of Defense (32 CFR Parts 90 and 91), FORA executed an economic development conveyance agreement and acquired portions of the former Fort Ord consisting of approximately five thousand two hundred (5,200) acres of land, including all buildings, personal property, appurtenances, rights-of-way, and drainage areas upon and subject to the terms and conditions of a June 23, 2000 Memorandum of Agreement with the United States of America ("EDC Agreement").

Execution Version

1 **WHEREAS**, the EDC Agreement provided for transfers of property in accordance
2 with the Army's clean-up schedule. Subsequent to the EDC Agreement execution, FORA
3 and the local communities decided to pursue an early transfer process pursuant to Title 42
4 United States Code, section 9620(h)(3)(C) in order to expedite the property transfers and
5 ultimate reuse and economic recovery for the communities affected by the Fort Ord
6 closure.

7
8 **WHEREAS**, in furtherance of the early transfer process, the Army, with the
9 approval of the EPA Administrator and the concurrence of the Governor of California,
10 transferred title of 3,337 acres of munitions impacted Fort Ord property by quitclaim deed
11 to FORA before all action to protect human health and the environment had been
12 completed. Concurrent with this transfer without the otherwise required CERCLA
13 covenant mandated by Title 42 United States Code, section 9620 (h)(3), FORA accepted
14 title and agreed to perform the Army's environmental remediation with funding from the
15 Army. Excluded from FORA's performance obligation are matters related to the
16 groundwater at the former Fort Ord, as well as other Army responsibilities enumerated in
17 the ESCA and elsewhere.

18
19 **WHEREAS**, in 2007 an "*Administrative Order on Consent ("AOC")*" [Docket No. R9-
20 2007-003] [was] *entered into voluntarily by the United States Environmental Protection*
21 *Agency ("EPA"), the California Department of Toxic Substances Control ("DTSC"), and*
22 *the Fort Ord Reuse Authority. The AOC concerns the preparation and performance of*
23 *potential removal actions, one or more remedial investigations and feasibility studies*
24 *("RI/FS") and one or more remedial designs and remedial actions ("RD/RA") for*
25 *contaminants present on portions of the former Fort Ord located at Monterey, California*
26 *("Site") and the reimbursement for future response costs incurred by EPA and DTSC in*
27 *connection with such CERCLA response actions."*

28
29 **WHEREAS**, in 2007 the Army executed an amendment to the Federal Facilities
30 Agreement.

31
32 **WHEREAS**, in 2007 the Army and FORA executed an Environmental Services
33 Cooperative Agreement W9128F 07 2-0162 ("ESCA") under the authority of Title 10 United
34 States Code, Section 2701(d) - Environmental Restoration Program (10 U.S.C. 2701)
35 whereby FORA would perform the Army's environmental responsibilities as the Army
36 Response Action Contractor pursuant to Title 42 United States Code, section 9619, with
37 the Army providing funding to perform these services.

38
39 **WHEREAS**, the ESCA has been amended several times, the ESCA Mod 9
40 amendment in 2017 which provided approximately \$6.8 million for Regulatory Oversight
41 Through 31 December 2019, FORA ESCA Administrative costs during the EPA/DTSC
42 remedial-completion documentation, property transfer process through 30 June 2020 and
43 to perform the required long-term land management tasks, including Munitions and
44 Explosives of Concern ("MEC") Find Assessments, inspections, enforcement, monitoring
45 and reporting through June 30, 2028.

Execution Version

ESCA Mod. Number	ESCA Contract Line Item Number (CLIN) and Description	Expiration Date	Amount
MOD 09	CLIN 02 – Department of Toxic Substance Control (DTSC) and United States EPA Technical Oversight Services	31 Dec. 2019	\$745,913
	CLIN 03 – FORA ESCA Administrative Funds	30 June 2020	\$1,865,848
	CLIN 04 – Post-Closure MEC Find Assessments	30 June 2028	\$528,651
	CLIN 05 – Long Term/LUCs Management	30 June 2028	\$3,705,792
		Totals	\$6,846,204

WHEREAS, due to changes and delays in the transfer of properties, modifications were made to the ESCA grant leaving post-June 30, 2020 funds available are ESCA CLIN 0004 Post Closure MEC Find Assessments \$528,651 and ESCA CLIN 0005 for Long-Term Management and Land Use Control (LUC) management are \$3,705,792 (Totaling \$4,234,443 available from June 30, 2020 through June 30, 2028):

ESCA Mod. Number	ESCA Contract Line Item Number (CLIN) and Description	Expiration Date	Amount
MOD 09	CLIN 04 – Post-Closure MEC Find Assessments	30 June 2028	\$528,651
	CLIN 05 – Long Term/LUCs Management	30 June 2028	\$3,705,792
		Totals	\$4,234,443

WHEREAS, in 2018 FORA adopted a Transition Plan as required by State Law that specifies that FORA engage the Successor-in-Interest ("Successor") provisions of the ESCA contract.

WHEREAS, the Successor assumes responsibility and will be tasked with performing the remaining LTOs under the ESCA, including the recent amendment. It is assumed that all work under the previous \$98,000,000 contract will have been accomplished prior to FORA's dissolution as evidenced by the 2019 EPA Remedial Action Completion letters, per AOC Section XVII, Certification of Completion, housed in the Army Administrative Record located at: <http://fortordcleanup.com/documents/administrative-record/>.

WHEREAS, the City of Seaside is prepared, subject to funding, to assume ESCA responsibility and attendant local reuse authority status, including the execution of the AOC in order to complete the ESCA obligations and any property-related transfer actions required after June 30, 2020.

Execution Version

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation of Recitals. The above recitals are hereby incorporated herein by reference.

2. Acknowledgement. FORA agrees to acknowledge Seaside as the ESCA Successor-In-Interest under the 2018 Transition Plan, and nominate Seaside to the Department of Defense as the LRA Successor.

3. Insurance Policies. FORA will request the transfer of its two pollution legal liability insurance policies and limits to Seaside. FORA shall also transfer any self-insured retention funds to Seaside to be used exclusively for ESCA and claims-related obligations. Seaside acknowledges that these insurance policies will expire in 2022 and 2024, respectively, and that Seaside's designation will be subject to approval by the insurers. Seaside's successful designation through December 31, 2024 is a condition precedent to becoming FORA's ESCA successor. Pollution legal liability insurance will be required by the ESCA from 1 January 2025 through no earlier than 30 June 2028, a requirement to be funded by the Army.

4. ESCA LTO Program Evidence of Fiduciary and Technical Capability. FORA agrees to provide technical and/or financial assistance to Seaside to meet the terms required by the Army, EPA, and DTSC that the Successor be a single entity and demonstrate technical and financial competence to complete the work.

5. ESCA records and contracts funds. FORA and Seaside shall establish a mechanism for transfer of all ESCA records, back-up documents, computer files and accounting records, and contract funds to Seaside for meeting FORA's ESCA obligations.

6. Technical Assistance. FORA agrees to request the Army extend the funding expiration date on any remaining ESCA funds (not dedicated to Post-Closure MEC Find Assessments and Long Term/LUCs Management) for Seaside to provide technical assistance and funding to complete the ESCA transfer process through June 30, 2020, including specialized legal, drafting and other staff or contract support. FORA agrees to establish and fund a pool of monies to support Seaside's assumption of responsibilities and obligations of the EDC Agreement.

7. Obligations. FORA agrees to nominate and Seaside agrees to assume the Federal local redevelopment authority "LRA" designation and the remaining reporting, monitoring, and stewardship or other identified responsibilities associated with (i) the FORA-Army 2007 ESCA, as FORA's Successor through the end of the ESCA Contract June 30, 2028 in order to complete property transfers and the ESCA to the extent that ESCA performance does not obligate or put at risk Seaside's municipal non-ESCA funds, and (ii) the EDC Agreement, as FORA's successor. Exhaustion or unavailability of ESCA funds with which to compensate Seaside for the performance of ESCA obligations will constitute a force majeure under the ESCA and the AOC, thereby relieving Seaside of its responsibility to perform FORA's surviving ESCA obligations.

Execution Version

1 8. ESCA LTO Program Evidence of Fiduciary and Technical Capability. Seaside
2 agrees to provide evidence of its fiduciary and technical capability to comply with the
3 terms of the ESCA and manage the contract financial assets with associated invoicing
4 and reporting responsibilities, to assure the Army, EPA and DTSC of continued ESCA
5 fiduciary capability.

6
7 Seaside agrees to assume FORA's ESCA Long Term Obligations Management
8 Program, as approved by the US Army, EPA and DTSC, and:

- 9
10 i. Personnel. Hire (2) full-time qualified staff to manage ESCA as required under
11 the contract provisions as currently amended through 2028, but with allowances
12 for indirect administrative overhead to assure the Army, EPA and DTSC of
13 continued ESCA technical capacity.
14
15 ii. ESCA Long-Term Obligation Support Services Contract. Enter into Support
16 Services Contracts through 2028 with specialists Arcadis, Weston Solutions,
17 Inc. and Westcliffe Engineers, Inc. (or other qualified vendors), including
18 allowances for indirect administrative overhead to assure the Army, EPA and
19 DTSC of continued ESCA technical capacity.
20
21 iii. Representation. Contract with Counsel reasonably qualified on environmental
22 issues with experience in working with state and federal entities (Army, EPA
23 and DTSC) for review and compliance as noted in the ESCA and the AOC.
24
25 iv. No Obligation of Other Entities. Monterey Peninsula Community College
26 District, the Board of Trustees of the California State University (on behalf of the
27 Monterey Bay campus), the County of Monterey, the Cities of Del Rey Oaks,
28 Marina and Monterey, the Marina Coast Water District (hereinafter collectively
29 "Grantees"), will not be a party to the ESCA, and will not bear any financial
30 liability as a result of the ESCA.
31

32 9. Coordination with other Entities. Seaside agrees to enter into agreements with
33 the Grantees for the property transfers and other necessary property-related rights to
34 effectuate the reuse and the oversight, reporting, response, and other long-term
35 stewardship obligations listed in and consistent with (a) the ESCA through 2028 on behalf
36 of the Army, and (b) the EDC Agreement.
37

- 38 i. Water Rights Allocations. Until such time as such allocations may be amended
39 by agreements, Seaside agrees to honor and abide by the water rights'
40 allocations set forth in Exhibit A attached hereto, for Government Water Rights
41 as defined in Subsection 5.02 of the EDC Agreement, that may be released by
42 the Government in the future, subject to compliance with all applicable laws.
43
44 ii. Wastewater Discharge Rights. Until such time as such allocations may be
45 amended by future agreements, Seaside agrees to establish and apply, in
46 consultation with Grantees, pursuant to Section 5.04 of the EDC Agreement, a
47 fair process to ensure that all Grantees will enjoy equitable utilization of

Execution Version

Wastewater Discharge Rights that may be released by the Government in the future, subject to compliance with all applicable laws.

iii. Creates No Land-Use Authority. Nothing in this Agreement, nor Seaside's designation as the local redevelopment authority or as FORA's successor under the ESCA or EDC Agreement creates in Seaside any land-use decision-making authority with respect to any land not within Seaside's City limits. Further, Seaside shall not require that any land-use decisions of other entities be in compliance with the Fort Ord Base Reuse Plan.

iv. Seaside shall not require payment of any sale or lease proceeds or revenues (or the equivalent use of property such as licenses, permits, concession agreements etc.), from other entities for the transfer of property, water rights, or wastewater discharge rights received from the Army pursuant to the EDC Agreement.

10. ESCA Amendment. The parties agree to work cooperatively to successfully receive Army, EPA and DTSC concurrence that Seaside is the formal ESCA Successor and execute the ESCA upon review and approval of terms and conditions. Seaside agrees to execute an ESCA Agreement and to comply with the U.S. Army Corps of Engineers ("USACE") oversight and grant management requirements for funding to Seaside under the ESCA terms, provided however, that the Successor activities are fully funded, including without limitation provision for PLL insurance coverage, funding shall be provided from January 1, 2024 through June 30, 2028 or the completion of the ESCA obligations. Seaside will not pay for Regulatory Oversight unless it is a reimbursement funded by the Army through the end of the ESCA obligations.

11. Administrative Order on Consent. The parties agree to work cooperatively to successfully receive EPA and DTSC approval that Seaside is the formal Successor to execute an AOC upon review of terms and conditions.

12. Amendment. This Agreement or any provision hereof may be changed, waived, or terminated only by a statement in writing signed by the Party against which such change, waiver or termination is sought to be enforced.

13. No Waiver. No delay in enforcing or failing to enforce any right under this Agreement will constitute a waiver of such right. No waiver of any default under this Agreement will operate as a waiver of any other default or of the same default on a future occasion.

14. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Agreement are to any extent declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, the Parties agree to amend the terms in a reasonable manner to achieve the intention of the Parties without invalidity. If the terms cannot be amended, the invalidity of one or several terms will not affect the validity of the Agreement as a whole, unless the invalid terms are of such essential importance to this

Execution Version

Agreement that it can be reasonably assumed that the Parties would not have contracted this Agreement without the invalid terms. In such case, the Party affected may terminate this Agreement by written notice to the other Party without prejudice to the affected Party's rights in law or equity.

15. Entire Agreement. This Agreement is intended by the Parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing Party had knowledge of the nature of the performance and opportunity for objection.

16. Choice of Law. This Agreement will be construed in accordance with the laws of the State of California.

17. Further Assurances. Each Party agrees to execute and deliver all further instruments and documents and take all further action that may be reasonably necessary to complete performance of its obligations hereunder and otherwise to effectuate the purposes and intent of this Agreement.

18. Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed a part of this Agreement.

19. Notices. Any notice, demand, offer, or other written instrument required or permitted to be given pursuant to this Agreement shall be acknowledged by the Party giving such notice, and shall to the extent reasonably practicable be sent by hand delivery, and if not reasonably practicable to send by hand delivery, then by telecopy, overnight courier, electronic mail, or registered mail, in each case to the other Party at the address for such Party set forth below (Note: A Party may change its place of notice by a notice sent to all other Parties in compliance with this section):

City of Seaside
Attn: City Manager
440 Harcourt Avenue
Seaside, CA 93955

Fort Ord Reuse Authority
Attn: Executive Officer
920 2nd Avenue, Suite A
Marina, CA 93933

w/ an email copy to cityattorney@ci.seaside.ca.us

20. Term of Agreement: This Agreement shall be effective on the Effective Date specified at the beginning of the Agreement and shall remain in effect unless and until terminated by mutual agreement of the Parties or upon the legal dissolution of the Fort Ord Reuse Authority, provided, however, that this Agreement shall survive as to the Grantees who are third party beneficiaries of this Agreement as set forth in paragraph 22, for so long as Seaside remains the successor LRA.

21. Authorization. Each party affirms that it is fully authorized to enter into this Agreement. The Seaside City Manager is designated on behalf of Seaside, subject to

Execution Version

review and approval of documents by the Seaside City Attorney, to enter into the terms and conditions of this Agreement, the AOC and the ESCA and sign related ESCA and AOC reporting and financial documents.

22. Third-Party Rights. The Grantees are intended to be third-party beneficiaries of this Agreement as it relates to future transfers of property, water rights, and wastewater discharge rights pursuant to the EDC Agreement, and shall have the right to enforce the provisions hereof as if they were direct parties hereto. Nothing in this Agreement is intended to confer upon any individual or entity, other than the Parties and the above-identified third-party beneficiaries, any rights or remedies whatsoever.

IN WITNESS WHEREOF, each Party has executed the Agreement with the approval of its governing body as of the date first written above.

CITY OF SEASIDE:



Craig Malin
City Manager

Date: 2/21/20

APPROVED AS TO FORM:



CITY ATTORNEY

FORT ORD REUSE AUTHORITY:



Joshua Metz Executive Officer

Date: 2/21/20

APPROVED AS TO FORM:



AUTHORITY COUNSEL

EXHIBIT A

Current Water Allocations & Percentage-based Allocations of Future Army Water*

	Current Water Allocations in Acre Feet	Allocation of Future Army Water Based on Percentage of Current Water Allocation
City of Marina	1340	29%
City of Monterey	65	1%
City of Seaside	1012.5	22%
County of Monterey	720	15%
CSUMB	1035	22%
City of Del Rey Oaks	242.5	5%
CA State Parks	44.5	1%
UCMBEST	230	5%

*In the unlikely event of availability of additional water from the US Army it would be distributed following the percentage-based allocation provided above. These allocations reflect previously agreed upon water distribution as per FORA Board Resolution No. 07-1 (potable water), and are consistent with the Marina Coast Water District Urban Water Management Plan (2105). They also incorporate the Memorandum of Understanding between the County of Monterey, the City of Seaside, and the FORA allocating 10 acre-feet (af) to the Central Coast Veterans Cemetery (2009), and includes the transference of 15 af to the City of Marina for Veterans Transition Center housing (effective Nov 20, 2017).



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

Mr. Joshua Metz
Executive Officer
Fort Ord Redevelopment Authority
920 2nd Avenue, Suite A
Marina, CA 93933

Mr. Craig Malin
City Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

Dear Mr. Metz and Mr. Malin:

On behalf of the Secretary of Defense and pursuant to the Defense Base Closure and Realignment Act of 1990, as amended, this letter serves as recognition of the City of Seaside as the successor Local Redevelopment Authority with an effective date of July 1, 2020, for the purposes of implementing the Economic Development Conveyance Agreement with the U.S. Army at the former Fort Ord.

Questions pertaining to this recognition or requests for assistance to guide your implementation activity may be directed to Ms. Liz Chimienti, Office of Economic Adjustment Project Manager, at (703) 901-7644.

Sincerely,

Patrick J. O'Brien
Director
Office of Economic Adjustment

cc:
DASA(IH&P)

City of Monterey – Former Fort Ord Property Not Yet Transferred

COE PARCEL	PARCEL NAME
E29.1	Finding of Suitability for Early Transfer 5
E29.2	Business Park / Light Industrial / Office Park
E29b.2	Right of Way (ROW) / Business Park / Light Industrial / Office Pa
E29b.3	Business Park / Light Industrial / Office Park / ROW
E29b.3.1	Yadon's Piperia parcel
E29e	ROW / future Hwy 68 / Office Park / Research & Development
L20.13.5	ROW / South Boundary Road / York Road
L4.1	Park - Future
L4.2	Park - Future



Council Agenda Report

Date: 6/2/2020

Item No.: 5.

FROM: Gaudenz Panholzer, Fire Chief
Prepared By: Gundy Rettke, Senior Administrative Analyst

SUBJECT: Authorize the City Manager to Enter into a New Agreement Among Monterey County Public Agencies for the County of Monterey to Provide 9-1-1 Emergency Communications and Dispatch Services (Not a Project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council authorize the City Manager to enter into a new agreement among Monterey County public agencies for the County of Monterey to provide 9-1-1 emergency communications and dispatch services.

POLICY IMPLICATIONS:

The recommended action is consistent with the City Council's Value Drivers, as "the Council is committed to ensuring that Monterey remains a safe and welcoming place to live, work and visit."

FISCAL IMPLICATIONS:

The cost allocation formula that determines the City's annual cost for public safety dispatch services will not change. It will be the same basis upon which the City's General Fund has been billed since execution of the current 9-1-1 Dispatch Services Agreement in 2001 (01-224).

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES CONSIDERED:

City Council could choose not to authorize entering into a new agreement with the County of Monterey for emergency communications dispatch services. This is not recommended, as the City would lose valuable interagency communications services that are crucial to providing and receiving expedient public safety services.

DISCUSSION:

The current 9-1-1 Dispatch Services Agreement was executed in 2001. It is the contract between the County and the user agencies which provides the governance and financing terms of the dispatch and call taking services provided by the Monterey County Emergency Communications Department. A new 9-1-1 Services Agreement has been created in collaboration with the Department's Operations and Executive Boards to update and clarify the governance structures and to reflect necessary updates to the nearly 20-year old agreement.

As in the prior agreement, the County will provide answering services for 9-1-1 emergency calls as well as for calls to the non-emergency lines. The County will then be responsible for dispatching appropriate fire, police, and emergency medical personnel. The cost allocation formula used to proportion costs among the participating agencies will remain the same and the City will not experience increased costs due to the proposed agreement. The initial term of the agreement is three years plus the remainder of the fiscal year in which the agreement is executed. The agreement will automatically renew for successive two year periods. If a party wishes to withdraw from the agreement, it must provide all other parties with two years' notice.

The new agreement was approved by the County Emergency Communications Department's Executive Board, the Emergency Communications Policy Advisory Council and, on May 12, 2020, it was approved by the County Board of Supervisors. The County has requested that the proposed agreement be fully executed prior to July 1, 2020, to coincide with the beginning of the new fiscal year.

Staff recommends that City Council authorize the City Manager to enter into the new agreement on behalf of the City of Monterey for continued County Emergency Communications Dispatch Services.

GP/gr

Attachments: Resolution

c: Finance Director

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**AUTHORIZING THE CITY MANAGER TO ENTER INTO A NEW AGREEMENT AMONG
MONTEREY COUNTY PUBLIC AGENCIES FOR THE COUNTY OF MONTEREY TO
PROVIDE 9-1-1 EMERGENCY COMMUNICATIONS AND DISPATCH SERVICES**

WHEREAS, the City desires to continue participating in a county-wide public safety communications and emergency 9-1-1 dispatch system; and

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability; and

WHEREAS, the City desires to contract with Monterey County for all necessary communications and dispatch services for police, fire, and other City emergency services; and

WHEREAS, Monterey County, through its Emergency Communications Department, is willing and able to furnish such services through a mutually agreeable cost sharing plan; and

WHEREAS, Monterey County has been providing such services under the existing agreement since 2001 and is now proposing a new agreement to clarify governance structures and reflect other necessary updates, which were approved by the Monterey County Board of Supervisors on May 12, 2020; and

WHEREAS, the current cost allocation formula for emergency communications and dispatch services established in the 2001 Agreement will remain the same in the new agreement; and

WHEREAS, the initial term of the agreement is for three years plus the remainder of the fiscal year in which the agreement is executed. The agreement will automatically renew for successive two year periods. If a party wishes to withdraw from the agreement, it must provide all other parties with two years' notice.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby authorizes the City Manager to enter into a new agreement with the County of Monterey to provide 9-1-1 emergency communications and dispatch services.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 2020, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 6.

FROM: Kimberly Cole, AICP, Community Development Director
Prepared by: Ande Flower, AICP, Principal Planner

SUBJECT: Adopt a Resolution Authorizing the City Manager to Enter into an Agreement with the Monterey Peninsula Chamber of Commerce to Administer Grants for the Covid-19 Local Economic Stimulus Plan (LESP) Utilizing Appropriated Funds (Not a Project Under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

RECOMMENDATION:

The City Council approve a revised Local Economic Stimulus Plan (LESP) by authorizing the City Manager to enter into an agreement with the Monterey Peninsula Chamber of Commerce (Chamber) to administer grants for the Covid-19 Local Economic Stimulus Plan..

POLICY IMPLICATIONS:

Investment to support small local businesses with either loans or grants so that they may retain employees and together work towards economic vitality through this uncertain recovery period. The recommendation supports the City Council Value Driver: *Ensuring a level of economic vitality sufficient to support our quality of life and infrastructure requirements (both physical and human).*

FISCAL IMPLICATIONS:

Previously approved by the City Council, the LESP is a \$1 million investment of non-General Fund monies, utilizing \$0.5 million of State Tidelands Funds and \$0.5 million of Parking Funds. Tideland Funds will be disbursed consistent with uses and purposes of commerce, navigation, fisheries, and recreation and expended for those uses within the tidelands boundary. Available Parking and Tideland funds will be used as investments into City businesses to promote commerce, fisheries, recreation, commercial growth/economic vitality and prevent blight caused by closed storefronts, etc. The program will enable eligible businesses to recover from the economic devastation caused by Covid-19.

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Protocol"), Article 20, Section 15378). In addition, CEQA Protocol Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the

environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Protocol section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES CONSIDERED:

Council may deny adoption of the revised plan, in which case, Resolution No. 20-052 C.S., adopted on April 21, 2020 will remain in effect and no grants may be offered as part of the LESP.

BACKGROUND:

Council adopted Resolution No. 20-052 C.S., on April 21, 2020, to authorize the City Manager, Mayor and Vice Mayor to develop and implement the Monterey Local Economic Stimulus Plan (LESP) in response to COVID-19 and appropriated \$500,000 of Tideland Fund and \$500,000 of Parking Fund for LESP. Through development efforts with City partners, it became evident that granting rather than loaning these funds is preferred and recommended.

The objective of this plan is to augment Federal and State aid to support City businesses, reduce business closures, reduce workforce layoffs, provide employee rent payment assistance, sustain the local economic base and City character, and stimulate an early economic recovery for the City and region. Federal and state governments have offered COVID-19 economic stimulus programs; these are limited programs with eligibility requirements that may be difficult to achieve for many small businesses. The LESP is intended to either supplement other funding support, or provide access to funding that businesses may have difficulty receiving from Federal and State programs. The City has initiated a partnership with both the Community Foundation for Monterey County (Foundation) and the Monterey Peninsula Chamber of Commerce (Chamber) in developing and implementing LESP.

LESP Application Process and Criteria

An Administrative Oversight Committee has been formed by our partners to develop eligibility criteria, an application form, performance requirements, and to make recommendations to the City for disbursements from the Monterey Peninsula Small Business Relief Fund. The Committee will provide a monthly report shared at least once a month during a regular City Council meeting. As directed by Council, the Mayor, Vice Mayor, and City Manager continues to serve as the check-and-balance authorized to audit funds disbursed.

The application portal, hosted by the Chamber, was opened to prospective applicants on May 22, 2020 (see montereychamber.com/apply). The Foundation has a portal that invites additional donations towards the Monterey Peninsula Small Business Relief Fund ("Relief Fund"). As of May 27, 2020, 170 applications throughout the County have been submitted.

Staff developed a detail analysis of microloan and grant programs administered by agencies such as the cities of Sacramento, Alameda, and Berkeley. In addition, online surveys were sent out to businesses in Monterey to identify funding needs during the global pandemic.

Draft eligibility criteria were developed for applicants that include geographical (employers must be based in the City of Monterey), caps on the number of employees, ownership, and declaration that the business will strive to open after relief funds are granted. Membership in the Chamber does not play a factor in consideration of these grant funds. Furthermore, disbursement of Tidelands Funds would be limited to eligible businesses. The maximum grant award amount per business would be set at \$25,000. The City will ensure that the grant eligibility criteria and agreements with the recipients will contain the following controls: (1) transparency (i.e., the grant agreement and expenditure documentation are public records); (2) accountability (record keeping and reporting requirements); (3) fund restrictions (e.g., tidelands boundaries and public trust purposes); (4) adequate program design and eligibility requirements; and (5) grant recipient expenditure monitoring/auditing.

Mechanically, the grant application, review, and disbursement process would involve the following steps:

- (1) Chamber receives applications, screens, and recommends recipients based on criteria and City restrictions (e.g., Tidelands Funds limitations);
- (2) Grant is awarded and grant agreement is entered into between the City and the recipient; and
- (3) The City would disburse funds to the recipient.

Recommendation

Staff recommends that Council authorize the City Manager to enter into an agreement for the Monterey Peninsula Chamber of Commerce to administer grants for the Covid-19 Local Economic Stimulus Plan. The agreement would enable the City to monitor, track, and disburse necessary grant funds for the Chamber to administer.

e: Oversight Committee of the Monterey Peninsula Small Business Relief Fund
Reid Boggiano, Granted Lands Program Manager, State Lands Commission

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __-__ C.S.

Date: <MEETING_DATE>

Item No: <#>

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE MONTEREY PENINSULA CHAMBER OF COMMERCE TO ADMINISTER GRANTS FOR THE COVID-19 LOCAL ECONOMIC STIMULUS PLAN (LESP) USING APPROPRIATED FUNDS

WHEREAS, the novel coronavirus (COVID-19) is a simultaneous health and economic crisis;

WHEREAS, the global economy has been upended, and the shelter-in-place orders, although necessary, have had an adverse effect on consumer behavior and businesses;

WHEREAS, the City Council previously approved a \$1 million investment of non-General Fund monies, utilizing \$0.5 million of State Tidelands Funds and \$0.5 million of Parking Funds. Tidelands Funds will be disbursed consistent with uses and purposes of commerce, navigation, fisheries, and recreation and expended for those uses within the tidelands boundary. Available Parking and Tidelands funds will be used as investments into City businesses to promote commerce, fisheries, recreation, commercial growth/economic vitality and prevent blight caused by closed storefronts, etc. The program will enable eligible businesses to recover from the economic devastation caused by Covid-19;

WHEREAS, the Monterey Peninsula Chamber of Commerce is a trusted partner of the City of Monterey, represents a broad range of small businesses within the Monterey community, understands business needs, plays an active role in economic recovery and resiliency efforts during the Covid-19 pandemic;

WHEREAS, the purpose of this Agreement is to allow the Chamber to administer the Local Economic Stimulus Plan based on an application and selection criteria established in collaboration with the Chamber, City, and other stakeholders, and with the approval of City staff;

WHEREAS, the City will ensure that grant eligibility criteria and agreements with the recipients will contain the following controls: (1) transparency (i.e., the grant agreement and expenditure documentation are public records); (2) accountability (record keeping and reporting requirements); (3) fund restrictions (e.g., tidelands boundaries and public trust purposes); (4) adequate program design and eligibility requirements; and (5) grant recipient expenditure monitoring/auditing; and

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines"), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential

to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby: Authorizes the City Manager to enter into an agreement with the Monterey Peninsula Chamber of Commerce to administer LESP grant funds

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 2nd day of June 2020, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 7.

FROM: Kimberly Cole, AICP, Community Development Director

SUBJECT: Adopt the Annual Reports and Approve Resolutions to Set a Public Hearing Date to Levy the Annual Assessment for the Cannery Row Business Improvement District, the New Monterey Business Improvement District, and the North Fremont Business Improvement District (Not a project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council:

1. Approve each District's advisory board;
2. Adopt the Annual Reports; and,
3. Approve the attached Resolutions to set a public hearing date of Tuesday, June 16, 2020, to levy the assessment for the 2020/2021 fiscal year.

POLICY IMPLICATIONS:

Business Improvement Districts (BID) provide a mechanism for a business district to collect money and create work programs targeted at their specific needs. These BIDs were formed under the Parking and Business Improvement Area Law of 1989, which authorizes assessments against businesses (collected with business license taxes) to finance improvements and activities to improve specific business areas. Because 1989 Law assessments are not on real property, they are not subject to Proposition 218. BIDs are regulated by the California Streets & Highways Code sections 36500 et seq. There is no intention to make a change to any of the BIDs that would trigger the application of Proposition 26, which places limitations on local government fees. There are no changes proposed to boundaries, work programs, or annual assessments for any of the BIDs.

This action confirms the City's commitment to its partnership with these business associations.

FISCAL IMPLICATIONS:

The City of Monterey collects the BID assessment as part of the business license collection. This money is passed directly to the Business District. Each business district has adopted a different assessment rate.

Cannery Row BID was established in 2004 and it collects a 100% surcharge to the business license fee of each business up to a maximum assessment of \$5,000 per business. For businesses classified as professional services, the assessment is a 25% surcharge to the business license fee with a cap of \$500. The amount of revenue collected annually is approximately \$130,000 - \$140,000.

New Monterey BID was established in 1995 and it collects an annual assessment of 25% of the business license fee with a cap of \$250. The amount of revenue collected annually is approximately \$14,000.

North Fremont BID was established in 2003 and it collects an annual assessment of 25% of the business license fee with a cap of \$500. The amount of revenue collected annually is approximately \$18,000.

The City has historically allocated \$10,500 to these BIDs as part of its annual budget. This year, these funds may not be budgeted due to the City's fiscal crisis.

ENVIRONMENTAL DETERMINATION:

The City of Monterey Planning Office determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (Article 20, Section 15378). In addition, CEQA Article 5, Section 15061 includes the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, this is not a project because it does not cause a direct or reasonably foreseeable indirect physical change on or in the environment, this matter is not subject to CEQA. Subsequent projects resulting from this funding will be reviewed for their CEQA status.

ALTERNATIVES CONSIDERED:

Pursuant to Streets & Highways Code section 36533, the City Council could "modify any particular contained in the report and approve it as modified. The city council shall not approve a change in the basis and method of levying assessment that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments." Increasing business-based assessments is not recommended without further study and determination that the increased assessment is limited to benefits or services provided directly to the charged businesses and not to others who are not charged.

DISCUSSION

BID's are required to annually prepare a report. This report must include:

- Any changes to the boundaries of the district.
- A list of the improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The amount of any surplus or deficit revenues to be carried over from a previous year.
- The amount of any contributions to be made from sources other than assessments levied.

After acceptance of the reports, the City Council shall adopt Resolutions of Intention to set a public hearing date to levy annual assessments for the 2020/2021 fiscal year. The public hearing is set for Tuesday, June 16, 2020. At the public hearing, oral and written protests will be accepted. California Streets & Highways Code sections 36524-36525 establish the process for protests to be considered. If written protests are received from the owners of businesses in the proposed area which pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment shall be taken for one year from the date of the finding of a majority protest by the City Council. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

The City of Monterey will hold the public hearing on Tuesday, June 16, 2020.

TB/ms

- Attachments:
1. (a) and (b) Cannery Row BID Annual Report and District Boundary Map
 2. Cannery Row Resolution
 3. (a) and (b) New Monterey BID Annual Report and District Boundary Map
 4. New Monterey BID Resolution
 5. (a) and (b) North Fremont BID Annual Report and District Boundary Map
 6. North Fremont BID Resolution

e: Bonnie Adams, Cannery Row Business Association
Rick Johnson, New Monterey Business Association
Leslie Svetich, North Fremont Business Association

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:

<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**CONFIRM THE REPORT OF THE CANNERY ROW BUSINESS ASSOCIATION,
ADOPT THE LEVY OF ASSESSMENT FOR THE 2020/2021 FISCAL YEAR AND SET A
PUBLIC HEARING DATE**

WHEREAS, the Cannery Row Business Association Improvement District was established in 2004;

WHEREAS, a report outlining the proposed budget and work plan of the Business Improvement District has been prepared;

WHEREAS, the report is on file with the City Clerk; and,

WHEREAS, the City of Monterey Planning Office determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (Article 20, Section 15378). In addition, CEQA Article 5, Section 15061 includes the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, this is not a project because it does not cause a direct or reasonably foreseeable indirect physical change on or in the environment, this matter is not subject to CEQA. Subsequent projects resulting from this funding will be reviewed for their CEQA status.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that:

1. It is the intent of the City Council to levy and collect assessments for the Cannery Row Business Association Improvement District for fiscal year 2020/21. District boundaries are not changing and are as shown in the attachment to the agenda report and the map is on file in the City Clerk's Office.
2. Improvements and activities approved in the Resolution creating the District are to advocate and construct traffic and parking improvements; establish and meet cleanliness standards (trash pickup, etc.); improve the area's streetscape; coordinate with existing businesses and the Cannery Row Marketing Council to stimulate business through collaboration; advocate Cannery Row business needs to government agencies for infrastructure and service enhancements; improve public safety; and hire a management staff to represent Cannery Row business interests in compliance with requirements as set forth in Parking and Business Improvement Area law of 1989.

3. The program of improvements and activities are carried out by the Cannery Row Business Association. Improvements and activities proposed for 2020/21 are consistent with those approved in the resolution adopting the district, with no substantial changes from the original resolution.
4. A report on the proposed program for fiscal year 2020/21 is on file in the City Clerk's Office. The report recommends no change to boundaries or work program, and continuance of the annual assessment of 100% surcharge to the business license fee of each business, up to a maximum assessment of \$5,000 per business per fiscal year. For businesses classified as professional services, the assessment shall be 25% surcharge to the business license fee, up to a maximum of \$500.
5. Adoption of this resolution constitutes the levy of assessments for the Business Improvement District for fiscal year 2020/21.
6. A public hearing will be held on Tuesday, June 16, 2020, at or after 4:00 p.m. on the levy of the proposed assessment for the 2020/21 fiscal year. At the public hearing, written and oral protests may be made in accord with law.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 2nd day of June, 2020, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof

CRBID Boundary Map

CRBID Boundary

 CRBID Boundary





Cannery Row Business Association

Founded 1960

Exhibit B

Approved 4/7
to Kim & Chris S

April 8, 2020

Kim Cole
City of Monterey
Planning Division
Monterey, CA 93940

Dear Kim,

On behalf of the Cannery Row Business Association BID, I would like to report the following information:

- No changes to the boundaries of the district are proposed.
- A list of the improvements and activities to be provided for the fiscal year are attached.
- An estimate of the cost of providing the improvements and the activities for that fiscal year is attached.
- The workplan/budget was approved by the CRBA board:
Deann Brady, Vince Daniels, John Eales, Lance Koehler, Kyle Wareham, Barbara Meister, Christina Riddoch, Josh Chirinos, Ken Rauh, Rod Riggs, Vinnie Balestreri, Julia Keller, Duchess Baird
- No change to the levy of assessment is proposed. The formula for assessment shall consist of a 100% surcharge to the business license fee of each business for all businesses located within the BID up to a maximum assessment of \$5,000 per business per fiscal year. For businesses classified as professional services the assessment shall be 25% surcharge to the business license fee up to a maximum of \$500.
- The amount of any surplus or deficit revenues to be carried over from a previous year is included in the budget.
- The City of Monterey contribution of \$10,500 to the CRBID along with other sources of income is attached.

Please let me know if you have any questions.

Sincerely,

Bonnie Adams
Executive Director

CRBA Annual Budget FY' 2020/21

Exhibit B

(March 8, 2020)

	Budget FY '19/20	Estimate FY '19/20	Budget FY '20/21
Estimated Income			
- Bid	\$140,000	\$151,500	\$150,000
- Mry City Funds	\$10,500	\$10,500	\$10,500
Total Income	\$150,500	\$162,000	\$160,500
Prior year carryover estimate	\$148,000	\$148,000	\$140,000
Total Available funds	\$298,500	\$310,000	\$300,500

Estimated Expenses (see Attached for Details)

- Streetscape			
Equipment Maintenance: cans, newsracks, butt cans	\$8,625	\$8,625	\$8,625
Master Sign (Poles)	\$150	\$150	\$150
Purchase 2 Shark Butt Cans	\$1,300	\$1,300	\$1,300
- General Maintenance			
Power Washing	\$22,400	\$20,200	\$22,400
Porter Service	\$44,000	\$44,000	\$44,000
- Banner Program	\$10,800	\$11,500	\$10,800
- Historical Identity/Walking Map	\$19,715	\$19,715	\$19,715
- Administration	\$50,750	\$52,000	\$56,250
- New Projects	\$68,000	\$68,000	\$94,000
Total Expense	\$225,740	\$225,490	\$257,240
Net Income	\$72,760	\$84,510	\$43,260

Emergency Reserve	\$30,000	\$30,000	\$30,000
Operating Funds Less emergency Reserve	\$42,760	\$54,510	\$13,260
Current Bank Balance 03/08/2020 \$187,000			



CRBA DRAFT PROJECTED WORKPLAN 2020/2021

SUMMARY:

COMMITTEE	BUDGET
STREETSCAPE	\$ 10,075
GENERAL MAINTENANCE	\$ 66,400
BANNER PROGRAM	\$ 10,800
HISTORICAL IDENTITY PLAN	\$ 19,715
ADMINISTRATION/OVERHEAD	\$ 56,250
NEW PROJECTS	\$ 94,000
TOTAL:	\$257,240



CRBA DRAFT PROJECTED WORKPLAN 2020/2021

STREETSCAPE:

<u>ITEM</u>	<u>BUDGET</u>
Equipment Maintenance	
- re-powder sign pedestals (25)	\$ 3,125
- re-powder coat benches (10)	\$ 5,500
- re-powder coat street sign base (1)	\$ 150
 - purchase two shark butt cans	 \$ 1,300 (\$615/unit)
<hr/>	
Total:	\$10,075



CRBA DRAFT PROJECTED WORKPLAN 2020/2021

GENERAL MAINTENANCE:

ITEM	BUDGET
Power Wash both sides of street: 2nd week of month Tues/Wed	
March – October CR: El Torito to Aquarium	
2x per year (May & August) CR: Charthouse to Mty Bay Inn	
2x per year (June & August) Wave: Reeside-Drake	
Sub Total:	\$22,400
Porter Service to include:	
Peak Season: April 1 – October 31: Thurs – Monday (off Tuesday/Wednesday)	
Off Peak Season: Nov 1 st – March 31 st Friday, Saturday, Sunday	
Additional Holiday/Special events:	
All Federal Holidays/spring break/Car Week/Races Special events – 1 st shift 8 – 4:30 / 2 nd shift noon – 8p:	
Sub Total:	\$44,000 F/T employee
TOTAL:	\$66,400



CRBA DRAFT PROJECTED WORKPLAN 2020/2021

BANNERS:

ITEM	BUDGET
Brackets	\$ 500
Banner Maintenance	\$ 500
Banner Replacement Installation	\$ 500
Banner Storage	\$ 500
Banner Replacement	\$ 1,000
Patriotic Banner Program *	\$ 2,300
TOTAL:	\$10,800

* Memorial – July 4th and Veteran's Day – Pearl Harbor



CRBA DRAFT PROJECTED WORKPLAN 2020/2021

HISTORICAL IDENTITY PLAN:

<u>ITEM</u>	<u>BUDGET</u>
Murals - one	\$10,000
Mural permit	\$ 215
Map update	\$ 500
Printing of Maps	\$ 5,000
<u>Distribution of Maps</u>	<u>\$ 3,500</u>
TOTAL:	\$19,715



CRBA DRAFT PROJECTED WORKPLAN 2020/2021

ADMINISTRATION/OVERHEAD:

ITEM	BUDGET
Management Fee	\$ 47,500
Insurance	\$ 3,150
Rent	\$ 2,200
Supplies	\$ 50
Postage	\$ 100
Copies	\$ 200
Newsletter (1x)	\$ 450
Website	\$ 1,000
Accounting Fees	\$ 1,000
Tax Return	\$ 600
TOTAL:	\$ 56,250



CRBA DRAFT PROJECTED WORKPLAN 2020/2021

NEW PROJECTS– PROPOSED IDEAS:

<u>ITEM</u>	<u>BUDGET</u>
Restroom Design (NIP)	\$10,000
Patterned Crosswalks (4)*	\$60,000
Walking Tour App	\$ 7,500
Fish Design on Rec Trail cont'd	\$ 500
Unforeseen Project Fund	\$10,000
Sign Pedestals	\$ 6,000
<hr/>	
TOTAL:	\$94,000

- Additional 2 crosswalks pending payment from outside sources.

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**CONFIRM THE REPORT OF THE NORTH FREMONT BUSINESS DISTRICT
OF MONTEREY AND SET A PUBLIC HEARING DATE TO ADOPT THE LEVY OF
ASSESSMENT FOR THE 2020/2021 FISCAL YEAR**

WHEREAS, the North Fremont Business District of Monterey was established in 2003;

WHEREAS, a report outlining the proposed budget and workplan of the Business Improvement District has been prepared;

WHEREAS, the report is on file with the City Clerk; and

WHEREAS, the City of Monterey Planning Office determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (Article 20, Section 15378). In addition, CEQA Article 5, Section 15061 includes the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, this matter is not a project. Because this matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Subsequent projects resulting from this funding will be reviewed for their CEQA status.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that:

1. It is the intent of the City Council to levy and collect assessments for the North Fremont Business District of Monterey for fiscal year 2020/2021. District boundaries have not changed and are shown in Attachment 3 to the agenda report and is on file in the City Clerk's Office.
2. Improvements and activities approved in the resolution creating the District are to promote the Business Improvement District, advocate for an increase of public transportation opportunities to North Monterey, improve streetscape appearance, and increase the overall safety of the area as set forth in Parking and Business Improvement Area law of 1989.
3. The program of improvements and activities are carried out by the North Fremont Business District of Monterey. Improvements and activities proposed for 2020/2021 are consistent with those approved in the resolution adopting the district, with no substantial changes from the original resolution.
4. A report on the proposed program for fiscal year 2020/2021 is on file in the City Clerk's Office and is attached to the agenda report. The report recommends no change to boundaries or work program, and continuance of the annual assessment of 25% of the business license fee for the City, but not to exceed \$500.

5. The District's Advisory Board is approved.

6. A public hearing will be held on Tuesday, June 16, 2020, at or after 4:00 p.m. on the levy of the proposed assessment for the 2020/21 fiscal year. At the public hearing, written and oral protests may be made in accord with law.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 2nd day of June, 2020, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

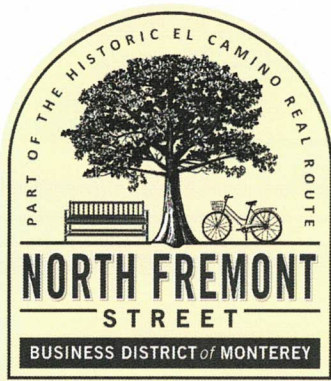
Mayor of said City

City Clerk thereof

NFBID Boundary

NFBID Boundary





April 27, 2020

Ms. Kim Cole

City of Monterey
Planning Division
580 Pacific Street
Monterey, CA 93940

Board of Directors

Kelly Violini
President
Leslie A. Svetich
Vice President
Mary Alice Cerrito Fettes
Secretary
Samir Patel
Treasurer

Directors at Large
Mike Marotta Jr.
Mohammed Ali Norouzi

Advisory Committee

Paul W. Davis, Jr.
Architect

Joe Cutrufelli
Cypress Sporting Goods
Kelly Violini
Monterey County Fairgrounds
Leslie A. Svetich
Monterey Lanes
Mike Marotta, Jr.
De Anza Inn
Rodney Hunter
Rodney Hunter Furniture

Scott Hansen
Del Monte Grove/Laguna
Grande
Neighborhood Association
Kalla Fossum
Villa Del Monte
Neighborhood Association
Mike Brassfield
Casanova/Oak Knoll
Neighborhood Association

Tyller Williamson
Monterey City Council
Christy Sabado
City of Monterey Staff Liaison

C/o 2161 N. Fremont Street
Monterey, CA 93940
(831) 648-1264
www.northfremontmonterey.org


RE: North Fremont Street Business District of Monterey BID

Dear Ms. Cole,

I am pleased to provide the City of Monterey with the following information as it relates to the North Fremont Street Business District of Monterey's (NFBDM) activities over the last year:

- No changes to the boundaries of the Business Improvement District (BID) are proposed.
- A list of the improvements and activities to be provided for this fiscal year are attached (2020 Work Plan and Budget).
- An estimate of the cost of providing the improvements and the activities for that fiscal year is attached. (2020 Work Plan and Budget)
- No change to the levy of assessments is proposed. The formula for assessments shall consist of a 25% annual assessment of the business license fee, but not to exceed \$500.
- The amount of any surplus or deficit revenues to be carried over from a previous year is included in the budget.
- The City of Monterey contributed \$10,500 to the North Fremont Street Business Improvement District.
- Members of the Board are hopeful the completed Specific Plan will encourage development along North Fremont Street.
- Members of the Board and District are pleased with the completion of the CTC grant bike lane and pedestrian improvements and are looking forward to it encouraging development along the district.
- Members of the Board are hopeful FORTAG will include the continuation of the bike lane to Canyon Del Rey in the median so the bike paths from CSUMB will connect seamlessly to Monterey.
- Members of the Board are hopeful the City will work with Seaside to extend the bike path from North Fremont Street through Seaside on Fremont Boulevard.
- Members of the Board are hopeful the City will obtain a new grant, which NIP previously contributed, for a sidewalk along the corner of NFS and Canyon Del Rey. This will improve the entrance of Monterey from Seaside and add an accessible sidewalk.
- Members of the NFBDM advisory committee are listed on the left of the letterhead. The advisory committee meets in September of each year to review accomplishments from the previous year and to approve the budget and work plan for the upcoming year.

Sincerely,


Leslie A. Svetich
NFBDM Vice President



2020 WORK PLAN & BUDGET

January -- December

MISSION STATEMENT

The North Fremont Business District of Monterey is a volunteer driven organization, with the mission of preserving, revitalizing, and promoting the North Fremont Business District, through broad based community support and serving the needs of the local neighborhoods.

COMMITTEES

**Streetscape
Infrastructure & Advocacy
Banner Program
Marketing
Special Events
Education
Holidays**

Achievements

2004	District Formed
2005	Developed Monterey on Ice – at the fairgrounds, the first ice rink for the City of Monterey
2006	Second Annual Monterey on Ice – Largest ice rink for the City of Monterey
2006	Moved NFS undergrounding of utilities to 2nd position - in priority for the City behind Del Monte and in front of Foam Street
2009/2010	Traffic Study – Completed Traffic Study for NFS corridor
2010	NFS Streetscape Plan – Developed a comprehensive streetscape plan.
2013	Back Stage Pass – Online marketing program with 25+ coupons from NFS merchants for residents and visitors.
2014	Incorporation of Streetscape Plan into the City’s Specific Plan - Continued to advocate for the inclusion of the NFS Streetscape Plan without modifications into the City’s Specific Plan. Advocated for all businesses, property owners, and neighborhoods along NFS to become involved in and informed about the development of the City’s Specific Plan for NFS and the implications and/or changes the Specific Plan will have on zoning of those parcels
2015	Developed the Mixed-Use Design Guidelines for NFS with the City for building design, building setbacks, and landscaping on individual properties along North Fremont Street- currently called the North Fremont Specific Plan.
2016	Inaugural Earth Day Clean-Up on North Fremont Street. Organized over 2 dozen volunteers and cleaned up sidewalks and parking areas along the entire District street frontage. Inaugural “Festival of Trees” Holiday Event at Monterey Event Center, with over a dozen participating Charities.
2018	North Fremont Bike & Pedestrian Access & Safety Improvements. 6.8 Million Grant for North Fremont Street started construction. Supported and helped advocate for the grant for new ADA crosswalks at intersections and a Class IV median bike path in the median.
2019	North Fremont Bike & Pedestrian Access & Safety Improvements Completed. First Median Class IV bike lane installed on North Fremont Street, ADA crosswalks on 4 intersections, adaptive light signals along NFS installed, and storm drains fixed.

STREETSCAPE COMMITTEE

Exhibit B
BUDGET \$1,500.00 + TBD

Goal: to improve the visual appearance and ambience of the area through the use of streetscape improvements, curb appeal upgrades and other related projects and activities

1. Objective: Advocate for the reinstatement of the Façade Improvement Grant Program by the City to upgrade drive-by appearances.

Task Leader: Committee Chair: Mary Alice Fettis
Due Date: On-going
Funds Needed:
2. Objective: Develop a Litter / Graffiti Removal Program – organize Earth Day for businesses to clean up property – provide drop box/recycling and help with graffiti removal on NFS

Task Leader: Committee Chair: Kelly Violini
Due Date: April 2020
Funds Needed: To be determined
3. Objective: North Fremont Street Streetscape Plan implementation – to incorporate drainage and undergrounding of utilities at same time. Advocate for the development of the Streetscape Plan by incorporating the undergrounding of utilities, adding street signage, development of sidewalks, providing adequate drainage, etc at the same time of development of that Plan. Development should be done in stages along NFS.

Task Leader: Committee Chair: Leslie Svetich
Due Date: On-going – future – (storm drain repaired 2019)
Funds Needed:
4. Objective: North Fremont Street Streetscape Plan implementation – work with City to add landscaping to the median to enhance new bike path and bike racks with logos along NFS.

Task Leader: Committee Chair: Leslie Svetich
Due Date: 2020
Funds Needed: **\$1,500.00 + TBD (Streetscape Reserve Account)**
5. Objective: Add electricity to each pole along NFS. Work with City to add electricity to the poles in construction areas of bike path during 2019.

Task Leader: Committee Chair: Leslie Svetich
Funds Needed: **TBD – Ask City for Funding**

INFRASTRUCTURE AND ADVOCACY COMMITTEE

BUDGET \$500.00

Goal: to improve the safety and accessibility of the North Fremont Street business corridor

1. Objective: Investigate speed reduction, and crosswalk improvements

Task Leader: Committee Chair: Board
Due Date: On-going
Funds Needed:

2. Objective: Advocate for extending the TROLLEY to NFS
- Task Leader: Committee Chair: Samir Patel
 Due Date: On-going – foreseeable future
 Funds Needed: Actual amount to be determined
3. Objective: Advocate for a comprehensive underground utilities plan to coincide with CTC award to include widening sidewalks and for City completion of drainage project (see streetscape plan)
- Task Leader: Committee Chair: Mike Marotta/Leslie Svetich
 Due Date: On-going
 Funds Needed:
4. Objective: Advocate for the individual property owners along North Fremont Street to fill their vacant properties and keep vacant properties in marketable order.
- Task Leader: Committee Chair: Board
 Due Date: On-going
 Funds Needed: Actual amount to be determined
5. Objective: Advocate for the City to improve the park at the corner of Canyon Del Rey and North Fremont Street as an entrance way into the City of Monterey and Laguna Grande corridor.
- Task Leader: Committee Chair: Board with CONA
 Due Date: On-going
 Funds Needed: Actual amount to be determined
6. Objective: Brand North Fremont Street’s new logo to identify our corridor as part of Monterey and work on a street name change to coincide with the name changes of Fremont, Del Monte, and Lighthouse.
- Task Leader: Committee Chair: Leslie Svetich/Mike Marotta
 Due Date: Logo finished 2016 - Ongoing
 Funds Needed: **\$500.00**
7. Objective: Advocate for the City to improve and define the Specific Plan more thoroughly with clear defined objectives for all new construction on NFS.
- Task Leader: Committee Chair: Board
 Due Date: Ongoing
 Funds Needed: To be determined
8. Objective: Advocate for the City to extend the bike path to Canyon Del Rey, through Seaside on Fremont Blvd, in addition to extending it to FORTAG.
- Task Leader: Committee Chair: Board/Leslie Svetich
 Due Date: Ongoing
 Funds Needed: To be determined

BANNER COMMITTEE**BUDGET \$9,000.00**

Goal: to maintain our street banner program on North Fremont Street

1. Objective: Continued coordination of the established NFBDM banner program
 Task Leader: Committee Chair: Kelly Violini
 Due Date: On-going calendar schedule
 Funds Needed: Actual amount to be determined (Volunteer Board Member)
2. Objective: Design and develop a NFBDM banner, after new logo developed, to be displayed throughout the year. The banner should create a visual impact that helps residents and tourists of Monterey recognize NFS as part of Monterey. Plus continued Coordination of Holiday Banners (under Holiday Committee).
 Task Leader: Committee Chair: Leslie Svetich/Kelly Violini
 Due Date: March 2020
 Funds Needed: **\$9,000.00**

MARKETING COMMITTEE**BUDGET \$21,600.00**

Goal: to develop a unified marketing and networking program to establish North Fremont Street as a distinct shopping, dining and lodging area for local residents and visitors

1. Objective: Develop district promotional materials
 Task Leader: Committee Chair: Wendy Brickman
 Due Date: On-going in foreseeable future
 Funds Needed: **\$500.00** + Revenue generating fundraiser
2. Objective: Continue to maintain a working relationship with Neighborhood Improvement Districts
 Task Leader: Board/Staff
 Due Date: On-going
 Funds Needed: To be determined
3. Objective: Create and develop a co-op advertising opportunity for NFBDM members, and use funds to develop an advertising campaign through co-op advertising and the use of marketing specialists to establish NFS business as part of Monterey. Distribute Back Stage Pass through out Monterey.
 Task Leader: Committee Chair/Specialist: Mary Alice Cerrito Fettis/Wendy Brickman
 Due Date: On-going
 Funds Needed: **\$20,100.00**
4. Objective: Continue to develop, upgrade and maintain NFBDM website
 Task Leader: Committee Chair: Wendy Brickman
 Due Date: On-going maintenance for current mobile website.
 Funds Needed: **\$1,000.00**

5. Objective: Encourage the Convention and Visitors Bureau to market NFS businesses, hotels/motels and vacant properties.
- Task Leader: Committee Chair: Wendy Brickman
- Due Date: On-going maintenance for current mobile website.
- Funds Needed: To be determined

SPECIAL EVENTS COMMITTEE

BUDGET \$500.00

Goal: to create opportunities for interaction between district business owners, managers, staff and the residents among the three neighborhood associations

1. Objective: Sponsor a fund-raising event
- Task Leader: Committee Chair: Kelly Violini
- Due Date: February 2020
- Funds Needed: **\$500.00**

EDUCATION COMMITTEE

BUDGET \$300.00

Goal: to develop economic vitality within the North Fremont business community by providing educational opportunities to improve the business climate and practices

1. Objective: Coordinate and create an opportunity (annual) for interaction between district business owners, managers, staff, property owners, and to the residents among the three neighborhood associations
- Task Leader: Committee Chair: Wendy Brickman
- Due Date: May 2020
- Funds Needed: **\$300.00**

HOLIDAY COMMITTEE

BUDGET \$6,500.00

Goal: to encourage more business participation in decorating for major holidays to enliven the environment to draw residents and visitors to the area

1. Objective: Board member businesses to set an example for others on the street
- Task Leader: Individual businesses
- Due Date: On appropriate holidays beyond Christmas/New Years such as the 4th of July
- Funds Needed: To be determined
2. Objective: Continued coordination of the Christmas holiday decorating contest with prizes for area businesses.
- Task Leader: Committee Chair: Kelly Violini/Wendy Brickman
- Due Date: December 2020
- Funds Needed: **\$500.00**
3. Objective: Holiday Banners - Installation/Removal/Storage costs/Replace Banners
- Task Leader: Committee Chair: Kelly Violini/Leslie Svetich

Funds Needed: \$6,000.00

4. Objective: Lighted Wreaths along District – Request the City puts the 22 lighted wreaths we purchased, plus the 16 wreaths they used to put on our poles, up on all 19 poles along North Fremont Street
- Task Leader: Committee Chair: Leslie Svetich
- Funds Needed: NFBDM purchased 22 wreaths Oct 2017

2020 NFBDM BUDGET

BALANCE FORWARD (11/08/20)		\$15,574.27
INCOME		
	City of Monterey Contribution	\$10,500.00
	BID Assessment	\$18,000.00
	Banner Administration Fee	
	Fund Raiser(s)	\$1,000.00
	TOTAL INCOME	\$45,074.27
RESERVES		
	Savings/Reserves Streetscape Plan Implementation	\$88,261.61
	TOTAL AVAILABLE FUNDS	\$133,335.88
EXPENSES		
	Category: Appearance, Accessibility & Safety	
	Streetscape	\$1,500.00
	Infrastructure & Advocacy	\$500.00
	Category: Promotion	
	Banner Program	\$9,000.00
	Marketing Committee	21,600.00
	Special Events Committee	\$500.00
	Category: Economic Vitality	
	Education Committee	\$300.00
	Holiday Committee	\$6,500.00
	Category: General Administration	
	Administration	\$800.00
	Supplies	\$300.00
	Postage	\$100.00
	Copying	\$50.00
	Telephone/Fax	\$0.00
	Licenses/Permits/Dues/Subscriptions	
	Insurance	\$1,200.00
	Accounting/Professional Fees	\$1,200.00
	TOTAL EXPENSES	\$43,550.00
	2017 Streetscape Savings/Reserves	\$88,261.61
	Unallocated Reserves	\$1,524.27
	TOTAL EXPENSES & RESERVES	\$133,335.88

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**CONFIRM THE REPORT OF THE NEW MONTEREY BUSINESS ASSOCIATION
AND SET A PUBLIC HEARING DATE TO ADOPT THE LEVY OF ASSESSMENT
FOR THE 2020/2021 FISCAL YEAR**

WHEREAS, the New Monterey Business Association Improvement District was established in 1995;

WHEREAS, a report outlining the proposed budget and workplan of the Business Improvement District has been prepared;

WHEREAS, the report is on file with the City Clerk; and

WHEREAS, the City of Monterey Planning Office determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (Article 20, Section 15378). In addition, CEQA Article 5, Section 15061 includes the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, this matter is not a project. Because this matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Subsequent projects resulting from this funding will be reviewed for their CEQA status.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that:

1. It is the intent of the City Council to levy and collect assessments for the New Monterey Business Association Improvement District for fiscal year 2020/2021. District boundaries have not changed and the map is attached to the agenda report and is on file in the City Clerk's Office.
2. Improvements and activities approved in the resolution creating the District are to fund various public improvements, administer the business improvement district, and undertake various promotional activities as set forth in Parking and Business Improvement Area law of 1989.
3. The program of improvements and activities are carried out by the New Monterey Business Association. Improvements and activities proposed for 2020/21 are consistent with those approved in the resolution adopting the district, with no substantial changes from the original resolution.
4. A report proposing the work program for fiscal year 2020/21 is on file in the City Clerk's Office and is attached to the agenda report. The report recommends no change to boundaries or work program, and continuance of the annual assessment of 25% of the business license fee for the City, but not to exceed \$250.

5. The District's Advisory Board is approved.

6. A public hearing will be held on Tuesday, June 16, 2020, at or after 4:00 p.m. on the levy of the proposed assessment for the 2020/2021 fiscal year. At the public hearing, written and oral protests may be made in accord with law.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 2nd day of June, 2020, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof

NMBA Boundary

NMBA Boundary
NMBA Boundary





Please Note: Although the NMBA Work Plan and 2020 Budget were approved by the NMBA Board before the Covid-19 Pandemic and the resultant Shelter in Place Order, we believe the Work Plan, as written allows for proactive and creative measures to address the economic recovery within its current structure. The Association has been, and continues to be, in close contact with our businesses within the District through our website (LighthouseDistrict.net), email connections and telephone conversations.

We are ready and eager to work with and support the City, as all of us begin the monumental task of economic recovery within our district and the entire city.

Kim Cole
Planning Department
Monterey, CA 93940
April 9, 2020

Dear Kim:

The New Monterey Business Association requests that the City Council schedule a public hearing to authorize the continuance of our program for the next fiscal year and collect the business license assessment on our behalf, in accord with the requirements of Senate Bill 1424. Please note:

- The Oversight Committee made up of Aaron Waters, Melinda Collis and Heather Jorgensen, met and approved the 2020 Work Plan, district boundaries and budget.
- The New Monterey Business Association boundaries remain unchanged.
- Improvements and activities for fiscal year 2019/2020 are included in the attached comprehensive Work Plan
- The approved 2020 budget (attached) outlines revenue and expenses as balanced
- The method of assessment remains 25% of the business license fee, with a \$250 cap per individual business
- Yearly expenditures and revenue are projected to balance

As you can see from the attached material, we believe we have a well-balanced work plan that addresses district promotion.

Thank you for your continued leadership and support of the merchants and businesses in New Monterey during these very difficult times.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Johnson".

Rick Johnson, Administrator

**NEW MONTEREY BUSINESS ASSOCIATION
2020 Budget**

INCOME	2020 Budget
B.I.D. Assessment	13,000.00
Associate Memberships	0.00
City Support	10,500.00
Grants	350.00
Reserve Funds	
TOTAL INCOME	23,350.00
EXPENSES	2020 Budget
Administrative Services	12,000.00
Retreat	0.00
Postage/Office Expense	100.00
Printing	950.00
Insurance	500.00
Banners	1,000.00
Promotion/Advertising Committee	3,000.00
Movies in the Park	400.00
Outside Contractor	200.00
Web Design/Maintenance	5,200.00
TOTAL EXPENSES	23,350.00
PROFIT (LOSS)	0



Council Agenda Report

Date: 6/2/2020

Item No.: 8.

FROM: Steve Wittry, Public Works Director
Prepared By: Cristie Steffy, Parking Superintendent

SUBJECT: Authorize the City Manager to Execute a Contract with POM Incorporated for the Purchase of Single Space Solar Smart Meters for On-Street Parking in the Amount of \$339,692 (Exempt per CEQA Guidelines Article 19, Section 15301, Class 1)

RECOMMENDATION:

That the City Council adopt a resolution awarding a contract to POM Incorporated in the amount of \$339,692 and authorizing the City Manager, or his designee, to execute the contract for the purchase of 334 Single Space Solar Smart Meters.

POLICY IMPLICATIONS:

This action is consistent with the City Policy to replace equipment when it has fulfilled its useful life cycle and are no longer economical to operate or maintain, as well as the City Council value driver of *"working to improve the quality of life for our residents...ensuring that Monterey remains a safe and welcoming place to live, work and visit."*

FISCAL IMPLICATIONS:

The new single space solar smart meters will be purchased from POM Incorporated utilizing a cooperative purchase through National Cooperative Purchasing Alliance (NCPA) pursuant to the purchasing policy and procedures as authorized Monterey City Code Section 28-25(d). Finance approved the cooperative purchase contract on May 26, 2020.

Funds for replacement and purchase of new on-street parking meters was allocated and approved in the FY 2019/20 Capital Improvement Project budget. Funding the purchase will come from CIP project #CIP2002. The contract consists of the purchase of 334 Parktel 2.5 Solar Smart Meters (including 30 spare units, training and one additional year of extended warranty) in the amount of \$339,692.

All staff time associated with the installation of the new on-street parking meters will be absorbed within the Parking Division operating budget.

ENVIRONMENTAL DETERMINATION:

The City of Monterey Planning Office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Section 15301, Class 1) because the project proposes repair, maintenance, or minor alteration of existing facilities involving negligible or no expansion of use. Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located - a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Exception a – Location – does not apply to projects which are exempt under Class 1.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. There would be no cumulative impact because the project proposes replacement of existing on-street parking meters with no expansion.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. No unusual circumstances are anticipated due to improvements' limited scope and distinct locations.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report (EIR). The proposed improvements are at grade and would replace existing on-street parking meters in-kind; therefore, no impacts to scenic highways would occur.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. The proposed improvements would remove and replace existing on-street parking meter heads only. Parking meter poles would remain in place. No impact to sites included on any list compiled pursuant to Section 65962.5 of the Government code would occur.

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The proposed project would not require digging. The work would be confined to the public right-of-way; there would be no impacts to any historic structure. The proposed improvements would remove and replace existing on-street parking meter heads only. Parking meter poles would remain in place. Therefore, impacts to archeological resources would not occur.

ALTERNATIVES CONSIDERED:

Council could reject the cooperative purchase contract and decide not to proceed with POM Inc. as a vendor for the single space solar smart meters. This is not recommended due to the age of the existing on-street single space parking meters.

In addition, maintaining the current equipment and delaying the procurement of new equipment is not recommended since the current equipment is past its useful life, which results in significant loss of revenue and increased repair costs and staff time to maintain.

Furthermore, utilizing the cooperative purchases procurement process allows the City to expedite the purchase by reducing the time associated with the formal solicitation process of equipment acquisition.

DISCUSSION:

Overview:

The City of Monterey Parking Division currently maintains 533 metered parking spaces, with the majority of on-street meters in the Cannery Row District. The current single space meters include a combination of 109 coin only mechanical meters and 424 credit card-enabled smart meters. The combination of meter equipment has been in place since 2008. The existing combination of single space mechanical meters and credit card-enabled smart meters have both outlived their useful life and it is no longer practical or feasible to maintain. The maintenance and repair issues are a combination of ongoing battery related issues, inability to effectively diagnose equipment errors, communications issues with the network and delay in turnaround time for repairs that are sent out to the vendor.

Procurement of new single space meters

Staff researched various parking meter technologies and options available for on-street paid parking and determined the Parktel 2.5 Solar Smart Meter provided by POM Inc. is the best choice for meeting the needs of the City. The Parktel 2.5 Solar Smart Meter will offer the following benefits:

- **The 2-space Parktel meter** - POM specializes in the single space meter head that can be utilized to serve a single space or serve two parking spaces with a single meter head. The advantage of the single meter head serving a dual space option (left – right) allows the City to reduce the number of meters required for replacement from 533 to 304. The dual space Parktel Meter for left - right spaces will cut the cost of replacing individual meter heads and their monthly connectivity fees. In addition, the meters are easily interchangeable as single space or dual space with simple backend programming so equipment can easily be swapped.
- **Payment Options** - The Parktel 2.5 meter accepts coins, credit/debit cards, and integrates with mobile payment solutions. These meters are fully compatible with the recently launched ParkMobile, pay by phone system to allow customers maximum flexibility.
- **Hardware** - The Parktel 2.5 display is low-power yet provides high visibility even in bright sunlight and backlit making it easier to read. In addition, the coin chute has no moving parts (which can contribute to coin jamming).
- **Performance** - The Parktel solar panels, rechargeable battery, lower-power display, lower-power modem and power management chip provide for long back up battery life. Having the modems always on standby allows all transactions to be cleared quickly, securely and in real time.

Based on the operational needs of the City of Monterey and POM's innovative Parktel 2.5 Solar Smart Meter, it is staff's recommendation to utilize the cooperative purchases contract through NCPA to expedite the procurement and replacement of the outdated existing on-street single space parking meters.

Recommendation:

Staff recommends the Parktel 2.5 Solar Smart Meter for the operational benefits and customer convenience. From a customer's perspective the Parktel 2.5 meter meets the customer desires for reliable and easy to use meter that accepts coins, credit/debit cards and mobile payment. From an operational perspective the Parktel 2.5 meter will require less equipment to maintain and staff will have access to a highly reliable parking meter system that provides detailed revenue, occupancy, maintenance collections and auditing reports at a level that is currently unavailable with the City's current meter technology.

Therefore, staff recommends that the City Council adopt the resolution awarding a contract to POM Incorporated in the amount of \$339,692 and authorizing the City Manager, or his designee, to execute the contract for the purchase of 334 Single Space Solar Smart Meters.

SW/cs

Attachments: 1. Resolution

e: Lauren Lai, Finance Director
Seth Ward III, POM Incorporated

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**AUTHORIZE THE CITY MANAGER TO EXECUTE CONTRACT WITH POM
INCORPORATED FOR THE PURCHASE OF SINGLE SPACE SOLAR SMART
METERS FOR ON-STREET PARKING IN THE AMOUNT OF \$339,692**

WHEREAS, the City of Monterey Parking Division, through the Public Works Department, maintains 533 metered parking spaces, with the majority of on-street meters in the Cannery Row District;

WHEREAS, the current single space meters include a combination of 109 coin only mechanical meters and 424 credit card-enabled smart meters.;

WHEREAS, the existing combination of meter equipment has been in place since 2008 and has outlived its useful life and requires replacement;

WHEREAS, the funding for replacing on-street meters was approved in the FY2019/20 Capital Improvement Project budget;

WHEREAS, the single space solar smart meters will be purchased from POM Incorporated utilizing a cooperative purchase through National Cooperative Purchasing Alliance (NCPA) pursuant to the purchasing policy and procedures as authorized Monterey City Code Section 28-25(d);

WHEREAS, the Finance Department approved the cooperative purchase contract on May 26, 2020; and,

WHEREAS, the City of Monterey Planning Office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Section 15301, Class 1) because the project proposes repair, maintenance, or minor alteration of existing facilities involving negligible or no expansion of use. Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located - a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Exception a – Location – does not apply to projects which are exempt under Class 1.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. There would be no cumulative impact because the project proposes replacement of existing on-street parking meters with no expansion.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. No unusual circumstances are anticipated due to improvements' limited scope and distinct locations.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report (EIR). The proposed improvements are at grade and would replace existing on-street parking meters in-kind; therefore, no impacts to scenic highways would occur.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. The proposed improvements would remove and replace existing on-street parking meter heads only. Parking meter poles would remain in place. No impact to sites included on any list compiled pursuant to Section 65962.5 of the Government code would occur.

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The proposed project would not require digging. The work would be confined to the public right-of-way; there would be no impacts to any historic structure. The proposed improvements would remove and replace existing on-street parking meter heads only. Parking meter poles would remain in place. Therefore, impacts to archeological resources would not occur.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby adopts a resolution awarding a contract to POM Incorporated in the amount of \$339,692 and authorizing the City Manager, or his designee, to execute the contract for the purchase of 334 Single Space Solar Smart Meters.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 9.

FROM: Steve Wittry, Public Works Director
Prepared By: Karin Salameh, Assistant City Attorney

SUBJECT: Authorize an Escrow Agreement with the Fort Ord Reuse Authority (FORA) and City of Del Rey Oaks in order for FORA to Transfer \$7,269,813 for the South Boundary Road Project into an Escrow Account (Not a Project under CEQA per Article 20, Section 15378 and under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council authorize the City Manager to sign an escrow agreement with the Fort Ord Reuse Authority (FORA) and the City of Del Rey Oaks in order for FORA to transfer \$7,269,813 designated for the South Boundary Road project into an escrow account prior to FORA's dissolution.

POLICY IMPLICATIONS:

The City of Monterey General Plan encourages economic diversification and Fort Ord is a key opportunity site. Specifically, General Plan Policy a.3. states: "Explore ways to diversify the Monterey economy to provide higher paying jobs and a balance to cyclical elements of the visitor economy."

FISCAL IMPLICATIONS:

This action will allow for the establishment of an escrow account that will hold and disburse \$7,269,813 designated by FORA for construction the South Boundary Road project. These funds will be restricted to use according to the terms set by the FORA Board of Directors.

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action, entering into an escrow agreement to hold and later disburse money designated by FORA for the South Boundary Road Project, is not a "project" as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines") Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The escrow agreement does not commit the City to the South Boundary Road Project, nor does it foreclose any agency's future consideration of impacts, mitigation or alternatives for the project. Accordingly, because the proposed action of entering into an escrow agreement has no potential to cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this action is not a project under CEQA.

The South Boundary Road Project was previously approved by the FORA Board of Directors. Specifically, in August 2010, the FORA Board approved an initial study and mitigated negative declaration for the South Boundary Road Project. FORA filed a Notice of Determination (NOD) for the Project on August 17, 2010. Any subsequent discretionary approvals required for the South Boundary Road project will be assessed for CEQA applicability at the time of the approvals.

ALTERNATIVES CONSIDERED:

Council could choose to not authorize the escrow agreement; however, this is not recommended as the City would likely lose valuable transportation project funding.

DISCUSSION:

FORA was established in 1994 under California law to plan, facilitate and manage the transfer of former Fort Ord property from the Army to the governing local jurisdictions. Pursuant to state law FORA will cease to exist on June 30, 2020. In 2010, the FORA Board of Directors approved a project to realign and improve South Boundary Road (the "South Boundary Road Project") and approved an initial study and mitigated negative declaration for the project.

FORA was unable to proceed with the South Boundary Road Project for several years due to funding constraints. In 2017, FORA hired Whitson Engineers to prepare final plans and provide construction management services for the Project as well as the General Jim Moore Boulevard/South Boundary Road intersection improvement project. To date, Whitson has not completed the final construction plans and specifications.

Recently, FORA allocated funds in its budget to mostly fund the South Boundary Road Project (\$7,269,813) and to fully fund the General Jim Moore Boulevard/South Boundary Road intersection improvement project (\$1,056,168). Given that FORA will dissolve prior to completion of these projects, FORA's Executive Officer was authorized to fund two escrow accounts with Fidelity National Title Company to hold and disburse funds designated by the FORA Board for these two transportation improvements.

The FORA Board approved the escrow terms on March 12, 2020, and the City of Del Rey Oaks approved them on March 24, 2020. Under the proposed escrow agreement, the cities of Del Rey Oaks and Monterey will be signatories for the South Boundary Road Project escrow account as the Project spans both cities. Del Rey Oaks will be the sole signatory for the General Jim Moore Boulevard/South Boundary Road intersection improvement project, which is entirely within its jurisdiction. Eligible uses for the South Boundary Road escrow funds are for costs related to completion of plans and specifications, bid documents, and construction, as well as related administrative and legal costs. If construction is not started within ten years of the creation of the escrow account or if there are remaining funds post-construction, then the funds shall be distributed in equal share (20% each) to the County of Monterey and cities of Monterey, Del Rey Oaks, Seaside, and Marina.

Staff for the City of Del Rey Oaks and the City of Monterey are developing a proposed agreement to structure implementation of and oversight for the South Boundary Road Project.

The proposed agreement will be considered by both City Councils in the months ahead. In order to preserve the City's ability in the future to use the \$7,269,813 FORA has allocated for the South Boundary Road project, staff recommends authorization to enter into an escrow agreement with FORA and the City of Del Rey Oaks on the terms outlined above.

c: Dino Pick, Del Rey Oaks City Manager
 Josh Metz, FORA Executive Officer

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

AUTHORIZE AN ESCROW AGREEMENT WITH THE FORT ORD REUSE AUTHORITY AND CITY OF DEL REY OAKS IN ORDER FOR FORA TO TRANSFER \$7,269,813 FOR THE SOUTH BOUNDARY ROAD PROJECT INTO AN ESCROW ACCOUNT.

WHEREAS, in 2010, the Fort Ord Reuse Authority (“FORA”) Board of Directors approved a project to realign and improve South Boundary Road (the “South Boundary Road Project”) and approved an initial study and mitigated negative declaration for the project;

WHEREAS, in 2017, FORA hired Whitson Engineers to prepare final plans and provide construction management services for the Project as well as the General Jim Moore Boulevard/South Boundary Road intersection improvement project. To date, Whitson has not completed the final construction plans and specifications. FORA allocated funds in its budget to mostly fund the South Boundary Road Project (\$7,269,813) and to fully fund the General Jim Moore Boulevard/South Boundary Road intersection improvement project (\$1,056,168);

WHEREAS, pursuant to state law FORA will cease to exist on June 30, 2020. Given that FORA will dissolve prior to completion of these projects, FORA’s Executive Officer was authorized to fund two escrow accounts with Fidelity National Title Company to hold and disburse funds designated by the FORA Board for these two transportation improvements;

WHEREAS, the cities of Del Rey Oaks and Monterey will be signatories for the South Boundary Road Project escrow account as the Project spans both cities. Eligible uses for the escrow funds are for costs related to completion of plans and specifications, bid documents, and construction;

WHEREAS, if construction is not started within ten years of the creation of the escrow account or if there are remaining funds post-construction, then the funds shall be distributed in equal share (20% each) to the County of Monterey and cities of Monterey, Del Rey Oaks, Seaside, and Marina; and

WHEREAS, the City of Monterey determined that the proposed action, entering into an escrow agreement to hold and later disburse money designated by FORA for the South Boundary Road Project, is not a “project” as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 (“CEQA Guidelines”) Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The escrow agreement does not commit the City to the South Boundary Road Project, nor does it foreclose any agency’s future consideration of impacts, mitigation or alternatives for the project. Accordingly, because the proposed action of entering into an escrow agreement has no potential to cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this action is not a project under CEQA. The South Boundary Road Project was previously approved by the FORA Board of Directors. Specifically, in August 2010, the FORA Board approved an initial study and

mitigated negative declaration for the South Boundary Road Project. FORA filed a Notice of Determination (NOD) for the Project on August 17, 2010. Any subsequent discretionary approvals required for the South Boundary Road project will be assessed for CEQA applicability at the time of the approvals.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby authorizes the City Manager to enter into an Escrow Agreement, in a final form to be approved by the City Attorney, with the Fort Ord Reuse Authority (FORA) and City of Del Rey Oaks in order for FORA to Transfer \$7,269,813 for the South Boundary Road Project into an escrow account with Fidelity National Title Company.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 10.

FROM: Steve Wittry, P.E., Public Works Director
Prepared By: Cristie Steffy, Parking Superintendent

SUBJECT: Authorize a Supplemental Appropriation from the Parking Fund Ending Balance of \$336,895 and Amend Resolution 19-147 Awarding a Contract with TIBA Parking Systems, LLC for the Purchase, Installation and Maintenance of Parking Access and Revenue Control Systems (PARCS) for Off-Street Parking Facilities to Increase the Total Contract Amount from \$1,888,372 to \$2,225,267 (Exempt per CEQA Guidelines Article 19, Section 15301, Class 1) ***CIP***

RECOMMENDATION:

That the City Council adopt the attached resolution amending Resolution 19-147 to approve Amendment 1 to the contract with TIBA Parking Systems, LLC for a scope increase, increasing the contract amount from \$1,888,372 to \$2,225,267, and increase the related project account budget by \$336,895.

POLICY IMPLICATIONS:

This action is consistent with the City Council's Vision and Strategic Initiative of "working to improve the quality of life of our residents" by maintaining our existing infrastructure.

This action is consistent with the City Policy to replace equipment when they have fulfilled their useful life cycle and are no longer economical to operate or maintain as well as the City Council value driver of *"working to improve the quality of life of our residents...ensuring that Monterey remains a safe and welcoming place to live, work and visit."*

Also, it is City Council policy to approve all budget adjustments.

FISCAL IMPLICATIONS:

Funds for the Parking Access and Revenue Control System (PARCS) replacement was allocated and approved in the FY 2019/20 Capital Improvement Project budget. Funding the purchase of PARCS Equipment comes from TIBA Parking Systems Equipment Replacement project account (CIP2004).

On September 17, 2019, Council awarded a contract with TIBA Parking Systems, LLC for the Purchase, Installation and Maintenance of Parking Access and Revenue Control Systems (PARCS) for Off Street Parking Facilities in the amount of \$1,716,702 and authorized staff to expend up to an additional 10% for unforeseen contingencies, for a total of \$1,888,372.

A contract increase of \$336,895 would allow for the inclusion of the automation of the Cannery Row Garage immediately as opposed to installation in the future.

At this time, staff is requesting that an additional \$336,895 be authorized for the contract increase and sufficient funding is available in the Parking Fund. The Parking Fund is an Enterprise Fund of the City of Monterey that is separate from the General Fund.

ENVIRONMENTAL DETERMINATION:

The City of Monterey planning office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Section 15301, Class 1) because the project consists of the minor alterations of existing public structures and facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located - a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. The project does not qualify for this exception because the projects are generally located within a developed area. There is no environmental resource of hazardous or critical concern in parking lot areas.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. The project improves existing parking access and revenue control systems. As a result, no cumulative impact is anticipated.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. The project proposed replacement of parking access and revenue control systems. Staff does not anticipate an expansion beyond existing use. Therefore, no significant effect is anticipated.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report. The improvements will not be visible from a state scenic highway.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. The project sites are not located on a hazardous waste site according to the State Water Resources Control Board Geotracker site (<http://geotracker.waterboards.ca.gov/>).

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The existing parking structures and equipment are not historic. No significant construction or excavation is anticipated. In the event cultural or archaeological resources are discovered during construction, the City's typical mitigation procedures apply. Therefore, no impacts to archaeological or historic resources are anticipated.

ALTERNATIVES CONSIDERED:

The Council could choose not to authorize the additional contract increase amount and direct staff to keep within authorized contract amounts. This is not recommended due to the age of the existing parking equipment and the timing of current upgrades elsewhere in the Parking system. Presently, the City is implementing a new system within its other garages and staff would like to advance the timing of the Cannery Row Garage update to occur with minimum impact to customers.

DISCUSSION:

The City of Monterey Parking Division operates four gated facilities: Downtown East Garage, Downtown West Garage, Waterfront Parking Lot and Cannery Row Garage with a total of 2,264 spaces, open 365 days per year. Approximately 13 years ago, the City installed the current Parking Access and Revenue Control System (PARCS), which includes the equipment to control access to the facilities, track occupancy, and calculate parking fees due. The current system has been in place since 2006 and has outlived its useful life, resulting in operating difficulties and increased incidents of failure.

On September 17, 2019, Council awarded a contract with TIBA Parking Systems, LLC for the Purchase, Installation and Maintenance of Parking Access and Revenue Control Systems (PARCS) for Off Street Parking Facilities in the Amount of \$1,716,702 and authorized staff to expend up to an additional 10% for unforeseen contingencies, for a total of \$1,888,372. This contract was competitively bid and awarded by the City of Santa Cruz, and the Finance Department approved utilizing the City's cooperative contract purchase process pursuant to City Code section 38-25(d)(2). The original contract included automation of East Garage, West Garage and Waterfront Lot and only minimal integration with the Cannery Row Garage. Full integration was intended to happen at a future date in an effort to minimize delays and operational difficulties that are involved any time a new system of this magnitude is installed.

However, due to the current health crisis, attendance in the Cannery Row garage has been minimal. Staff is requesting authorization to move forward with the integration of the full installation at the Cannery Row Garage now, while transactions are decreased to unify the parking operations at the lots. An amendment to the contract is required to include the automation of the Cannery Row Garage to be consistent with previously approved off-street facilities.

Funding for the existing installation was allocated and approved in the FY 2019/20 Capital Improvement Project budget. Funding the increased effort is requested from the Parking Fund ending balance. As of May 14, 2020, the amount of available ending fund balance is approximately \$1,500,000 and is sufficient to allow for the requested project account budget increase of \$336,895.

Therefore, staff recommends that the City Council adopt the attached resolution amending Resolution 19-147 awarding a contract with TIBA Parking Systems, LLC for the purchase, installation and maintenance of Parking Access and Revenue Control Systems (PARCS) for off-street parking facilities to increase the contract amount from \$1,888,372 to \$2,225,267 and appropriate an additional \$336,895 to CIP project account of TIBA Parking Systems Equipment Replacement (CIP2004).

CS/ss

Attachments: 1. Resolution

e: Malloy Pohrer, TIBA VP & General Manager
Tony Massetti, TIBA Operations Manager

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:

<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

AUTHORIZE A SUPPLEMENTAL APPROPRIATION FROM THE PARKING FUND ENDING BALANCE OF \$336,895 AND AMEND RESOLUTION 19-147 AWARDED A CONTRACT WITH TIBA PARKING SYSTEMS, LLC FOR THE PURCHASE, INSTALLATION AND MAINTENANCE OF PARKING ACCESS AND REVENUE CONTROL SYSTEMS (PARCS) FOR OFF-STREET PARKING FACILITIES TO INCREASE THE TOTAL CONTRACT AMOUNT FROM \$1,888,372 TO \$2,225,267 *CIP*****

WHEREAS, on September 17, 2019 the City Council awarded a contract with TIBA Parking Systems, LLC for the Purchase, Installation and Maintenance of Parking Access and Revenue Control Systems (PARCS) for Off Street Parking Facilities in the Amount of \$1,888,372;

WHEREAS, during equipment acquisition and implementation, it was determined that a contract increase would allow for the inclusion of the automation of the Cannery Row Garage;

WHEREAS, the additional costs associated for this increase are \$336,895;

WHEREAS, as of May 14, 2020, the Parking Fund currently has an ending balance of approximately \$1,500,000;

WHEREAS, the City Council approves all budget adjustments; and

WHEREAS, The City of Monterey planning office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Section 15301, Class 1) because the project consists of the minor alterations of existing public structures and facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located - a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. The project does not qualify for this exception because the projects are generally located within a developed area. There is no environmental resource of hazardous or critical concern in parking lot areas.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. The project improves existing parking access and revenue control systems. As a result, no cumulative impact is anticipated.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. The project proposed replacement of parking access and revenue control systems. Staff does not anticipate an expansion beyond existing use. Therefore, no significant effect is anticipated.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report. The improvements will not be visible from a state scenic highway.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. The project sites are not located on a hazardous waste site according to the State Water Resources Control Board Geotracker site (<http://geotracker.waterboards.ca.gov/>).

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The existing parking structures and equipment are not historic. No significant construction or excavation is anticipated. In the event cultural or archaeological resources are discovered during construction, the City's typical mitigation procedures apply. Therefore, no impacts to archaeological or historic resources are anticipated.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby amends Resolution 19-147 awarding a contract with TIBA Parking Systems, LLC for the purchase, installation and maintenance of Parking Access and Revenue Control Systems (PARCS) for off-street parking facilities to increase the contract amount from \$1,888,372 to \$2,225,267 to include work at the Cannery Row Garage.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby directs the Finance Director, or her designee, to transfer \$336,895 from the Parking Fund ending balance to the project account of TIBA Parking Systems Equipment Replacement (CIP2004).

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 11.

FROM: Library & Museums Director Inga Waite

SUBJECT: Appropriate \$8,941 in Donated Funds to the 2019-20 Library Trust Fund Budget (Not a Project Under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council adopt a resolution appropriating \$8,941 in donated funds to the 2019-20 Library Trust Fund Budget.

POLICY IMPLICATIONS:

Article 7 of the Monterey City Charter states:

There shall be maintained a library trust fund which shall consist of the present library trust fund together with all gifts, devises or bequests received for the use of the library hereafter and all miscellaneous revenues of the library, except fines. Expenditures from said fund shall be made by the Council for such library purposes as are requested by the Library Board and as are in conformity with the conditions of any such gifts, devises, or bequests.

FISCAL IMPLICATIONS:

The recommended action would appropriate \$8,941 in donated funds deposited in the Library Trust Fund to the 2019-20 Library Trust Fund Budget.

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA, Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES CONSIDERED:

None.

DISCUSSION:

Monterey Public Library was founded through community philanthropy 170 years ago. The City's General Fund covers basic library operating costs. Private support through donations from the Monterey Public Library Friends & Foundation, private individuals, and service organizations is essential to enhance library services and programs.

The Library has received and deposited the following restricted gifts/grants to the Library Trust Fund:

Amount	Donor	Purpose
\$ 750	Kiwanis Club of Monterey	Winter Reading Program
\$ 30,000	Private donor	Summer Reading Program

The Library Board of Trustees requests appropriation of \$8,941 of said funds to the 2019-2020 Library Trust Fund Budget as follows:

810-550-5540-YOUT-4205	Winter Reading	\$750
810-550-5510-ADMN-4254	Books for Children & Teens	\$4,000
810-550-5540-YOUT-4205	Supplies	\$2,500
810-550-5540-YOUT-4220	Contracts	\$1,016
810-550-5540-YOUT-4240	Performers	\$450
810-550-5530-REFE-4205	Teen SRP Program Supplies	\$225
Total Allocated		\$8,941

The Library received a grant of \$750 from the Kiwanis Club of Monterey to underwrite our annual Children's Winter Reading Program. Nearly 1,000 elementary school students participated in the Winter Reading Program between January and March 2020. The program encourages families to develop a regular habit of reading together.

The Library also received a generous gift of \$30,000 from a local couple to underwrite our Summer Reading Program. A portion of the Summer Reading gift will be allocated this fiscal year, and the balance is built into the FY21 Library Trust Fund budget, since the summer program bridges two fiscal years. Last year nearly 3000 children and teens participated in Monterey's Summer Reading program. The program keeps kid's minds active and engaged while they are out of school by offering reading incentives and free creative learning opportunities. Studies show that children who keep learning during the summer do better in school. Thanks to the support of our generous donors, and our hard-working, creative staff, we will be able to offer an engaging, educational summer program, while families continue to shelter in place.

Attachments: 1. Resolution

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:

<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**APPROPRIATE \$8,941 IN DONATED FUNDS TO THE 2019-20 LIBRARY TRUST
FUND BUDGET**

WHEREAS, the Library Trust Fund has received a grant of \$750 from the Kiwanis Club of Monterey for the Winter Reading Program, and a gift \$30,000 from private donors for the Summer Reading Program;

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability

WHEREAS, the Library Board of Trustees approved the allocation of these funds for these purposes at its May 22, 2020 meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby directs the Finance Director to make the following appropriations to the Library Trust Fund accounts listed below for Fiscal Year 2019-20:

810-550-5540-YOUT-4205	Winter Reading	\$750
810-550-5510-ADMN-4254	Books for Children & Teens	\$4,000
810-550-5540-YOUT-4205	Supplies	\$2,500
810-550-5540-YOUT-4220	Contracts	\$1,016
810-550-5540-YOUT-4240	Performers	\$450
810-550-5530-REFE-4205	Teen SRP Program Supplies	\$225
Total Allocated		\$8,941

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:

ABSENT:
ABSTAIN:

COUNCILMEMBERS:
COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof



Council Agenda Report

Date: 6/2/2020

Item No.: 12.

FROM: Kimberly Cole, AICP, Community Development Director

SUBJECT: Authorize the Mayor to Send Letters to Monterey One Water, Monterey Peninsula Unified School District, Monterey Peninsula Water Management District, and Transportation Agency for Monterey County on behalf of the City Requesting these Agencies Consider Revising Fee Schedules for Residential Development and Collecting Fees at Certificate of Occupancy (Not a Project Under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council authorize the Mayor to send letters on behalf of the City to Monterey One Water, Monterey Peninsula Unified School District, Monterey Peninsula Water Management District, and Transportation Agency for Monterey County (Attachment 1).

POLICY IMPLICATIONS:

State law (Government Code Section 66001) regulates development fees. Agencies are required to prepare a study to address the required issues:

- Fee purpose
- Use of fee
- Relationship between fee's use and development project
- Relationship between the need for the public facility

These studies are extensive and are required to be updated every five years.

FISCAL IMPLICATIONS:

Agencies collect impact fees to offset development impacts. Fee structures vary by agency and most agencies collect fees at permit issuance versus certificate of occupancy. The amount and timing of fee collection affect the ability of other agencies to prepare to accommodate development impacts. For example, if fees are collected at certificate of occupancy, the agency may have to absorb the cost of needed upgrades and then get reimbursed when the certificate of occupancy is issued. This is particularly true for school and sewer infrastructure. Transportation funding tends to be a longer implementation time frame.

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on

the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES CONSIDERED:

The Council could decide to not send the attached letters.

DISCUSSION:

Development impact fees include fees imposed in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project. On March 3, 2020, Councilmember Williamson requested the City Council send letters to Monterey One Water, Monterey Peninsula Unified School District, Monterey Peninsula Water Management District and the Transportation Agency of Monterey County recommending these agencies scale fees by square foot (not unit) and require payment at certificate of occupancy. As outlined in Councilmember Williamson's staff report:

"... write a letter of support to regional bodies supporting an effort to scale all fees by square foot as opposed to per unit. These bodies include Monterey One Water, Monterey Peninsula Unified School District, Monterey Peninsula Water Management District, and the Transportation Agency for Monterey County."

"Paying fees during the most speculative states of a project's development and then financing fees throughout multiple years of a projects development and construction adds measurably to the cost. Monterey Bay Economic Partnership (MBEP) highly recommends that the City focus on deferring impact fees to the time when the impacts are present, at occupancy. All other upfront permit processing fees that pay for staff time are reasonable, otherwise staff would be spending too much time on potentially high speculative proposals.

The recommendation is to move any and all future impact fees to the Certificate of Occupancy, to include impact fees. Additionally, council should write a letter of support to regional bodies supporting an effort to defer impact fees to the Certificate of Occupancy."

Current fees collected by outside agencies are outlined in the table below.

Agency	Fee Structure
Monterey Peninsula Unified School District	\$3.79 per square foot residential development \$0.61 per square foot of commercial/industrial development Fees are collected prior to issuance of building permit. https://www.mpusd.net/apps/pages/index.jsp?uREC_ID=1014183&type=d&pREC_ID=1757719
Monterey One Water	\$3,507.44 per equivalent dwelling unit Fees are collected prior to issuance of building permit. https://montereyonewater.org/billpay_rates_residential_capacity_charges.html

Monterey Peninsula Water Management District	Residential: Multiply Adjusted Water Use Capacity x \$305.02 (Adjusted Water Use Capacity is the number of additional fixture units (in acre feet) that are required from the City of Monterey's allocation or entitlement after reducing the project amount for any on-site credit (removing fixtures or retrofitting) that might be available and used in the project.) Residential Moderate Income – 50% of capacity fee Residential Low Income – Exempt Fees are collected prior to issuance of water district permit and building permit. https://www.mpwmd.net/regulations/fees-charges/	
Transportation Agency for Monterey County	Single Family \$3,981 Single Family Moderate Income \$3,108 Single Family Low Income \$2,296 Apartment \$2,796 Apartment Moderate Income \$2,182 Apartment Low Income \$1,612 Condo/Townhome \$2,438 Condo/Townhome Mod Income \$1,903 Condo/Townhome Low Income \$1,406 Multi Family/Auxiliary Unit \$1,543 https://www.tamcmonterey.org/programs/dev-impact-fees/	

In summary, the Council directed staff to place consideration of this discussion item on a future Council agenda. This staff report fulfills this direction. Staff is recommending different letters for each agency because: 1) some agencies already charge fees on a square footage basis; 2) the fee structure already is lower based on a particular set of circumstances such as water fixtures. The specific recommendation is outlined below:

Agency	Recommendation
Monterey Peninsula Unified School District	The existing fee is already based on a square foot calculation (not units). As a result, the draft letter only requests a change to collecting the fees at certificate of occupancy.
Monterey One Water	The draft letter requests that fees are charged on a per square foot basis and collection occurs at certificate of occupancy.
Monterey Peninsula Water Management District	The draft letter only requests a change to collecting the fees at certificate of occupancy because the existing fee structure is less for residential development. The existing fee is only charged if there is an increase in the number of onsite fixture units. All projects must currently have adequate water credits in order to proceed. By changing

	<p>the fee structure to a square footage calculation, the fees for residential construction would actually increase for more projects.</p> <p>There are a few projects that may obtain a water allocation from the City including 590 East Franklin. It appears the fees would continue to be less on a fixture unit basis for this isolated example.</p>
Transportation Agency for Monterey County	The draft letter requests that fees are charged on a per square foot basis and collection occurs at certificate of occupancy for residential construction.

Attachment: 1. Draft Letters

e: Paul Sciuto, Monterey One Water
Stephanie Locke, Monterey Peninsula Water Management District
Ryan Altmir, Monterey Peninsula Unified School District
Mike Zeller, Transportation Association of Monterey County
Kate Roberts, MBEP
Housing List

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

June 3, 2020

Mr. Paul Sciuto
Monterey One Water
Paul@mrwpca.com

RE: Fees

Dear Mr. Sciuto,

The City of Monterey respectfully requests that Monterey One Water consider revising its fees for residential construction to a square footage assessment and that fee collection be delayed to certificate of occupancy.

The City is interested in promoting housing construction. By scaling all residential fees to a square footage basis, the fee system will not penalize the total number of units created. In fact, it may encourage smaller and additional units to be proposed.

The City also requests that fee collection be delayed to certificate of occupancy for residential construction. Paying fees prior to certificate of occupancy causes the developer to carry these costs through the project's construction. This project cost will also not occur until the certificate of occupancy is granted.

The City is pursuing all avenues to increase housing production goals established by the State of California. Thank you for your consideration of this matter.

Sincerely,

Clyde Roberson
Mayor

June 3, 2020

Mr. David Stoldt
Monterey Peninsula Water Management District
dstoldt@mpwmd.net

RE: Fees

Dear Mr. Stoldt,

The City of Monterey supports the existing impact fee that is collected by fixture unit. This approach only calculates the net increase in fixtures. The City does request that the capacity fee be collected at certificate of occupancy versus permit issuance for residential construction. Paying fees prior to certificate of occupancy causes the developer to carry these costs through the project's construction. This project cost will also not occur until the certificate of occupancy is granted.

The City is pursuing all avenues to increase housing production goals established by the State of California. Thank you for your consideration of this matter.

Sincerely,

Clyde Roberson
Mayor

June 3, 2020

Mr. PK Diffenbaugh
Monterey Peninsula Unified School District
superintendentsmemo@mpusd.net

RE: Fees

Dear Mr. Diffenbaugh,

The City of Monterey acknowledges that the School District impact fees are charged by square footage. The City supports this approach and has requested that other agencies follow your approach.

The City does request that fee payment be delayed for residential construction to certificate of occupancy. Paying fees prior to certificate of occupancy causes the developer to carry these costs through the project's construction. This project cost will also not occur until the certificate of occupancy is granted.

The City is pursuing all avenues to increase housing production goals established by the State of California. Thank you for your consideration of this matter.

Sincerely,

Clyde Roberson
Mayor

June 3, 2020

Ms. Debbie Hale
Transportation Agency for Monterey County
debbie@tamcmonterey.org

RE: Fees

Dear Ms. Hale,

The City of Monterey respectfully requests that the Transportation Agency for Monterey County consider revising its fees for residential construction to a square footage assessment and that fee collection be delayed to certificate of occupancy.

The City is interested in promoting housing construction. By scaling all residential fees to a square footage basis, the fee system will not penalize the total number of units created. In fact, it may encourage smaller and additional units to be proposed.

The City also requests that fee collection be delayed to certificate of occupancy for residential construction. Paying fees prior to certificate of occupancy causes the developer to carry these costs through the project's construction. This project cost will also not occur until the certificate of occupancy is granted.

The City is pursuing all avenues to increase housing production goals established by the State of California. Thank you for your consideration of this matter.

Sincerely,

Clyde Roberson
Mayor



Council Agenda Report

Date: 6/2/2020

Item No.: 13.

FROM: Kimberly Cole, AICP, Community Development Director

SUBJECT: Amend the City General Plan and Municipal Code Section 38-107 to Prioritize and Require Utility Undergrounding and Amend the Cannery Row Conservation District and Old Town Area Plan to Delete References to Undergrounding;
1st Reading by Title Only of an Ordinance Amending Monterey City Code Section 38-107 to Require Utility Undergrounding (Exempt from CEQA Per Article 19, Sections 15202, 15304, 15305, and 15308, Classes 2, 4, 5, and 8, and Sections 15061(b)(3))

RECOMMENDATION:

That the City Council:

1. Adopt a resolution amending the City General Plan to prioritize utility undergrounding and deleting references to undergrounding in the Cannery Row Conservation District and Old Town Area Plan; and
2. Introduce, read by title only and pass a first reading of an ordinance amending Municipal Code Section 38-107 to require utility undergrounding.

POLICY IMPLICATIONS:

The City General Plan contains the following program:

Program d.4.2. Underground utilities in commercial business districts to maintain adequate space for pedestrians and to improve the shopping environment.

The proposed action will refine this program to possibly state:

Program d.4.2. Undergrounding utilities in the City of Monterey is a priority to reduce fire hazard, minimize visual clutter, and maintain consistent service.

FISCAL IMPLICATIONS:

The proposed General Plan amendment emphasizes the City's priority is to underground utilities. General Plans are long-term policy documents, and the revision does not mean that the project is immediately funded or pursued. The Zoning Ordinance amendment clarifies that utilities will be required to be undergrounded for new buildings.

Staff has investigated preliminary options for Utility Undergrounding on a going forward basis. Undergrounding utilities can be privately or community funded. Future funding options include:

1. Underground Utility Districts ("UUD") – this is the most common form of municipal undergrounding where a municipality forms an undergrounding utility district. The function of an UUD is to underground existing above-ground utility facilities throughout a

defined district boundary established by the city. The city effectively orders the utilities to underground within the area defined by the UUD, paid for by the utility ratepayers and/or the undergrounding applicant(s) (e.g., the city, property owners) and it prevents new above-ground structures from being constructed within the district.

2. Assessment Districts – property owners may vote for the creation of an UUD and convert above-ground facilities through the payment of an assessment on their property taxes. Eligible facilities include most above-ground improvements, but do not include electric transmission facilities. A vote of the property owners in the district is required. The challenge with this option is that it is designed to cover existing lines paid for by property owners in the district. The need to secure property owner approval through an election, and the high cost of undergrounding are challenges with this option.
3. California Public Utilities Commission (“CPUC”) Rule 20¹ for PG&E electric facilities – the Rule 20 process is an established process by the CPUC that is used by cities throughout the state. Rule 20A is utility funded, Rule 20B is generally 80% applicant funded and 20% utility funded, and Rule 20C is applicant funded. Each has different requirements.

4. The Rule 20A approach requires specific aesthetic, scenic, and public benefit findings. The required findings may not be applicable throughout the entire city, as some streets will not be arterial or major collectors, and some areas may not qualify for the civil, public recreation, or scenic interest requirements. The impact of the PG&E bankruptcy proceedings on Rule 20A funds requires more research. The City will be filing a claim in the bankruptcy action regarding its Rule 20A funds.

Rule 20B is a viable process for undergrounding throughout the City in locations that do not qualify for Rule 20B funds.

Rule 20C in circumstances where Rule 20A or Rule 20B cannot be met, the applicant is required to pay for all undergrounding costs, minus salvage value for depreciated overhead facilities (de minimus).

The City Council is not considering funding options for undergrounding. These options are detailed for background information.

ENVIRONMENTAL DETERMINATION:

The City of Monterey Planning Office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Sections 15304 and 15305, Classes 4 and 5) because the project proposes that utilities be undergrounded, which constitutes minor alterations to land and land use limitations. Additionally, the undergrounding of utilities is categorically exempt pursuant to Section 15302, Class 2(d), which states that “conversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition

¹ This description of Rule 20 is subject to change as the California Public Utilities Commission is currently reviewing a proposal for improving the electric tariff Rule 20 Undergrounding Program in Rulemaking proceeding 17-05-010.

existing prior to undergrounding.” Additionally, the project is exempt from CEQA pursuant to CEQA Guidelines section 15308 (Class 8) as an action taken by a regulatory agency to assure the enhancement and protection of the environment, which includes the visual environment of the city. Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located. A project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. The project will result in more utilities undergrounded as projects are proposed. This is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. This is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. No significant effect will occur because this is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report (EIR). No impact will occur because undergrounding utilities will improve the visual character of the environment and any scenic highways. The project assures the protection of scenic resources.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. As undergrounding projects are proposed, hazardous waste sites will need to be identified and avoided.

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. No impact to historical resources will occur because these are minor alterations to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Utilities are a modern improvement and do not have historical significance. By undergrounding the utility lines, there will be less visual disruption of historic structures and sites.

Furthermore, the plan amendments are exempt under CEQA Guidelines Article 5, sections 15061(b)(3) because CEQA only applies to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment for the reasons discussed above. State law specifies the process if unexpected cultural resources are discovered during the excavation/undergrounding work.

ALTERNATIVES CONSIDERED:

The Council could not adopt the proposed changes or make amendments.

DISCUSSION:

The City Council requested that the Planning Commission consider amending the General Plan to update the City's undergrounding policies. The Planning Commission received a presentation on this issue on February 11, 2020 and requested that staff return with proposed language changes. On February 24 and April 28th the Planning Commission discussed policy alternatives. The Planning Commission reviewed the revised language and recommended that the City amend the General Plan and Zoning Ordinance to require undergrounding for new construction. The Commission also recommended that policy references in the Cannery Row Conservation District and Old Town Area Plan be deleted.

Existing Policy	Proposed Policy
<p>General Plan:</p> <p>Program d.4.2. Underground utilities in commercial business districts to maintain adequate space for pedestrians and to improve the shopping environment.</p>	<p>General Plan:</p> <p>Program d.4.2. Undergrounding utilities in commercial business districts to maintain adequate space for pedestrians and to improve the shopping environment. in the City of Monterey is a priority to reduce fire hazard, minimize visual clutter, and maintain consistent service.</p>
<p>City of Monterey Zoning Code 38-107 Underground Utilities</p> <p>All electrical, telephone, CATV, and similar distribution lines providing direct service to a development site shall be installed underground within the site, except in the R-1 and CR districts where this requirement shall not apply. The Planning Commission may waive this requirement upon finding that such installation is infeasible.</p>	<p>City of Monterey Zoning Code 38-107 Underground Utilities</p> <p>All electrical, telephone, CATV, and similar distribution lines providing direct service to a development site new building shall be installed underground within the site., except in the R-1 and CR districts where this requirement shall not apply. The Planning Commission may waive this requirement upon finding that such installation is infeasible.</p>
<p>Cannery Row Conservation District 12.1.c Undergrounding of street lighting and other utilities should be encouraged.</p> <p>Therefore, utility lines and service areas should be visually unobtrusive and should be</p>	<p>Cannery Row Conservation District 12.1.c Undergrounding of street lighting and other utilities should be encouraged.</p> <p>Therefore, utility lines and service areas should be visually unobtrusive and should be undergrounded or integrated with the design of</p>

<p>undergrounded or integrated with the design of the site and the building.</p> <p>Utility Lines Historically, utility lines were located overhead. However, with the changing needs of the area, lines should be located underground.</p> <p>12.35 Locate utility lines underground when feasible.</p> <p>a) Where utility lines remain above ground, they may be located in a manner similar to that seen in the past.</p> <p>b) Utility, power and communication lines serving a building should be underground when feasible. For new buildings, transformers and any other power facilities will be permitted underground or at grade only.</p>	<p>the site and the building.</p> <p>Utility Lines Historically, utility lines were located overhead. However, with the changing needs of the area, lines shall should be located underground.</p> <p>12.35 Locate utility lines underground. when feasible.</p> <p>a) Where utility lines remain above ground, they may be located in a manner similar to that seen in the past.</p> <p>ab) Utility, power and communication lines serving a building shall should be underground when feasible. For new buildings, transformers and any other power facilities will be permitted underground or at grade only.</p>
<p>Old Town Area Plan</p> <p>Policy 4.2. Support property owners in privately funded programs to underground utilities.</p>	<p>Old Town Area Plan</p> <p>Policy 4.2. Support property owners in privately funded programs to underground utilities.</p>

Staff recommends the City Council adopt the attached resolution amending the General Plan and adopt an ordinance amending Municipal Code Section 38-107. The ordinance amendment includes all utilities, including electrical, for new buildings. Encroachments in the rights-of-way by communication facilities (not including electrical) continue to be regulated under Section 32-08.01 et seq. The standards for a deviation from the undergrounding requirement are the same in both ordinances.

Attachments: 1. Resolution
2. Ordinance

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>

RESOLUTION NO. __- __ C.S.

**A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY
AMENDING THE GENERAL PLAN TO PRIORTIZE UTILITY UNDERGROUNDING
AND AMENDING THE CANNERY ROW CONSERVATION DISTRICT AND OLD
TOWN AREA PLAN TO DELETE REFERENCES TO UNDERGROUNDING**

WHEREAS, the City Council requested that the Planning Commission consider amending the General Plan to update the City's undergrounding policies;

WHEREAS, the Planning Commission considered this issue on February 11, February 24, and April 28, 2020.

WHEREAS, the Planning Commission accepted public comment on this issue at the various meetings;

WHEREAS, the City General Plan contains the following program: Program d.4.2. Underground utilities in commercial business districts to maintain adequate space for pedestrians and to improve the shopping environment;

WHEREAS, the Planning Commission discussed the following priorities for utility undergrounding – reduce fire hazard, minimize visual clutter, and maintain consistent service;

WHEREAS, the Planning Commission discussed the need to eliminate references to undergrounding in the Cannery Row Conservation District and Old Town Area Plan to eliminate any potential for confusion;

WHEREAS, the City of Monterey Planning Office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Sections 15304 and 15305, Classes 4 and 5) because the project proposes that utilities be undergrounded, which constitutes minor alterations to land and land use limitations. Additionally, the undergrounding of utilities is categorically exempt pursuant to Section 15302, Class 2(d), which states that "conversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior to undergrounding." Additionally, the project is exempt from CEQA pursuant to CEQA Guidelines section 15308 (Class 8) as an action taken by a regulatory agency to assure the enhancement and protection of the environment, which includes the visual environment of the City. Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located. A project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. The project will result in more utilities undergrounded as projects are proposed. This is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing

policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. This is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. No significant effect will occur because this is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report (EIR). No impact will occur because undergrounding utilities will improve the visual character of the environment and any scenic highways. The project assures the protection of scenic resources.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. As undergrounding projects are proposed, hazardous waste sites will need to be identified and avoided.

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. No impact to historical resources will occur because these are minor alterations to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Utilities are a modern improvement and do not have historical significance. By undergrounding the utility lines, there will be less visual disruption of historic structures and sites.

Furthermore, the plan amendments are exempt under CEQA Guidelines Article 5, sections 15061(b)(3) because CEQA only applies to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment for the reasons discussed above. State law specifies the process if unexpected cultural resources are discovered during the excavation/undergrounding work.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby:

1. Amends the General Plan Program d.4.2 to state: Program d.4.2. Undergrounding utilities in commercial business districts to maintain adequate space for pedestrians

~~and to improve the shopping environment.~~ **in the City of Monterey is a priority to reduce fire hazard, minimize visual clutter, and maintain consistent service.**

2. Amends the Cannery Row Conservation District and Old Town Area Plan to eliminate references to undergrounding:

Cannery Row Conservation District

~~12.1.c Undergrounding of street lighting and other utilities should be encouraged.~~

~~Therefore, utility lines and service areas should be visually unobtrusive and should be undergrounded or integrated with the design of the site and the building.~~

Utility Lines

~~Historically, utility lines were located overhead. However, with the changing needs of the area, lines **shall** should be located underground.~~

~~12.35 Locate utility lines underground, when feasible.~~

~~a) Where utility lines remain above ground, they may be located in a manner similar to that seen in the past.~~

~~ab) Utility, power and communication lines serving a building **shall** should be underground when feasible. For new buildings, transformers and any other power facilities will be permitted underground or at grade only.~~

Old Town Area Plan

~~Policy 4.2. Support property owners in privately funded programs to underground utilities.~~

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 2nd day of June, 2020, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MONTEREY

AMEND MONTEREY CITY CODE 38-107 TO REQUIRE UTILITY UNDERGROUNDING

THE COUNCIL OF THE CITY OF MONTEREY DOES ORDAIN, as follows:

SECTION 1:

WHEREAS, the City Council requested that the Planning Commission consider amending the General Plan to update the City's undergrounding policies;

WHEREAS, the Planning Commission considered this issue on February 11, February 24, and April 28, 2020;

WHEREAS, the Planning Commission accepted public comment on this issue at the various meetings;

WHEREAS, the Planning Commission discussed how to make the City's Municipal Code consistent with the proposed General Plan amendment;

WHEREAS, the City of Monterey Planning Office determined the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Article 19, Sections 15304 and 15305, Classes 4 and 5) because the project proposes that utilities be undergrounded, which constitutes minor alterations to land and land use limitations. Additionally, the undergrounding of utilities is categorically exempt pursuant to Section 15302, Class 2(d), which states that "conversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior to undergrounding." Additionally, the project is exempt from CEQA pursuant to CEQA Guidelines section 15308 (Class 8) as an action taken by a regulatory agency to assure the enhancement and protection of the environment, which includes the visual environment of the City. Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2.

Exception a - Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located. A project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. The project will result in more utilities undergrounded as projects are proposed. This is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception b - Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant. This is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception c - Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. No significant effect will occur because this is considered to be a minor alteration to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Undergrounding will also occur as funded over a long period of time.

Exception d - Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified Environmental Impact Report (EIR). No impact will occur because undergrounding utilities will improve the visual character of the environment and any scenic highways. The project assures the protection of scenic resources.

Exception e - Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. As undergrounding projects are proposed, hazardous waste sites will need to be identified and avoided.

Exception f - Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. No impact to historical resources will occur because these are minor alterations to land and land use limitations because the City is located in an urban area and many existing policies require undergrounding. Utilities are a modern improvement and do not have historical significance. By undergrounding the utility lines, there will be less visual disruption of historic structures and sites.

Furthermore, the plan amendments are exempt under CEQA Guidelines Article 5, sections 15061(b)(3) because CEQA only applies to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment for the reasons discussed above.. State law specifies the process if unexpected cultural resources are discovered during the excavation/undergrounding work.

NOW THEREFORE, the Monterey City Council declares as follows:

SECTION 1: Monterey City Code 38-107 Underground Utilities is amended to read as follows:

- (a) All electrical, telephone, CATV, and similar distribution lines providing direct service to a new building shall be installed underground within the site.
- (b) Deviation. A deviation may be granted, but shall be limited in scope to that necessary where it is shown that:

- (1) Placement underground would result in the violation of other provisions of the City Code, including the City's noise ordinances; or
 - (2) There are unusual environmental circumstances which would cause:
 1. Injury or danger to persons;
 2. Landslides, soil erosion, or exposure of trenches;
 3. Widespread, long-term, or permanent destruction of vegetation or native trees;
 4. Serious property damage, including damage to historical or archeological resources; or
 5. Hindrance to other construction or excessive relocation costs; and
 - (3) The operator seeking the deviation has proposed a plan for placement that minimizes the visual impacts; and
- (c) Along a section of roadway where the distribution lines of telephone and electric Applications for Deviations. An application for a deviation must be filed with the City Manager, or designee, and shall contain the information required to justify an exception.
- (d) Exemption. This Section does not apply to encroachments by communications facilities in the rights-of-way, which are governed by City Code, Chapter 32, Article 8, Section 32-08.01 et seq.

SECTION 2: All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason declared unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or the effectiveness of the remaining portions of this chapter or any part thereof. The City Council hereby declares that it would have adopted this chapter notwithstanding the unconstitutionality, invalidity, or ineffectiveness of any one or more of its sections, subsections, sentences, clauses, or phrases.

SECTION 4: This ordinance shall be in full force and effect thirty (30) days from and after its final passage and adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of June, 2020, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof

draft



Council No Agenda Report Memo

Date: 6/2/2020

Item No.: 14.

FROM: Hans Uslar, City Manager
Prepared by: Nat Rojanasathira, Assistant City Manager

SUBJECT: City Manager Report on Covid-19 Response Efforts (Not a project under CEQA per Article 20 Section 15378 and under General Rule Article 5 Section 15061)

The impacts of the Covid-19 pandemic on City services, public health, fiscal impacts, and shelter-in-place orders continue to evolve and shift on a daily basis.

Since the first week in March when the City began temporarily closing City facilities, the City of Monterey has maintained up-to-date information on its website at:
www.monterey.org/coronavirus.

The public is encouraged to visit the web portal to stay updated on latest news, open/closed city services, help for employers and employees, public health resources, virtual services/programs, fiscal impacts, labor issues, and other information.

Daily email blasts supplement the City's COVID19 information efforts. These emails provide accurate, current and relevant information about the pandemic and City services.

In addition, every fortnight, the City Manager addresses the public during special editions of "Monterey Mornings with the Manager" on YouTube Live, at 9:00 a.m. every other Thursday at www.youtube.com/cityofmonterey.

The City Manager will deliver a verbal report on the City's most recent Covid-19 response efforts at the City Council meeting on June 2, 2020. In addition, Police Chief Dave Hober will provide insights on education and enforcement efforts related to the County's Shelter-in-Place Order.

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.org/Submitted-Comments>



Council Agenda Report

Date: 6/2/2020

Item No.: 15.

FROM: Lauren Lai, CPA, Finance Director

SUBJECT: Provide Direction Regarding the COVID-19 FY20/21 General Fund Deficit, Proposed Budget Reductions, Strategies and/or Revenue Enhancements (Not a Project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)

RECOMMENDATION:

City Council provides direction regarding COVID-19 FY20/21 General Fund deficit, proposed budget reductions, strategies and/or revenue enhancements.

POLICY IMPLICATIONS:

It is good fiscal and budget policy to regularly review the financial results of City operations. In addition, governmental accounting standards require that the City Council be regularly updated as to the financial condition of the City.

FISCAL IMPLICATIONS:

Staff estimates that the effects of COVID-19 pandemic will devastate the City's General Fund revenues for FY19/20 and FY20/21(2 years) by approximately \$31 million.

The loss through the remainder of Fiscal Year 19/20 (mid-March through June 2020) is now \$13 million (or 16.2%), which is \$3 million higher than originally estimated in April 2020. In conjunction with the Monterey County Convention and Visitors Bureau (MCCVB), staff adjusted the City of Monterey's revenue loss assumptions for Transient Occupancy Tax (TOT), bringing total FY20 COVID-19 losses from \$10M to \$13M.

For fiscal year FY 20/21, the current estimates project a revenue loss of \$18 million (21.7%) of an \$83 million budget. Additionally, the pandemic created significant financial losses in other funds such as Tidelands, Parking, Measure P & S, etc. Council resolved \$10M of the \$13M FY20 COVID-19 General Fund deficit in April, so the balance of \$3M should be resolved in FY21.

The FY21 proposed solutions need to address \$21M, comprising \$3M FY20 COVID-19 deficit balance and \$18M FY21 COVID-19 deficit. Moreover, the FY21 budget had a structural deficit of \$2.8M which will increase to \$3.2M due to various program and/or insurance updates, however we anticipate this deficit of \$3.2M will be resolved with the new voter-approved Measure G (½-cent per dollar sales tax).

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines")),

Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES:

Council could decide not to provide direction or feedback on the proposed FY 2020/21 budget. However, this is not recommended because budget reductions, strategies, and revenue enhancements are needed to balance the budget.

DISCUSSION:

On April 7, April 21 and May 21, Council was briefed on the novel coronavirus (COVID-19) pandemic and its unprecedented and unpredictable nature and its effects on the City's budget, expenditures and service levels.

The mission of the City of Monterey during this pandemic has been to remain focused on:

- maintaining public safety as the top priority,
- keeping the core functions of our local government operational, and
- to encourage a speedy recovery of our (hospitality) industries.

For reference, the attached May 21 agenda report summarizes the COVID-19 FY20/21 General Fund deficit, proposed budget reductions, strategies and/or revenue enhancements. In times like these, all possible scenarios and budget reductions and service adjustments need to be put on the table.

The City's short-term and long-term fiscal health depends on actions and difficult decisions that need to be made with the Fiscal Year 2021 budget. Staff will be seeking input from neighborhood associations, business associations, and the public-at-large regarding cost saving and revenue generating strategies during multiple virtual town hall meetings to be held on June 1st. Initial feedback from the town hall meetings will be presented to the City Council at its meeting on June 2.

Staff is suggesting that Council provides direction with respect to the proposed budget solutions including selection of the preferred scenario. Second, we also suggest that Council discusses two potential ballot measures and provides guidance and not yet direction.

Departmental Reductions:

Staff is seeking Council direction regarding the FY20/21 General Fund proposed department budget reductions, as shown below:

	A	B	C	D = (B+C)	E (A+D)	F	G = (E/F)
General Fund Department	General Fund Layoff (April 2020)	Additional Position Freezes/Layoff/Anticipated Retirements	Program Cuts Other Reductions	General Fund Program / Staff Cuts (June 2020)	Total Reduction	FY21 Adopted GF Budget	Total Reductions as % of FY21 GF Adopted
	\$8,134,707	\$2,433,808	\$5,137,197	\$7,571,005	\$15,705,712	\$83,285,071	18.9%
Police	\$0	\$1,143,000	\$447,000	\$1,590,000	\$1,590,000	\$19,457,419	8.2%
Fire	\$73,414	\$635,631	\$743,202	\$1,378,833	\$1,452,247	\$23,413,852	6.2%
Parks	\$101,342	\$217,355	\$30,214	\$247,569	\$348,911	\$4,562,561	7.6%
MSC & Rec	\$3,990,263	\$0	\$1,900,000	\$1,900,000	\$5,890,263	\$9,722,721	60.6%
Library	\$1,857,021	\$0	\$83,434	\$83,434	\$1,940,455	\$3,221,469	60.2%
Museum	\$206,463	\$0	\$13,762	\$13,762	\$220,225	\$372,608	59.1%
PW	\$341,529	\$166,424	\$1,024,642	\$1,191,066	\$1,532,595	\$6,980,249	22.0%
CDD	\$0	\$72,183	\$263,100	\$335,283	\$335,283	\$3,578,088	9.4%
Conf. Center	\$1,293,280	\$0	\$120,388	\$120,388	\$1,413,668	\$4,024,515	35.1%
CMO	\$121,751	\$0	\$208,534	\$208,534	\$330,285	\$1,489,073	22.2%
ISD	\$149,644	\$0	\$40,700	\$40,700	\$190,344	\$706,770	26.9%
CAO	\$0	\$0	\$56,221	\$56,221	\$56,221	\$1,124,426	5.0%
HR	\$0	\$0	\$44,000	\$44,000	\$44,000	\$800,001	5.5%
Finance	\$0	\$199,215	\$162,000	\$361,215	\$361,215	\$3,031,214	11.9%
Non-Dept						\$800,105	

Scenario Discussions:

Staff is also seeking Council direction regarding the proposed solutions for the Average Scenario, as shown below:

	Scenario A	Average Scenario	Scenario B
% of GF Budget	22.2%	25.2%	28.1%
Scenario Targets	\$18,525,530	\$21,000,000	\$23,363,980
COVID-19 SOLUTIONS	\$18,525,530	\$20,971,005	\$23,363,980
NCIP	\$3,000,000	\$3,000,000	\$3,000,000
Layoffs - April 2020	\$8,100,000	\$8,100,000	\$8,100,000
Layoffs / Freeze / Retirements - June 2020	*	\$2,433,808	*
Program Cuts - Other Costs	\$5,725,530	\$5,137,197	\$8,263,980
Economic Reserve	\$0	\$800,000	\$1,000,000
Revenue solutions	TBD	TBD	TBD
1-year Reduction of CIP (\$1.4M to \$0.5M)	\$900,000	\$900,000	\$900,000
1-year Suspend OPEB (pay-go only) **			\$800,000
1-year Suspend Savings for Vehicle Replace			\$500,000
ISD One Time Savings	\$800,000	\$800,000	\$800,000
*Layoffs/Freezes/Retirements are included in Program Cuts-Other Costs			
** OPEB: Other Post Employment Benefits			

Staff suggests to use the “Average Scenario” as the preferred budget projection. The average scenario results in less program cuts across City Departments (many of these cuts are already severe).

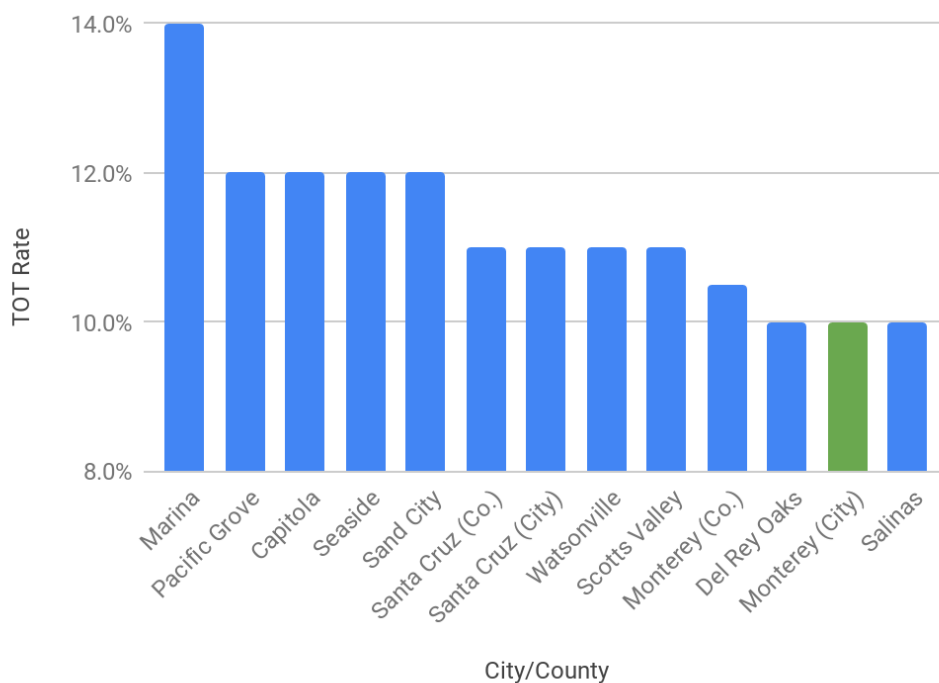
Transient Occupancy Tax (TOT):

Staff seeks Council direction on TOT as it relates to a November 2020 ballot. We are recommending to place a 2% TOT rate increase (which would increase the current rate from 10% to 12%) onto the November ballot, and would result in approximately \$4.9 million in additional revenue per year (based on 2017/18 TOT revenues):

- The Monterey County Convention & Visitors Bureau (MCCVB) and the hospitality partners expect a continued funding stream from the City using a percentage of TOT funds. Staff proposes to set the funding for the MCCVB at 3% of the TOT. This is a fair and equitable contribution model that is proportionate to the TOT revenue generated by each MCCVB member city (all other member cities, including Carmel-by-the-Sea, Pacific Grove, Salinas, Seaside, Marina, Del Rey Oaks and Sand City fund MCCVB at the 3% of TOT rate). The additional revenue generated by the TOT increase may help fund this goal.
- Timely restoration of a majority of library services is dependent on additional revenues. Pre-COVID-19 the library operated seven days-a-week at a cost of \$3.2 million.
- The opening of Scholze Park Center (Senior Center) as well as three other recreation (park) centers has been requested by our residents and users of our recreation programs. Without an infusion through an additional TOT, the programming for some or all of these facilities may not be possible.
- The Sports Center operation requires an annual contribution from the General Fund of around 25% of the collected user fees plus another contribution of the General Fund of around \$540K annually for bond payments. Combined, the Sports Center operation is supported by the General Fund beyond \$1.5 million per year.
- The Conference Center needs to build up a reserve to support facility maintenance, upkeep, and future improvements. Such a new Conference Center reserve may be funded through this additional new TOT revenue, further investing in the hospitality industry that is an economic driver for Monterey’s fiscal health, resident quality of life and essential services.
- TOT funds services that visitors and residents consume and the City provides such as roads, medians, parks, beaches, museums, police, and fire protection. Without funding mechanisms such as parking fees and TOT, visitors to Monterey consume these public services for free.
- Relative to other cities, the City of Monterey has a disproportionate amount of tax-exempt governmental agencies properties that do not pay property tax. Those include our colleges, military bases and the aquarium. These valued institutions clearly benefit the community but the City still needs tax revenues to provide services. Therefore, the City is more dependent upon other revenue sources, such as TOT, sales and fees.

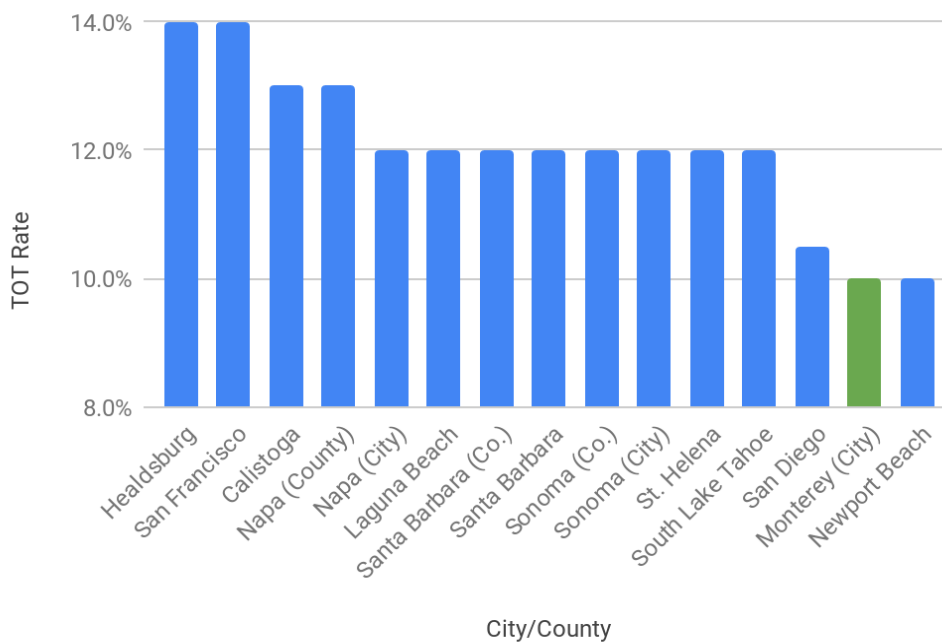
- A 2% rate increase is reasonable and consistent with other cities in the Monterey Bay Area including those participating in the Conference Community Facility District (“CCFD”) contributions, except the three hotels adjacent to the conference center. As shown in the graph below, 10 out of 13 cities surveyed have a higher TOT rate than Monterey. The City of Monterey has the lowest TOT rate in the entire Monterey Peninsula, except Del Rey Oaks which does not have hotels.

Monterey Bay Jurisdictions - TOT by City/County



- Opponents to the TOT rate increase will often cite maintaining Monterey's competitive advantage as a reason for not increasing the TOT rate. However, comparisons of Monterey's TOT rate to cities and counties representing top competitors such as Napa/Sonoma, Santa Barbara, and Lake Tahoe clearly show that Monterey's TOT rate is below our competitors.

Monterey's Competing Destinations - TOT by City/County



Conclusion

On June 2, staff will seek feedback from the City Council with the goal of adopting budget amendments at its meeting on June 16, and consideration of new revenues and/or budget reductions. In order to put the TOT before the voters on the November 2020 election, it requires a $\frac{2}{3}$ Council vote (4 out of 5) and as a general tax, it would require a simple majority of the voter (50% + 1).

ATTACHMENT:

1. May 27, 2020 Agenda Report - COVID-19 FY20/21 Financial Report on Structural Deficit and Coronavirus (COVID-19) Deficit on the City General Fund and Proposed Budget Reductions and Revenue Enhancements

Writings distributed for discussion or consideration on this matter within 72 hours of the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:

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City Council Agenda Report

FROM: Lauren Lai, CPA, Finance Director

SUBJECT: FY20/21 Financial Report on Structural Deficit and Coronavirus (COVID-19) Deficit on the City General Fund and Proposed Budget Reductions and Revenue Enhancements (Not a Project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)

RECOMMENDATION:

City Council receive Financial Report on Coronavirus (COVID-19) Impact on City General Fund Fiscal Year 2020/2021 and Various Proposed Budget Reductions and Revenue Enhancements.

POLICY IMPLICATIONS:

Monterey City Charter section 6.6(e) provides: “[i]f there are insufficient funds available to provide for the ordinary and necessary services in any budget year, they may, by an affirmative vote of four (4) members of the City Council, reduce the amount to be appropriated for Neighborhood and Community Improvements.”

FISCAL IMPLICATIONS:

Staff estimates that the effects of COVID-19 pandemic will devastate the City’s General Fund revenues for FY19/20 and FY20/21(2 years) by approximately \$31 million.

The loss is now \$13 million (or 16.2%) through the remainder of fiscal year FY 19/20 (mid-March through June 2020), which is \$3 million higher than originally estimated in April 2020.

For fiscal year FY 20/21, the current estimates project a revenue loss of \$18 million (21.7%) of an \$83 million budget. Additionally, the pandemic created significant financial losses in other funds such as Tidelands, Parking, Measure P & S, etc. The Monterey County Convention and Visitors Bureau (MCCVB) has adjusted the City of Monterey’s revenue loss assumptions for Transient Occupancy Tax (TOT) from \$10M to \$13M. Council resolved \$10M of the \$13M FY20 COVID-19 deficit in April, so the balance of \$3M should be resolved in FY21.

The FY21 proposed solutions need to address \$21M, comprising \$3M FY20 COVID-19 deficit balance and \$18M FY21 COVID-19 deficit. Moreover, the FY21 budget had a structural deficit of \$2.8M which will increase to \$3.2M due to various program and/or insurance updates, however we anticipate this deficit of \$3.2M will be resolved with the new voter-approved Measure G (½ cent per dollar sales tax).

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (“CEQA Guidelines”), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general

rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES: N/A

DISCUSSION:

On April 7 and 21, Council was briefed on the Novel Coronavirus (COVID-19) pandemic and its unprecedented and unpredictable nature and its effects on the City's budget, expenditures and service levels.

Monterey's hospitality industry has nearly grinded to a halt, with dire consequences for the City of Monterey's budget. The City's revenues are dependent on tourism, which accounts for approximately 35% of the City's General Fund, 62% of Measure P and S, and almost 100% of Neighborhood Community Improvement Program (NCIP) and Parking Funds.

The mission of the City of Monterey during this pandemic has been to remain focused on

- maintaining public safety as the top priority,
- keeping the core functions of our local government operational, and
- to encourage a speedy recovery of our economic engines with a focus on our hospitality industry.

With that in mind, our City needs to be prepared to brace for a wide range of fiscal and economic damages, which are occurring and still unfolding. As staff has shared previously, temporarily shuttered facilities such as the library, museums, recreation / park centers, conference center, and sports center must reopen in a safe manner under approved social distancing measures, and in a manner that is fiscally prudent. This report presents short-, mid- and long-term considerations and solutions. The COVID-19 pandemic is causing a significant paradigm shift forcing the City Council to consider revenue, expenditures, and service levels in a compressed timeline. Staff will present a summary of this information and request Council and general public feedback.

This report should be taken in light of prior years of fiscal reform and reductions. Major prior year considerations include: (1) Fiscal Health Response Plan (FHRP) - addressing structural deficit; (2) pre-existing pension obligations; (3) pre-existing unfunded facility repairs; and (4) multiple departments made significant cuts to balance the budget, and it's imperative to consider the reduced staffing and service levels of these departments going into the deeper cuts identified in this COVID-19 report.

This report includes four major sections: (1) Fiscal Overview; (2) Big Picture Strategy / Policy; (3) Broad Service Reductions; and (4) Paradigm Shift Ideas. In terms of timeline, Staff

anticipates additional COVID-19 and budget discussions on June 2 and June 16. The goal is for the Council to adopt budget amendments on June 16th, which will be effective July 1, 2020.

The presented data and proposed solutions are made to correct the short-term budgetary shortfalls. The City of Monterey has provided continuously high service levels to our residents and businesses. It is the intent of the proposed solutions to return to these service levels as soon as it is fiscally responsible.

Labor Contracts:

The City is currently in closed contracts with all of the labor groups. Six of the labor groups have contracts expiring June 30, 2021 and one labor group (Fire) has a contract expiring in June 30, 2022, but may be reopened for negotiations on station staffing and salary in 2021. Therefore, other than layoffs, the City cannot require or impose concessions to achieve reductions in expenditures. All executives (making up a total of 12 employees) have offered and the City has implemented concessions. At this time, these savings will fund a \$1,000 severance to the 81 employees temporarily laid off. Police management and Fire management (making up a total of eight employees) have volunteered concessions.

The City must continue to engage in discussions with the other labor groups to request concessions to salary, salary-based premiums, and benefits. The City does not want to impact the ability to recruit and retain talent. But given that approximately 78% of the general fund expenditures are related to personnel (salary/benefits), the reality is that without across-the-board concessions provided by labor groups the City will need to implement additional layoffs and cuts to city services and programs, including public safety.

Fiscal Overview: Devastation of City General Fund FY 21:

Deficit Summary:

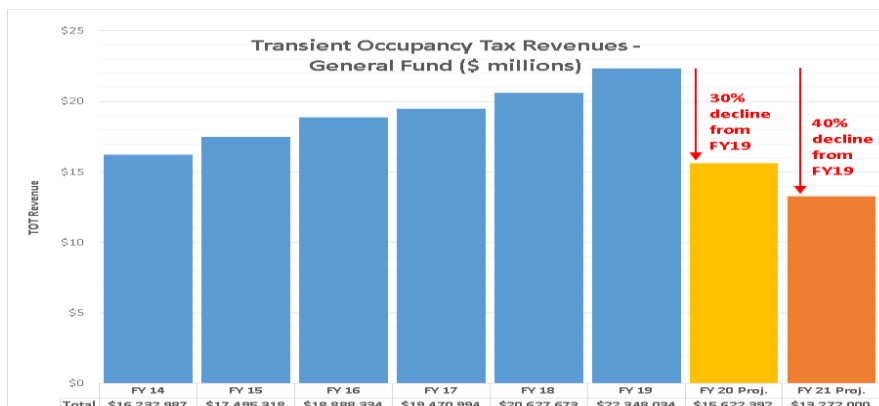
Deficits	FY Adopted	Updates	FY Amended	Proposed Solutions	Comments
FY20 COVID-19	\$0	\$13M	\$M	\$10M \$3M	\$10M of CIP/NCIP \$3M of other solutions
FY21 Structural Deficit	\$2.8M	\$0.4M	\$3.2M	\$3.2M	Measure G ½ sales tax
FY21 COVID-19	\$0	\$18M	\$18M	\$18M	Various Reductions
Total COVID-19 Loss in 2 years		\$31M			

Staff collaborated with various subject matter experts, regional leaders, staff program managers, and others, and corroborated various data resources to derive estimates. Keeping in mind this fluid financial situation, below is Staff's assessment of the FY21 City General Fund revenue losses by major categories.

Loss by Revenue Categories: The table below shows the least worst (\$15.8M) ("scenario A") and worst (\$20.9M) ("scenario B") scenarios of COVID-19 deficits by revenue categories. The scenario A assumes significant easing of the shelter-in-place order effective June 1, 2020. The scenario B assumes a second COVID-19 case spike in fall 2020. The average scenario of \$18M will be used for budgeting and operations. Staff will continue to monitor, analyze and adjust services (restoring them) as revenues improve and propose budget adjustments upwards or downwards.

FY20/21 General Fund Revenue	Revenue as a % of Budget	Total Budget	Loss Due to COVID-19 Scenario A	% Loss	Loss Due to COVID-19 Scenario B	% Loss
Transient Occupancy Tax	29%	\$23.8	(\$9.1)	-38%	(\$10.6)	-44%
Sales Tax	11%	\$8.9	(\$1.4)	-16%	(\$2.1)	-24%
Property Tax	15%	\$12.7	(\$0.4)	-3%	(\$0.6)	-5%
Rents (Commercial)	3%	\$2.2	(\$0.1)	-2%	(\$0.1)	-2%
Conference Center Rents, etc.	3%	\$2.2	(\$1.2)	-53%	(\$1.6)	-70%
Parks & Rec Fees	8%	\$6.5	(\$2.8)	-43%	(\$4.0)	-61%
CDD Fees/License & Permits	5%	\$4.0	(\$0.0)	-1%	(\$0.6)	-15%
Business License	5%	\$3.7	(\$0.1)	-3%	(\$0.2)	-5%
Interest Income	1%	\$0.6	(\$0.3)	-41%	(\$0.3)	-41%
Other Revenues	22%	\$17.8	(\$0.2)	-1%	(\$0.4)	-2%
Total		\$82.6	(\$15.5)	-19%	(\$20.4)	-25%

TOT Revenue Losses – Below is the TOT revenue historical trend and FY20 & FY21 projections.



California Pension System (CalPERS) -- As for CalPERS pension, COVID-19 caused a worldwide economic crash of stock markets resulting in significant CalPERS investment portfolio losses. Based on the CalPERS webinar on April 8th, the March 2020 year-to-date portfolio loss is 4%. CalPERS did not provide an estimated portfolio loss for FY2020 and/or any estimate for future employer higher costs. We do not know the extent of how the FY20 investment losses will increase employer pension costs starting in FY22/23 with a 5-year ramp up and 20-year level payment amortization. CalPERS plans to publish the annual valuation reports in fall 2020, which will include the FY20 actual investment loss and provide more specific COVID-19 fiscal ramifications on employer costs. The City will need to find solutions to resolve this pension obligation.

FY21 Big Picture Strategy / Policy -- This section proposes various strategies and policies to solve FY21 General Fund Budget, which Staff seeks feedback.

- Paradigm Shift Strategies -- With this strategy, the City: (1) recognizes that COVID-19 is unprecedented relative to prior City catastrophes; (2) considers solutions with the idea of "Go Big / Go Broad / Go Simple!" (Jason Furman, Harvard Professor); and (3) act swiftly -- unfortunately there is no time for a traditional reiterative community based process. The City needs to re-examine operations and consider what are core City functions and cost-recovery policies.
- Structural Deficit will be addressed with Measure G Funding Strategy -- Fixes the pre-existing General Fund structural deficit with the new voter-approved Measure G ½ cent per dollar sales tax.
- Pension and Facility Funding Strategy -- Monitoring and instituting long-term solutions to tackle pension liabilities and fix City facilities. Unfunded pension and unfunded facility repairs are pre-existing problems which magnify with COVID-19.
- Fiscal Health Response Plan (FHRP) -- CORE Strategies -- The City continues its FHRP CORE strategies to address COVID19. (1) C - Change Business (2) O - Operational Reductions (3) R - Revenue Enhancements (4) E - Employee Concessions
- Economic Uncertainty Reserve ("rainy day fund") Strategy -- The City Economic Uncertainty Reserve of \$13.7M represents 16.6% of General Fund or the equivalent of almost 2 months of City general fund operations. Some of this balance may be used to solve COVID-19 revenue losses. Keep in mind this is one-time money (not recurring) and in the future, the City will need to restore the rainy day fund and possibly set a higher reserve goal given what the City learns from this pandemic.
- One-time versus Ongoing Solutions Strategies -- The portfolio of costs and revenues will include one-time and ongoing components. To address the immediate challenges and maintain long-term financial stability, the strategies will include one-time strategies that infuse immediate dollars but do not repeat readily in future periods, while recurring strategies infuse dollars repeatedly each period. Examples of one-time strategies are unfunding CIP projects and technology projects. Examples of recurring strategies are workforce reduction, employee concessions, new tax or fee revenues, etc.
- Priority Based Strategy -- To facilitate decision making, this strategy focuses efforts on immediate and urgent priorities. Those include: (1) public safety - serve residents, save lives (2) fix the budget (3) jumpstart local economic recovery
- Labor Negotiation Strategy -- This strategy balances the City's ability to recruit and retain talented employees with the ability to pay for labor costs, and to the end, the strategy seeks employee concessions to possibly avoid some budget cuts and/or layoffs.

FY21 Big Picture Strategies of Proposed Solutions to Solve COVID-19 -- Below is a summary of the proposed COVID-19 fiscal solutions.

- The City will focus on the average scenario of \$21M, comprising \$3M FY20 COVID-19 deficit balance and \$18M FY21 COVID-19 deficit.
- NCIP projects would not be appropriated for FY21.
- Employee layoffs would reduce costs and services.
- Further program costs would be reduced to balance the budget.
- Economic reserve would be used as a one-time solution.
- One-year suspension is proposed for Other Post-Employment Benefits (“OPEB”, retiree medical) savings, vehicle replacement savings, technology projects and/or CIP/facility repairs.
- Revenue solutions -- such as taxes, fees, cost-recoveries -- are all possible, and Staff seeks Council direction before making financial assumptions of additional new revenues. Revenues are discussed further in the “Paradigm Shift Ideas” section.

	Scenario A	Average Scenario	Scenario B
% of GF Budget	22.2%	25.2%	28.1%
Scenario Targets	\$18,525,530	\$21,000,000	\$23,363,980
COVID-19 SOLUTIONS	\$18,525,530	\$20,971,005	\$23,363,980
NCIP	\$3,000,000	\$3,000,000	\$3,000,000
Lay offs - April 2020	\$8,100,000	\$8,100,000	\$8,100,000
Lay offs / Freeze / Retirements - June 2020	*	\$2,433,808	*
Program Cuts - Other Costs	\$5,725,530	\$5,137,197	\$8,263,980
Economic Reserve	\$0	\$600,000	\$1,000,000
Revenue solutions	TBD	TBD	TBD
1-year Reduction of CIP (\$1.4M to \$0.5M)	\$900,000	\$900,000	\$900,000
1-year Suspend OPEB (pay-go only)			\$800,000
1-year Suspend Savings for Vehicle Replace			\$500,000
ISD One Time Savings	\$800,000	\$800,000	\$800,000
*Layoffs/Freezes/Retirements are included in Program Cuts-Other Costs			

General Fund - Broad Budget Reductions -- Staff recognizes that service (program) cuts are difficult but facing this financial devastation, significant service cuts will be necessary. Staff proposes these budget reductions and seeks feedback from the Council and general public. Some of the service reductions may be avoided with employee concessions, new revenues and/or other cost reduction strategies.

	A	B	C	D = (B+C)	E (A+D)	F	G = (E/F)
General Fund Department	General Fund Layoff (April 2020)	Additional Position Freezes/Layoff/Anticipated Retirements	Program Cuts Other Reductions	General Fund Program / Staff Cuts (June 2020)	Total Reduction	FY21 Adopted GF Budget	Total Reductions as % of FY21 GF Adopted
	\$8,134,707	\$2,433,808	\$5,137,197	\$7,571,005	\$15,705,712	\$83,285,071	18.9%
Police	\$0	\$1,143,000	\$447,000	\$1,590,000	\$1,590,000	\$19,457,419	8.2%
Fire	\$73,414	\$635,631	\$743,202	\$1,378,833	\$1,452,247	\$23,413,852	6.2%
Parks	\$101,342	\$217,355	\$30,214	\$247,569	\$348,911	\$4,562,561	7.6%
MSC & Rec	\$3,990,263	\$0	\$1,900,000	\$1,900,000	\$5,890,263	\$9,722,721	60.6%
Library	\$1,857,021	\$0	\$83,434	\$83,434	\$1,940,455	\$3,221,469	60.2%
Museum	\$206,463	\$0	\$13,762	\$13,762	\$220,225	\$372,608	59.1%
PW	\$341,529	\$166,424	\$1,024,642	\$1,191,066	\$1,532,595	\$6,980,249	22.0%
CDD	\$0	\$72,183	\$263,100	\$335,283	\$335,283	\$3,578,088	9.4%
Conf. Center	\$1,293,280	\$0	\$120,388	\$120,388	\$1,413,668	\$4,024,515	35.1%
CMO	\$121,751	\$0	\$208,534	\$208,534	\$330,285	\$1,489,073	22.2%
ISD	\$149,644	\$0	\$40,700	\$40,700	\$190,344	\$706,770	26.9%
CAO	\$0	\$0	\$56,221	\$56,221	\$56,221	\$1,124,426	5.0%
HR	\$0	\$0	\$44,000	\$44,000	\$44,000	\$800,001	5.5%
Finance	\$0	\$199,215	\$162,000	\$361,215	\$361,215	\$3,031,214	11.9%
Non-Dept						\$800,105	

- Police - anticipated retirements/hiring delays of multiple positions and reduced services, training, overtime and supplies. Core functions will be maintained but public safety services will be impacted or reduced such as the traffic officers, School Resource Officer, Community Action Team, general police presence, the Multi-Disciplinary Outreach Team (MDOT) and others. These actions will create a lag in the one-year training cycle for officers to be "street ready." The positions in police can be funded at any time as they will not be eliminated, they will just not be funded.
- Fire - freezes/layoff/anticipated retirements of multiple positions and reduces services & supplies. Core functions will be maintained but some public safety services will be impacted or reduced such as training and emergency preparedness.
- Parks - freezes/layoff/anticipated retirements, reduced services and operational supplies.
- Public Works - freezes/layoff/anticipated retirements of multiple positions and temporarily assigns multiple positions other funds. There will be an impact to the City's ability to maintain its infrastructure. Other services, supplies and utility costs were also reduced.
- Finance - freezes/layoff/anticipated retirements of multiple positions and reduces services and supplies.
- Human Resources -- reduces service, supplies and recruitment costs.
- City Attorney's Office -- reduces court costs and third party service costs.
- City Manager's Office --freezes/layoffs, labor cost allocation to other funds and reduces services and supplies.

- Museum - freezes/layoff/anticipated retirements of multiple positions and reduces services and supplies.
- Library - freezes/layoff/anticipated retirements of multiple positions and reduces services and supplies.
- Sports Center and Recreation -- freezes/layoff/anticipated retirements of multiple positions and reduces services and supplies.
- Information Services Department -- freezes/layoff/anticipated retirements of multiple positions and reduces services and supplies.
- Conference Center - freezes/layoff anticipated retirements of multiple positions and reduces services and supplies.

Paradigm Shift Ideas -- COVID-19 is causing a paradigm shift -- defined as a fundamental change to the approach or underlying assumptions. The City should consider solutions with the idea of “Go Big / Go Broad / Go Simple!”. Moreover, COVID-19 imposes swift action without time for the traditional reiterative process. Below is a list of some “Go Big / Go Broad / Go Simple” ideas in no particular order -- and such list is not all inclusive either and Staff certainly seeks more feedback. Lastly, this list is meant as a starting point for multiple analyses and evaluations. Some of these suggestions will create a robust and, probably, adversarial discussions between interest groups and stakeholders. In other words: we put everything on the table. In presenting this list, Staff has a responsibility to provide solutions / options with potential timeframes:

Decision-Making: Next 1-2 Months

- Transient Occupancy Tax (TOT)
 - Potential rate increase (August deadline for November Ballot)
 - Adjust NCIP allocation (August deadline for November Ballot)
 - Streamline reporting and collection to monthly (Introduce Ordinance in June)
- Monterey County Convention & Visitors Bureau (MCCVB)
 - Set new contribution formula @ 3% (June 2020)
 - Consider one-time infusion of funds for economic recovery (June 2020)
 - Determine one-time forgiveness of rental for Visitor Center/French Consulate (June 2020)
- Binding Arbitration
 - Meet and Consult before potentially placing a measure on the ballot to adjust a binding arbitration provision in the City’s charter (August deadline for November Ballot)
- Monterey City Disposal Service
 - Renew refuse franchise, increase franchise rate / revenues
- Consolidate Staff in Multiple Facilities/Locations
 - Reduce utility, technology, infrastructure costs

Potential Implementation: Next 2-3 Months

- Cost Recovery Analysis / Fee Increases
 - Potential fee increases to offset costs (June/July)
 - Establish facility fees to fund capital improvements/projects at Sports Center (June/July)
- Fire Department

- Discontinue Paramedic Pilot Program (June/July)
 - Explore Fire/Medical Response Fee (July - October)
- Explore Outsourcing Options
 - Conference Center - potential partnership with MCCVB
 - Veterans Memorial Park Campground
 - Harbor/Marina Operations
 - Custodial Services

Potential Implementation: Next 3-6 Months

- Reduce Hours of Services for Administrative Offices
- More Self-Services - automations, website, internet based
- Developer Deposit - approach and administration
- Internal Service Funds - reduce cost, allocation methods, enhance programs
 - Information technology cost allocations and cost reduction opportunities
 - Continue progress with return-to-work programs to reduce worker's compensation expenses
 - Re-examine general liability plans and risk pool strategies

Potential Implementation: Next 6-9 Months

- Private / Non-Profit Funding Support
 - Continued support from Friends and Foundation of the Monterey Public Library
 - "Sports & Wellness Foundation" for Sports Center
 - Partnership with Non-Profits for Senior Center Operations
 - Continued partnership with sports groups for Ballfield Operations
- Fire Department
 - Standards of Cover Study (June-October)
 - Potential reductions in staffing (Early 2021)

Conclusion -- Staff requests that the City Council receive this financial report on COVID-19 impacts on the City General Fund FY21 along with various proposed budget reductions and revenue enhancement. Staff also seeks feedback with the goal of continuing the discussion and approving elements of the FY 2020/21 Budget on June 2, final adoption of the budget on June 16, and consideration of short and mid-term budget strategies.

Monterey's economy including our City's revenues will bounce back. The recent Memorial Day weekend showed how popular the Monterey Peninsula is. However, for the foreseeable future, the short-term and long-term impacts of COVID-19 continues to remain unpredictable and impact the speed of Monterey's economic recovery.