NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, February 1, 2023, 6:00 P.M.

Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

The Council will not begin consideration of any item on this agenda later than 10:00 p.m. unless such consideration is approved. Any items on this agenda not considered this evening will be continued to a future meeting.

Copies of the agenda packet are available for review at the Pacific Grove Library, in the Finance Department, and electronically at www.cityofpacificgrove.org/agendas. The most effective method of communication with the City Council is by sending an email to citycouncil@cityofpacificgrove.org. In order to allow the City Council adequate time to review communication related to an agenda item, it is recommended that the communication be sent no later than 9:00 AM on the day prior to the City Council meeting.

THIS MEETING WILL BE HELD IN PERSON AND VIRTUALLY (HYBRID).

CHAMBER CAPACITY SEATING IS LIMITED AND PROVIDED ON A FIRST COME, FIRST SERVED BASIS.

THE VIRTUAL MEETING IS COMPLIANT WITH THE GOVERNOR'S EXECUTIVE ORDERS ALLOWING FOR A DEVIATION OF TELECONFERENCE RULES REQUIRED BY THE BROWN ACT.

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MEETING INSTRUCTIONS

The public may also view the meeting on the Peninsula Channel 25.

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember Amelio

1. **APPROVAL OF AGENDA**

2. **PRESENTATIONS**

3. **COUNCIL AND STAFF ANNOUNCEMENTS (City-Related Items Only)**

   A. Report on Closed Session by City Attorney

   B. Other

4. **GENERAL PUBLIC COMMENT**

   General Public Comment must deal with matters subject to the jurisdiction of the City and the Council that are not on the Regular Agenda. This is the appropriate place to comment as to items on the Consent Agenda, only if you do not wish to have the item pulled for individual consideration by the Council. Comments from the public will be limited to three minutes and will not receive Council action. Comments regarding items on the Regular Agenda shall be heard prior to Council's consideration of such items at the time such items are called. Whenever possible, written correspondence should be submitted to the Council in advance of the meeting, to provide adequate time for its consideration.

CONSENT AGENDA

The Consent Agenda deals with routine and non-controversial matters, and may include action on resolutions, ordinances, or other public hearings for which testimony is not anticipated. The vote on the Consent Agenda shall apply to each item that has not been removed. Any member of Council, staff, or the public may remove an item from the Consent Agenda for individual consideration. When items are pulled for discussion, they will be automatically placed at the end of their respective section within the Regular Agenda. One motion shall be made to adopt all non-removed items on the Consent Agenda.

5. **APPROVAL OF CITY COUNCIL MEETING MINUTES**

   Items pulled from this section will be placed under 12. Unfinished and Ongoing Business

   A. Minutes of the City Council Special and Regular Meeting of January 18, 2023 and City Council Goal Setting Meeting of January 25, 2023

   Reference: Sandra Kandell, City Clerk

   Recommended Action: Approve minutes.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

6. **RESOLUTIONS**

Items pulled from this section will be placed under 12. Unfinished and Ongoing Business or 13. New Business

A. Adoption of a Resolution Granting Consent to the City of Pacific Grove to Renew the Monterey County Tourism Improvement District (MCTID) and Include the City of Monterey in the MCTID

Reference: Ben Harvey, City Manager

Recommended Action: Adopt a resolution granting consent to the City of Pacific Grove to renew the Monterey County Tourism Improvement District ("MCTID") and include the City of Monterey in the MCTID.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Amendment of Resolution 22-048, Authorizing Examination of Sales or Transactions and Use Tax Records.

Reference: Jennifer Pope, Management Analyst

Recommended Action: Approve the Proposed Amendment of Resolution 22-048, Authorizing Examination of Sales or Transactions and Use Tax Records.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

7. **ORDINANCES**

Items pulled from this section will be placed under 11. Public Hearings

8. **REPORTS – INFORMATION ONLY**

Items pulled from this section will be placed under 12. Unfinished and Ongoing Business or 13. New Business

A. Second Quarter Treasurer's Quarterly Report – Fiscal Year 2022-23

Reference: Mark Sullivan, Accountant

Recommended Action: Receive the Report.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Second Quarter 22/23 Workers' Compensation Report

Reference: Audrey Cray, Finance & Risk Manager

Recommended Action: Receive the report.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

C. Second Quarter Budget Report

Reference: Tori Hannah, Administrative Services Director/Assistant City Manager

Recommended Action: Receive the report.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

D. Second Quarter Purchase Order Report

Reference: Jennifer Pope, Management Analyst

Recommended Action: Receive the Second Quarter Purchase Order Report.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

E. Update on Code Compliance Program

Reference: Andrew Butler, Code Compliance Officer

Recommended Action: Receive staff report regarding Code Compliance program and short term rental enforcement update.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

F. Teleconference Rules For Attendance at Meetings of Legislative Bodies

Reference: Brian A. Pierik, City Attorney

Recommended Action: Motion to receive and file Agenda Report on Teleconference Rules for attendance at meetings of legislative bodies.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

G. 2022 Planning Commission Annual Report

Reference: Joseph Sidor, Contract Planner

Recommended Action: Receive the 2022 Planning Commission Annual Report.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

9. **REPORTS – REQUIRING ACTION**

Items pulled from this section will be placed under 12. Unfinished and Ongoing Business or 13. New Business

A. Ratification of New Local Emergency Actions

Reference: Ben Harvey, City Manager

Recommended Action: Receive report of emergency directives/modifications.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Authorize Agreement for the Del Monte Blvd. Storm Drain Project.

Reference: Joyce Halabi, Deputy Public Works Director

Recommended Action: Authorize an agreement with Monterey Peninsula Engineering for the Del Monte Blvd Storm Drain Improvements Project in an amount not to exceed $227,125 plus a 15% contingency.

CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities

C. Agreement for Comprehensive Fee Study, Development Impact Fees, and/or a Cost Allocation Plan

Reference: Lori Frati, Management Analyst

Recommended Action: Motion to authorize the Mayor to sign an agreement with the Matrix Consulting Group for comprehensive fee study, development impact fees, and/or a cost allocation plan, in an amount not to exceed $67,890.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

D. Contract Amendment with Rincon Consultants Inc.

Reference: Anastacia Wyatt, Community Development Director

Recommended Action: Approve the proposed contract amendment with Rincon Consultants, Inc. relating to a development project located at 1661 Sunset Drive based on a contract time extension.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

E. Appointment to Historic Resources Committee

Reference: Bill Peake, Mayor

Recommended Action: Approve the appointment of J. Bicket to Historic Resources Committee ending January 31, 2025.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

10. **MEETING MINUTES OF COMMISSIONS, BOARDS, AND COMMITTEES**
Items pulled from this section will be placed under 13. New Business

A. Planning Commission Meeting Minutes: September 8, October 13, November 10, and December 8, 2022

Reference: Joseph Sidor, Contract Planner

Recommended Action: Receive the minutes.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

REGULAR AGENDA

11. PUBLIC HEARINGS

For public hearings involving a quasi-judicial determination by the Council, the proponent of an item may be given 10 minutes to speak and others in support of the proponent's position may be given three minutes each. A designated spokesperson for opposition to the item may be given 10 minutes to speak and all others in opposition may be given three minutes each. Very brief rebuttal and surrebuttal may be allowed in the sole discretion of the Council. In public hearings not involving a quasi-judicial determination by the Council, all persons may be given three minutes to speak on the matter. Public hearings on non-controversial matters or for which testimony is not anticipated may be placed on the Consent Agenda, but shall be removed if any person requests a staff presentation or wishes to be heard on the matter.

A. Scope of Public Comments At Meetings of Legislative Bodies

Reference: Brian Pierik, City Attorney

Recommended Action:

1. Request a reading of title of Ordinance;
2. Motion to waive further reading and introduce for a first reading of Ordinance Amending Pacific Grove Municipal Code Section 2.04.050 Regarding Public Comment; and
3. Motion to adopt proposed amendment to Council Policy 000-017 Order of Agenda for Council Meetings

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

12. UNFINISHED AND ONGOING BUSINESS

A. Climate Action and Adaptation Planning

Reference: Megan McKenna

Recommended Action:

1. Request that the City Council prioritize and initiate Climate Action and Adaptation Planning in 2023 tied to Council goals.
2. Seek the services of a consultant to develop and produce a Climate Action and Adaptation Plan.
3. Establish a Council subcommittee on Climate Action and Adaptation Planning.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Council Alternates for Regional and State Agencies and Associations

Reference: Chaps Poduri, Councilmember

Recommended Action: 1. Council appoint alternate for TAMC.
2. Council review and appoint alternates to any other regional agency/association with unfilled alternate representatives.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

C. Goal Setting Subcommittee

Reference: Sandra Kandell, City Clerk

Recommended Action: Discuss and appoint a City Council Goals ad hoc subcommittee for a specified time period to assist Council with finalizing goal language and establishing goal priorities.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

13. **NEW BUSINESS**

A. Council Access to City Committee Email Groups

Reference: Luke Coletti

Recommended Action: Direct the City Attorney to prepare a Resolution amending Council Policy 000-5 to implement the proposed policy (see Attachment #1).

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Presentation of the City's New Transparency Software

Reference: Tori Hannah, Administrative Services Director / Assistant City Manager

Recommended Action: Receive the presentation.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

ADJOURNMENT

NOTICE OF ADA COMPLIANCE: Pursuant to Title II of the Americans with Disabilities Act (Codified At 42 United States Code Section 12101 and 28 Code of Federal Regulations Part 35), and Section 504 of the Rehabilitation Act of 1973, the City of Pacific Grove does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, disability, age or sexual orientation in the provision of any services, programs, or activities. The City of Pacific Grove does not discriminate against persons with disabilities. City Hall is an accessible facility. A limited number of assisted listening devices will be available at this meeting. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format.

Agenda No. 5 A

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Sandra Kandell, City Clerk/DEI Coordinator

MEETING DATE: February 1, 2023

SUBJECT: Minutes of the City Council Special and Regular Meeting of January 18, 2023 and City Council Goal Setting Meeting of January 25, 2023

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve minutes.

Attachments

Draft Minutes 1-18-23

Draft Minutes 1-25-23

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

CLOSED SESSION MEETING

Wednesday, January 18, 2023, 5:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

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Join the Zoom Meeting to participate live at:
https://us02web.zoom.us/j/692219855

DRAFT

CALL TO ORDER
Mayor Peake called the meeting to order at 5:00 p.m. City Clerk conducted roll call with the following Council present in Chamber: Mayor Peake, Councilmembers Amelio, Beck, Coletti and McDonnell. Absent: Mayor Pro Tem Smith and Councilmember Poduri.

APPROVAL OF AGENDA

Action: Upon motion by Councilmember Amelio and seconded by Councilmember Beck, Council voted to approve the agenda.

Motion carried 5-0-2, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, and McDonnell.
NOES: None.
ABSENT: Mayor Pro Tem Smith and Councilmember Poduri.

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION MATTERS
No public comment was received.

A. Conference with Legal Counsel - Initiation of Litigation; Government Code §54956.9(d)(4)) Number of Cases: One

B. Conference with Legal Counsel - Pending Litigation (Government Code Section 54956.9)
Michael Gonzalez v. City of Pacific Grove, California; Police Chief Cathy Madalone; City Manager Ben Harvey; Does 1-10
US District Court, Northern District Action No. 5:22-cv-1079 SVK

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING

Wednesday, January 18, 2023, 6:00 P.M.
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DRAFT

CALL TO ORDER
Mayor Peake called the meeting to order at 6:00 p.m. City Clerk conducted roll call with the following Council present in Chamber: Mayor Peake, Councilmembers Amelio, Beck, Coletti and McDonnell. Appearing remotely via Zoom: Councilmember Poduri. Absent: Mayor Pro Tem Smith. Councilmember Amelio left the meeting at 10:00 p.m.

A. Remote Teleconference - AB 361
No public comment was received.

Action: Upon motion by Councilmember Coletti and seconded by Councilmember Amelio, Council voted to ratify Resolution No. 21-029 Emergency Teleconferencing authorizing remote teleconference meetings of all City legislative bodies for the following 30 days in accord with the Ralph M. Brown Act.

Motion carried 6-0-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

PLEDGE OF ALLEGIANCE
Councilmember McDonnell led the pledge of allegiance.

1. **APPROVAL OF AGENDA**
Action: Staff recommended Consent Agenda item 9C be continued to the Council's

February 1, 2023 meeting.

Action: Upon motion by Councilmember Coletti and seconded by Councilmember Beck, Council voted to approve the agenda as amended.

Motion carried 6-0-1, by the following roll call vote:

AYES:	Mayor Peake, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES:	None.
ABSENT:	Mayor Pro Tem Smith.

2. **PRESENTATIONS**

A. Employee Service Awards: Public Works: Michael Aliotti (35), Nancy McDowell (20), and Garrett McCown (5); Administrative Services Department: Jennifer Pope (10); Police Department: Wiley Griffin (5), Maxfield Murray (5); Recreation Department: Zoe Wilson (5)
Action: Council received presentations.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Pacific Grove and CourseCo Update
Action: Council received presentation.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

3. **COUNCIL AND STAFF ANNOUNCEMENTS (City-Related Items Only)**

A. Report on Closed Session by City Attorney
Conference with Legal Counsel - Initiation of Litigation; Government Code §54956.9(d)(4)) Number of Cases: One

City Attorney Brian Pierik had no reportable action to report out.

Conference with Legal Counsel - Pending Litigation (Government Code Section 54956.9)
Michael Gonzalez v. City of Pacific Grove, California; Police Chief Cathy Madalone; City Manager Ben Harvey; Does 1-10
US District Court, Northern District Action No. 5:22-cv-1079 SVK

City Attorney Brian Pierik had no reportable action to report out.

City Attorney Brian Pierik announced that his office would be returning to a future Council meeting with an amendment to the City's Municipal Code regarding the scope of public comment and following the Municipal Code Amendment, he will be presenting an amendment to the City's Policy regarding the scope of public comment.

City Attorney Brian Pierik further recommended Council and all other legislative bodies allow members of the public to complete their comment unless there is an actual disruption, defining such as a disruption or disturbance where the meeting has been impeded or renders infeasible the orderly conduct of the meeting.

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B. Council and staff made general announcements.

4. **GENERAL PUBLIC COMMENT**
General public comment was received from Carmelita Garcia, Barbara Meister, Colleen Ingram, Crystal Gaudette, John Mothershead, Mari Adams, Nadja Mark, Tony Francois, Janet Wilson, Lisa Ciani, Rebecca Lee, Daniel Miller, and Inge Lorentzen Daumer.

A. Public Comment
Action: Received written public comment, if applicable.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

CONSENT AGENDA

Action: Consent Agenda item 9E was pulled and considered as Regular Agenda item 12B. Consent Agenda item 9D was pulled and considered as Regular Agenda item 12C.

Action: Upon motion by Councilmember Amelio and seconded by Councilmember Coletti, Council voted to approve the Consent Agenda as amended.

Motion carried 6-0-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith.

5. **APPROVAL OF CITY COUNCIL MEETING MINUTES**

A. Minutes of the December 21, 2022 City Council Regular Meeting
Action: Approved minutes.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

6. **RESOLUTIONS**

7. **ORDINANCES**

8. **REPORTS – INFORMATION ONLY**

A. Monterey Salinas Transit Meeting Minutes: November 14, 2022
Action: Received minutes.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Council Goals Meeting January 25, 2023
Action: Received report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

C. Check Register Report - December 2022
Action: Received the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines

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Section 15378

D. Core Revenue Report - December 2022
Action: Received the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

9. **REPORTS – REQUIRING ACTION**

A. Ratification of New Local Emergency Actions
Action: Received report of emergency directives/modifications.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Legal Services Agreement with Jackson Lewis P.C.
Action: Authorized the Mayor to sign an Amendment to the Legal Services Agreement with Jackson Lewis P.C.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

C. Agreement for Comprehensive Fee Study, Development Impact Fees, and/or a Cost Allocation Plan ***During the approval of the agenda, the item was continued to the Council's February 1, 2023 meeting.***
Action: Authorized the Mayor to sign an agreement with the Matrix Consulting Group for comprehensive fee study, development impact fees, and/or a cost allocation plan, in an amount not to exceed $67,890.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

D. Proposed Amendment to City Council Policy 000-18 on Recording of City Council Meetings
This item was pulled and considered as Regular Agenda item 12C.
Reference: Brian Pierik, City Attorney
Recommended Action: Approved Amendment to City Council Policy 000-18 on Recording of City Council Meetings.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

E. Appointments to City Boards, Committee, Commissions, and Task Force ***This item was pulled and considered as Regular Agenda item 12B.***
Reference: Bill Peake, Mayor
Recommended Action: Approve appointments to City Boards, Committee, Commissions, and Task Force listed below.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

10. **MEETING MINUTES OF COMMISSIONS, BOARDS, AND COMMITTEES**

A. Diversity, Equity and Inclusion Task Force Meeting Minutes: December 12, 2022
Action: Received minutes.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

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B. Library Board Meeting Minutes: September 19, 2022 and November 14, 2022
Action: Received minutes.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

REGULAR AGENDA

11. **PUBLIC HEARINGS**

12. **UNFINISHED AND ONGOING BUSINESS**

A. 2022-2023 Special Events Calendar Late Additions
Public comment was received from Michael Ipson, Randy Sabado, Klarity Coleman, Inge Lorentzen Daumer, and Janet Wilson.

Action: Upon motion by Councilmember Amelio and seconded by Councilmember McDonnell, the Council voted to

1. Approve the following late addition special events for inclusion in the Fiscal Year 2022-2023 Special Events Calendar: Meals on Wheels Community Fest on April 16, 2023, the Quilters Show May 5-7, 2023 and the Walk of Remembrance on May 13, 2023; and
2. Approve the late addition special events as City Sponsored and waive fees for City staff support and equipment/facility usage.

Motion carried 6-0-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Appointments to City Boards, Committee, Commissions, and Task Force ***This item was pulled from the Consent Agenda.***
Public comment was received from Crystal Gaudette, Tina Rau, Stephanie Wittles Wachs, Heather Mothershead Zunguze, Michael Ipson, Mike Gibbs, John Mothershead, Colleen Ingram, Sierra North, Nadja Mark, Carol Marquart, Robin Pelc, Lisa Ciani, Carmelita Garcia, JM, Adam deBoor, Randy Sabado, Rebecca Lee, Janet Cohen, Molly, Marsha, Dick Paquette, Klarity Coleman, Richard O'Mara, unnamed speaker, Nadja Mark, Kristy Markowitz, Shannon Warto.

Action #1: Upon motion by Councilmember Coletti and seconded by Councilmember McDonnell, Council voted to account for the intent of Municipal Code 030 Terms Designated, staggering two (2) incumbent members of the Diversity, Equity and Inclusion Task Force with terms extended to January 31, 2024 and appoint three (3) applicants to serve two years with terms expiring January 31, 2025.

Motion carried 6-0-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, McDonnell, and

DRAFT

Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith.

Action #2: Upon motion by Councilmember Beck and seconded by Councilmember Coletti, Council voted to approve all appointments to City Boards, Committee, Commissions, except for the Task Force and withdrawing H. Leinen's application for the Administrative Enforcement Hearing Officer Panel.

Motion carried 5-1-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, and McDonnell.
NOES: Councilmember Poduri.
ABSENT: Mayor Pro Tem Smith.

Action #3: Upon motion by Councilmember Coletti and seconded by Councilmember McDonnell, Council voted to appoint Nadja Mark and Kim Bui to the Diversity, Equity and Inclusions Task Force with terms ending January 31, 2024.

Substitute Action: A substitute motion by Councilmember Amelio to appoint Kim Bui, Nadja Marks, and Tina Rau to the Diversity, Equity and Inclusion Task Force was withdrawn after discussion of previous motion of two incumbents.

Motion carried 6-0-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith.

Action #4: Upon motion by Councilmember Coletti and seconded by Councilmember McDonnell, Council voted to appoint Donna Stevens, Juan Mosquera, and Katherine Hoops to the Diversity, Equity and Inclusion Task Force with terms ending January 31, 2025.

Motion carried 6-0-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

Action: Upon motion by Councilmember Beck and seconded by Councilmember Coletti, Council voted to break for 10 minutes and to continue past 10:00 p.m. to complete the remainder of the agenda items.

Motion carried 4-2-1, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Beck, Coletti, McDonnell.

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NOES: Councilmembers Amelio and Poduri.
ABSENT: Mayor Pro Tem Smith.

C. Proposed Amendment to City Council Policy 000-18 on Recording of City Council Meetings
This item was pulled and considered as Regular Agenda item 12C.
Public comment was received from Adam de Boor.

Action: Upon motion by Councilmember McDonnell and seconded by Mayor Peake, Council voted to approve Amendment to City Council Policy 000-18 on Recording of City Council Meetings.

Motion carried 4-1-2, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith and Councilmember Amelio.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

13. **NEW BUSINESS**

A. Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2022
No public comment was received.

Action: Council received the Annual Comprehensive Annual Financial Report, which includes the Auditor's Opinion on the City's financial statements, from the City's independent auditor, Chavan & Associates, LLP; received the Transportation Safety and Investment Plan Account Fund (TAMC Measure X) Report, which includes the Auditor's Report by the City's independent auditor, Chavan & Associates, LLP; and received a status on improvements based on the auditor's recommendations that are being implemented, and provide any desired direction.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. CalAm Water Use Subcommittee
No public comment was received.

Action: Upon motion by Councilmember Beck and seconded by Councilmember McDonnell, the Council voted to create a water conservation ad hoc subcommittee for nine (9) months comprised of Councilmember Beck, Councilmember Coletti and Councilmember McDonnell, to perform audits on billing, site location, and ways to conserve water.

Motion carried 5-0-2, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith and Councilmember Amelio.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines

DRAFT

Section 15378

C. Use of Electronic Communication Devices During City Council
Public comment was received from Inge Lorentzen Daumer, Janet Wilson, and Jane Haines.

Action: Upon motion by Councilmember Coletti and seconded by Council McDonnell, the Council voted to direct the City Attorney to prepare a resolution amending Council Policy 000-9 (Council Guidelines) to implement the proposed policy as provided in attachment 4, striking "such as cell phones" from paragraph 1, and with the City Attorney to evaluate the last sentence in policy for effectiveness.

Motion carried 5-0-2, by the following roll call vote:

AYES: Mayor Peake, Councilmembers Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: Mayor Pro Tem Smith and Councilmember Amelio.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

ADJOURNMENT
Council adjourned the meeting at approximately 11:18 p.m.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____Date_____

Attest by City Manager: _____Date_____

DRAFT

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE
CITY COUNCIL
SPECIAL GOAL SETTING MEETING

Wednesday, January 25, 2023, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

THIS MEETING WILL BE HELD IN PERSON AND VIRTUALLY (HYBRID).
CHAMBER CAPACITY SEATING IS LIMITED AND PROVIDED ON A FIRST COME, FIRST SERVED BASIS.
THE VIRTUAL MEETING IS COMPLIANT WITH THE GOVERNOR'S EXECUTIVE ORDERS ALLOWING FOR A DEVIATION OF TELECONFERENCE RULES REQUIRED BY THE BROWN ACT.

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https://us02web.zoom.us/j/209579290

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CALL TO ORDER
Mayor Peake called the meeting to order at 6:00 p.m. City Clerk conducted roll call with the following Council present in Chamber: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell and Poduri.

PLEDGE OF ALLEGIANCE
Mayor Peake led the pledge of allegiance.

1. **APPROVAL OF AGENDA**
Action: Upon motion by Councilmember Coletti and seconded by Mayor Pro Tem Smith, Council voted to approve the agenda.

Motion carried 7-0, by the following roll call vote:

AYES:	Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES:	None.
ABSENT:	None.

REGULAR AGENDA

2. **NEW BUSINESS**

A. Council Goals
Public comment was received from Rebecca Lee, Andrew Kubica, Jenny MacMurdo, Michaela Braveman, Wendy Giles, Andrew Gonzales, Paul Walkingstick, Lisa Ciani, Thom Akeman, Marsha, Christie Thomas, and Inge Lorentzen Daumer.

Action: Council participated in the goal setting process to establish Goals for 2023.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

ADJOURNMENT
Council adjourned the meeting at approximately 8:47 p.m.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____Date_____

Attest by City Manager: _____Date_____

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CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Ben Harvey, City Manager
MEETING DATE:	February 1, 2023
SUBJECT:	Adoption of a Resolution Granting Consent to the City of Pacific Grove to Renew the Monterey County Tourism Improvement District (MCTID) and Include the City of Monterey in the MCTID
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Adopt a resolution granting consent to the City of Pacific Grove to renew the Monterey County Tourism Improvement District ("MCTID") and include the City of Pacific Grove in the MCTID.

DISCUSSION

RESULT OF RECOMMENDED ACTION:

The recommended action, adoption of the attached resolution granting consent to the City of Pacific Grove to renew the MCTID and include the City of Monterey in the MCTID, will enable the City of Pacific Grove and the Monterey County Convention and Visitors Bureau (MCCVB) to move forward with the MCTID renewal process. Upon successful renewal, the MCTID will continue to be governed by the TID Oversight Committee and the Management District Plan (MDP), facilitated by the Monterey City Council and the Monterey County Convention and Visitors Bureau (the Owner's Association).

BACKGROUND:

First launched in 2006 under the Property and Business Improvement Area Law of 1989 ('89 Law), the Monterey County Tourism Improvement District (MCTID) is a benefit assessment district proposed to continue as a revenue source to help fund marketing and sales promotion efforts for lodging businesses in Monterey County. In 2018, an effort to modernize the MCTID led to the disestablishment of the '89 Law district and re-establishing the MCTID pursuant to the Property and Business Improvement District Law of 1994 ('94 Law). The five-year term of the MCTID is set to expire on December 31, 2023, and the required number of lodging business owners have submitted a written petition to renew the district. Pending successful renewal of the MCTID, the Owner's Association will request to modify the current MCTID term to end early on June 30, 2023, with the renewed district beginning on July 1, 2023.

The 94 Law allows for the renewal of multi-jurisdictional tourism improvement districts, with consent of the included jurisdictions being granted to one "lead" jurisdiction. The City of Monterey has requested consent to continue to act as the lead jurisdiction in the renewal of the MCTID, administering the MCTID countywide. Adopting this resolution will give the City of Monterey authority to include

the City of Pacific Grove in the renewed MCTID.

Management District Plan
The Management District Plan includes the proposed boundary of the renewed MCTID, a service plan and budget, and a proposed means of governance. The MCTID shall include all lodging businesses, existing and in the future, located within the boundaries of the unincorporated areas of Monterey County and the Cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad. The MCTID is divided into two (2) benefit zones as described in the Plan.

The Cities and County shall continue to be responsible for collecting the assessment on a monthly, bi-monthly, or quarterly basis (including any delinquencies, penalties, and interest) from each lodging business located within the boundaries of the MCTID. The Cities and County shall make all reasonable efforts to collect the assessments from each lodging business. The Cities and County shall forward the assessments to Monterey County Destination Marketing Organization, Inc. d.b.a. Monterey County Convention and Visitors Bureau (MCCVB), serving as the MCTID Owner's Association, which will have the responsibility of managing MCTID programs as provided in the Management District Plan.

Lodging business owners decided to pursue renewal of the MCTID in order to continue a revenue source devoted to marketing Monterey County as a tourist, meeting, and event destination. If renewed, the MCTID would generate an initial annual budget of approximately $8,856,266, increasing biennially as assessment rates increase, for the promotion of travel and tourism specific to Monterey County.

OPTIONS
Do not adopt the aforementioned resolution.

FINANCIAL IMPACT:
None immediately. Because the MCTID programs are intended to increase room night sales for assessed businesses within the MCTID, there may be an increase in tax collections.

The Cities and the County may retain a fee equal to one percent (1%) of the amount of the assessment collected within their respective jurisdictions to cover their costs of collection and administration.

GOAL ALIGNMENT: Not Applicable.

Attachments

Proposed Reso
City of Monterey Reso
MCTID Mgt District Plan

RESOLUTION NO.22-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE, GRANTING CONSENT TO THE CITY OF PACIFIC GROVE TO RENEW THE MONTEREY COUNTY TOURISM IMPROVEMENT DISTRICT (MCTID)

WHEREAS, the City of Monterey initially created the MCTID in 2006 under the Parking and Business Improvement Area Law of 1989; and

WHEREAS, the MCTID was converted in 2019 under Property and Business Improvement District Law of 1994 by Resolution No. 18-147 for a five (5) year term, which ends December 31, 2023; and

WHEREAS, the City Council of the City of Monterey has requested consent to renew the MCTID in the City of Pacific Grove with adoption of Monterey City Council Resolution No. 22-169, dated December 20, 2022;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Pacific Grove, that:

Section 1: The above recitals are true and correct.

Section 2: The City of Monterey is hereby granted consent to include the City of Pacific Grove in the MCTID, for the renewal of the MCTID and future renewals.

Section 3: The City Clerk is hereby directed to transmit a certified copy of this Resolution to the Clerk of the City of Monterey City Council.

Section 4: This Resolution is effective upon its adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 1st day of February, 2023 by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

_____
BILL PEAKE, Mayor

ATTEST:
DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

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RESOLUTION NO. 22-169 C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

REQUESTING CONSENT OF THE COUNTY OF MONTEREY AND CITIES OF CARMEL-BY-THE-SEA, DEL REY OAKS, GONZALES, GREENFIELD, KING CITY, MARINA, PACIFIC GROVE, SALINAS, SAND CITY, SEASIDE, AND SOLEDAD TO CREATE THE MONTEREY COUNTY TOURISM IMPROVEMENT DISTRICT

WHEREAS, the City Council of the City of Monterey desires to begin proceedings to form the Monterey County Tourism Improvement District (MCTID);

WHEREAS, certain lodging business owners have requested that the City Council of the City of Monterey create the MCTID; and

WHEREAS, a portion of the territory proposed to be included in the MCTID lies within the boundaries of the unincorporated areas of the County of Monterey and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad (the "Granting County and Cities"), as shown on the map attached hereto as Exhibit A and incorporated herein by such attachment; and

WHEREAS, the area of the unincorporated areas of the County of Monterey and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad which lies within the boundaries of the proposed MCTID will, in the opinion of the City Council of the City of Monterey, be benefited by the improvements and activities, and the purpose sought to be accomplished by the work can best be accomplished by a single comprehensive scheme of work;

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:

Section 1: The above recitals are true and correct.

Section 2: Consent of the County of Monterey and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Pacific Grove, Salinas, Sand City, Seaside, and Soledad, through their Board of Supervisors and City Councils, is hereby requested to create

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the MCTID, and to grant to the City Council of the City of Monterey jurisdiction for all the purposes in connection with the creation, operation and future renewals of the proposed MCTID.

Section 3: The City Clerk is hereby directed to transmit a certified copy of this Resolution to the clerks of the Granting County and Cities.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 20th day of December, 2022, by the following vote:

AYES:	5	COUNCILMEMBERS:	Barber, Garcia, Haffa, Smith, Williamson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None

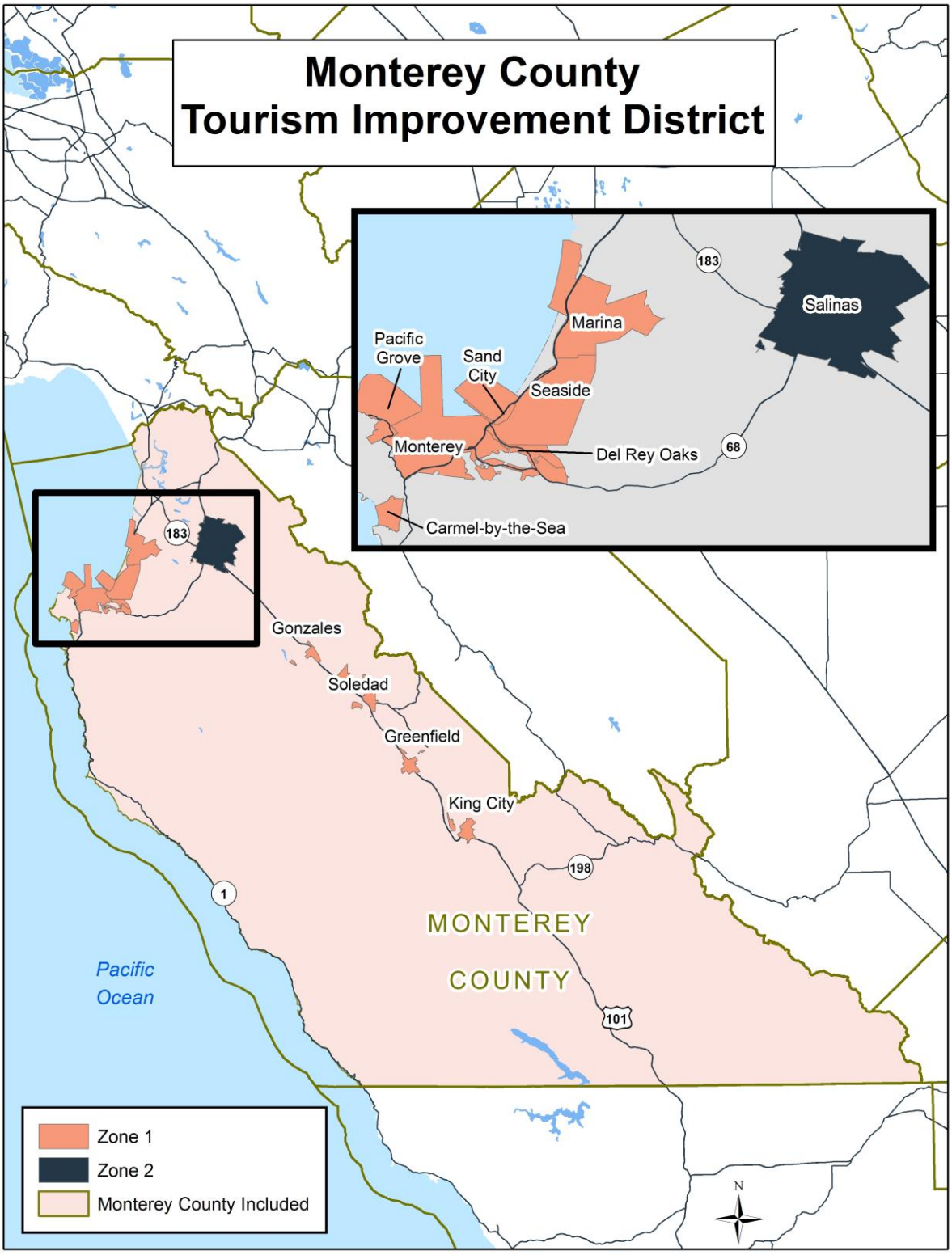
APPROVED:

ATTEST:

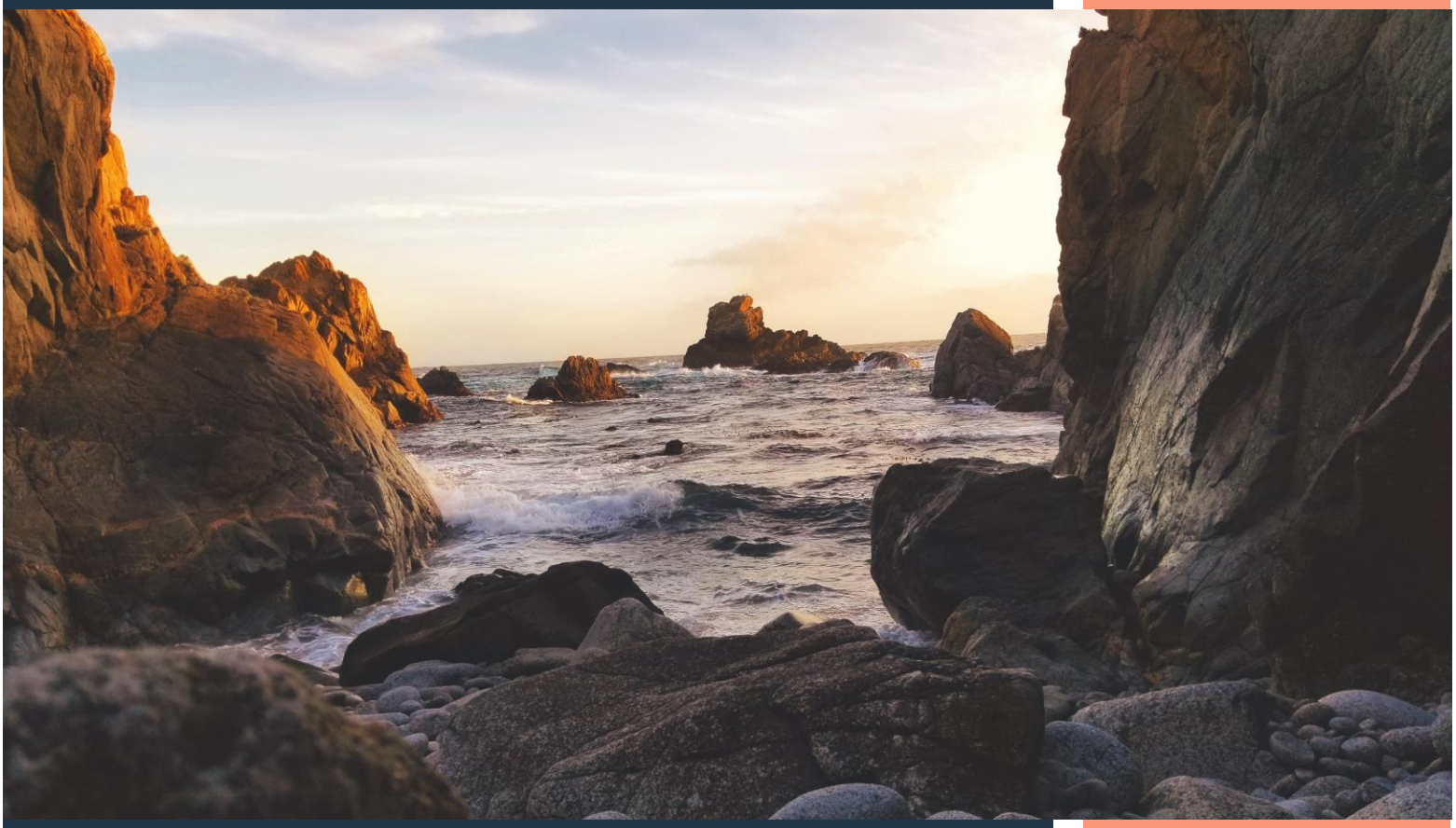
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Tyller Williamson
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Mayor of said City

DocuSigned by:
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City Clerk thereof

EXHIBIT A


Monterey County
Tourism Improvement District
Salinas
183
Marina
Pacific
Grove
Sand
City
Seaside
Monterey
Del Rey Oaks
68
Carmel-by-the-Sea
183
Gonzales
Soledad
Greenfield
King City
198
1
MONTEREY
COUNTY
101
Pacific
Ocean
Zone 1
Zone 2
Monterey County Included
N

2023-2033



MONTEREY COUNTY TOURISM IMPROVEMENT DISTRICT

MANAGEMENT DISTRICT PLAN

Prepared pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq.

November 2, 2022

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Prepared by
Civitas

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I. OVERVIEW

Developed by the Monterey County Destination Marketing Organization, Inc. d.b.a. Monterey County Convention and Visitors Bureau (MCCVB), the Monterey County Tourism Improvement District (MCTID) is an assessment district which provides specific benefits to payors by funding group sales and services and marketing communications activities for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors. The MCTID was initially created in 2006 pursuant to the Parking and Business Improvement Area Law of 1989 and was converted in 2019 pursuant to the Property and Business Improvement District Law of 1994 for a five (5) year term. MCCVB and Monterey County lodging businesses now wish to renew the MCTID for a ten (10) year term. Pursuant to Streets and Highways Code §36620.5, the City of Monterey shall continue to act as the lead jurisdiction for renewing the MCTID. The City of Monterey shall continue to receive MCTID annual reports. Funds raised through the MCTID are meant to supplement the Jurisdiction Partnership investments so as to have a competitive budget and business plan.

Location: The renewed MCTID includes all lodging businesses located within the boundaries of the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad. The MCTID is divided into two (2) benefit zones, as shown on the map in Section IV.

Services: The MCTID is designed to provide specific benefits directly to payors by increasing demand for room night sales. Group business development and marketing communications activities will increase demand for overnight tourism and market Monterey County as a tourist, meeting and event destination, thereby increasing demand for room night sales for assessed businesses.

Budget: The total MCTID annual assessment budget for the initial year of its ten (10) year operation is anticipated to be approximately $8,856,266. This assessment budget is expected to increase as the assessment rate increases are adopted pursuant to this Plan, but this budget is expected to fluctuate as room sales do.

Cost: The assessment is a fixed amount per occupied room per night. The assessment is based on the business hotel type. Based on the benefit received, assessments shall not be collected on: stays of more than thirty (30) consecutive days; stays at vacation time-share facilities; stays at vacation rentals; stays at RV parks; stays by any Federal or State of California officer or employee when on official business; and stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Initial assessment rates are:

Hotel Type	Zone 1	Zone 2
Luxury	$7.00	$7.50
Non-Luxury Full Service	$4.50	$5.00
Limited Service	$1.50	$2.00

Based on the provision of additional services and additional benefit to the lodging businesses, the assessment rate shall automatically increase biennially beginning in FY

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2025-26, unless the MCCVB Board's TID Committee votes not to implement the automatic increase based upon circumstances that they deem significant. If the MCCVB Board's TID Committee elects to cancel the automatic increase for that year, the MCCVB Board's TID Committee may implement a cumulative increase at the next regularly scheduled rate increase.

Collection: The cities and County shall be responsible for collecting the assessment on a monthly, bi-monthly or quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the MCTID. The cities and County shall make all reasonable efforts to collect the assessments from each lodging business.

Duration: The renewed MCTID shall have a ten (10) year life, beginning July 1, 2023, or as soon as possible thereafter, and end ten (10) years from its start date. Once per year, beginning on the anniversary of MCTID renewal, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a Monterey City Council hearing on MCTID termination.

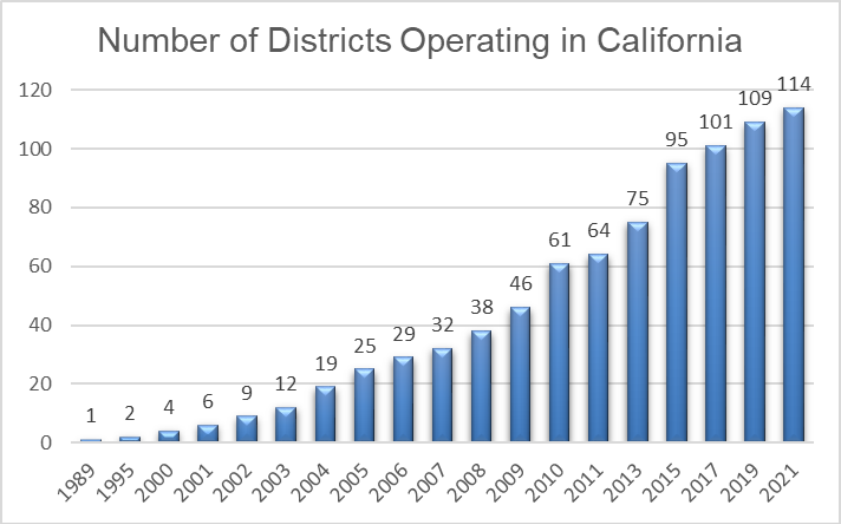
Management: The MCCVB Monterey County Destination Marketing Organization, Inc. d.b.a. Monterey County Convention and Visitors Bureau (MCCVB) shall continue to serve as the Owners' Association for the MCTID. The MCCVB Board's TID Committee shall continue to have full decision-making authority over the expenditure of MCTID funds as defined in Section V. The Owners' Association is charged with managing funds and implementing activities in accordance with this Plan and must provide annual reports to the Monterey City Council.

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II. BACKGROUND

A. Tourism Improvement District Overview

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Massachusetts, Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California's TIDs collectively raise over $300 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Monterey County lodging businesses continue to invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase demand for room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase demand for room night sales.

In California, most TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

B. Tourism Improvement District Benefits

There are many benefits to TIDs:

- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

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C. MCTID History and Partnerships with Jurisdictions

The history of the Monterey County Tourism Improvement District (MCTID) is one of partnership. The MCTID was first established in 2006 because the region's hospitality industry recognized that TIDs create a reliable funding source for destination marketing.

Municipalities and the County of Monterey have historically demonstrated a commitment to fund tourism promotion. The renewed and expanded MCTID has been developed with this partnership in mind. The continued partnership is critical to the MCTID's success, as the funds raised through both the TID, the municipalities and the County of Monterey will allow a competitive budget and business plan for the region's destination marketing.

D. Looking Ahead

Market share, revenue, improved community connectivity

Focus	Currently	Investment in a Better Future
Sphere of Marketing Reach	Primarily Regional paid media advertiser	National Brand with paid media reach into Midwest, East Coast – high value travelers
Meetings & Conferences	Five-person sales team; primarily focused on regional meetings; limited booking incentive	Expand sales team; increase sales activities; aggressive booking incentive; intensify focus on corporate, incentive and Tour & Travel
Event Attraction & Promotion	No proactive event attraction effort; promotion limited to social and PR (no paid media)	Dedicated program to attract *advantageous* events; paid media support for select events
Transportation Development	Tactical and reactive; lacking a well-supported MCCVB/ Community strategy	Annual dedicated budget; strategically proactive
International Marketing	One sales executive, limited co-op (VCA, Brand USA) marketing	Multi-country sales representation, significant increase in direct sales and marketing
Luxury Initiative	Direct sales through involvement with Virtuoso, ILTM, VCA; limited marketing	Significant expansion (2-3X) of both sales and marketing programs
Sustainable/Responsible Travel	Consistent messaging through unpaid (social & PR), limited paid media; implementation of See Monterey app	On-going paid media campaign; support shuttle programs/promotion; in-market collateral/signage;

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III. BOUNDARY

The renewed MCTID shall include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad.

Lodging business means: any building, portion of any building, or group of buildings in which there are guest rooms or suites, including housekeeping units for transient guests, where lodging with or without meals is provided. Notwithstanding the previous sentence, lodging business does not include:

- Vacation time-share facilities;
- Vacation rentals, defined as a single family home, townhome, or condominium that is available for rent; and
- Recreational vehicle (RV) parks.

There are three types of lodging businesses in the MCTID: luxury, non-luxury full service, and limited service.

- Luxury lodging business means: a lodging business with an average daily rate of $500 or more, based on the previous year's performance, with premium services and the highest quality ratings. Lodging businesses whose average daily rate increases to $500 or more will be assessed upon determination of the increase; likewise, lodging businesses whose average daily rate decreases to below $500 will not be assessed as a luxury lodging business upon determination of the decrease. Average daily rate figures shall be updated annually. Luxury lodging businesses may have restaurants, meeting spaces, exercise rooms, or spas, and have characteristics of five (5) star hotels. The luxury lodging business type includes properties classified as all-inclusive, boutique, and destination resorts by Smith Travel Research.

- Non-luxury full service lodging business means: a lodging business with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms, or spas. non-luxury full service lodging businesses are often in the upscale or upper upscale class as defined by Smith Travel Research.

- Limited service lodging business means: a lodging business that offers limited facilities and amenities, typically without a full-service restaurant. Limited service lodging businesses are often in the economy, midscale, or upper midscale class as defined by Smith Travel Research.

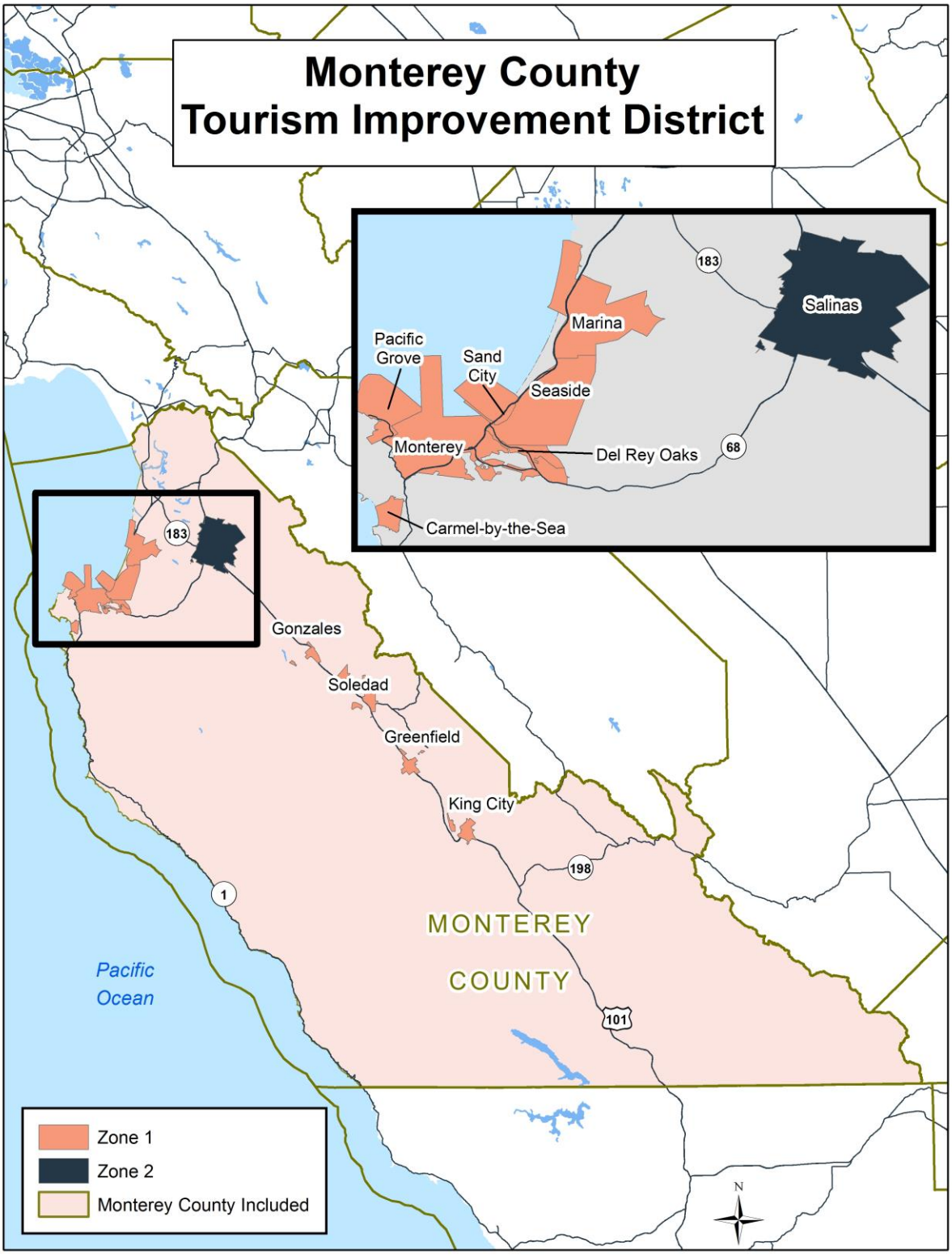
A complete listing of lodging businesses within the proposed MCTID can be found in Appendix 2.

The proposed MCTID is divided into two (2) benefit zones, based on the special benefits and privileges granted to lodging businesses in each zone. The boundaries of each zone are shown in the map on the following page. A description of the boundaries of each zone is provided below:

Zone 1: Includes the unincorporated area of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Sand City, Seaside, and Soledad.

Zone 2: Includes the City of Salinas. The boundaries of Zone 2 shall be the boundaries of the City of Salinas as may be amended from time to time.

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Monterey County
Tourism Improvement District
Salinas
183
Marina
Pacific
Grove
Sand
City
Seaside
Monterey
Del Rey Oaks
68
Carmel-by-the-Sea
183
Gonzales
Soledad
Greenfield
King City
198
1
MONTEREY
COUNTY
101
Pacific
Ocean
Zone 1
Zone 2
Monterey County Included
N

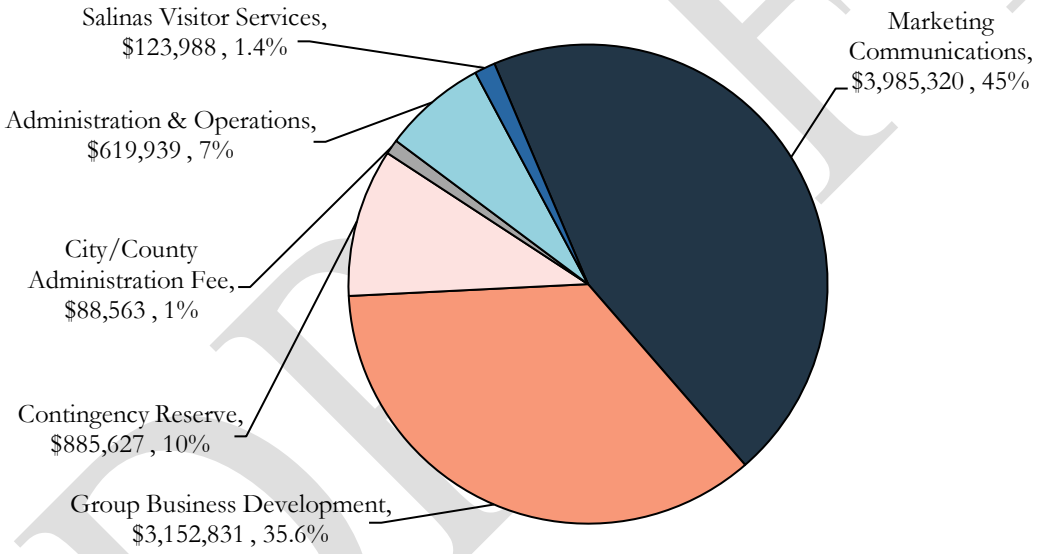
IV. ASSESSMENT BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds shall be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of Monterey of conferring the benefits or granting the privileges. The privileges and services provided with the MCTID funds are group business development and marketing communications activities available only to assessed lodging businesses. The assessment rate for each hotel type will be commensurate with privileges and services provided to assessed businesses in each hotel type as detailed in Appendix 4.

A service plan assessment budget has been developed to deliver services that benefit the assessed businesses. A detailed annual assessment budget shall be developed and approved by MCCVB. The table below illustrates the initial annual assessment budget allocations. The total initial assessment budget is $8,856,266.

Initial Annual Assessment Budget - $8,856,266



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the assessment budget shall remain the same. However, with the exception of the Zone 2 assessment budget category of Salinas Visitor Services, the MCCVB TID Committee shall have the authority to adjust assessment budget allocations between the categories by no more than fifteen percent (15%) of the total assessment budget per year. Any changes to the assessment budget category allocations shall be included in the annual report to the City of Monterey. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the MCTID, any and all assessment funds may be used for the costs of defending the MCTID.

Each assessment budget category includes all costs related to providing that service. For example, the marketing communications assessment budget includes the cost of MCCVB staff time dedicated to overseeing and implementing the marketing communications program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the assessment budget. The costs of

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an individual staff member may be allocated to multiple assessment budget categories. The staffing levels necessary to provide the services below shall be determined by the MCCVB on an as-needed basis.

Marketing Communications

The marketing communications program will promote assessed businesses as tourist, meeting, and events destinations. The marketing communications program will have a central theme of promoting Monterey County as a desirable place for overnight visits. The program will have the goal of generating overnight visitation and room sales at assessed businesses, and may include the following activities:

- Programs that develop and distribute content via paid, owned and earned channels to drive overnight visitation and room sales to assessed businesses;
- Partnership marketing initiatives with Monterey Regional Airport for domestic marketing, plus cooperative programs for international marketing to reach farther-out prospective visitors to drive overnight visitation and room sales to assessed businesses;
- Focus on high-priority, high-impact initiatives to drive overnight visitation and room sales to assessed businesses;
- Collaborations with transportation partners to make it easier to get to and around Monterey County to drive ideal overnight visitation and room sales to assessed businesses;
- Drive familiarity and engagement for group audiences through targeted direct marketing and retargeting programs to complement Group Sales' business development focus to drive overnight visitation and room sales to assessed businesses; and
- Expand international marketing to drive overnight visitation and room sales to assessed businesses.

Group Business Development

The group business development program will develop business leads for meetings and events that convert to room nights for assessed businesses. The group business development program will have a central theme of promoting Monterey County as a desirable place for overnight group visits. The program will have the goal of generating overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Group marketing initiatives to ensure target customer destination familiarity to drive overnight visitation and room sales to assessed businesses;
- A business development model ensuring highly qualified leads and efficient use of Owners' Association resources in developing new business opportunities to drive overnight visitation and room sales to assessed businesses;
- Focus on business development platform: engage, action, transaction, participation to drive overnight visitation and room sales to assessed businesses;
- Familiarization trips (FAMs) and site inspections to drive overnight visitation and room sales to assessed businesses;
- Strategic client services designed to make attendee's destination choice easier to drive overnight visitation and room sales to assessed businesses;
- Visitor services programs designed to extend stays at assessed businesses and increase visitor spending;
- Strategic business development services designed to identify, qualify, and pursue new business opportunities that best fit the destination's profile, targeting the ideal opportunities from key deployed markets to drive overnight visitation and room sales to assessed businesses; and
- Tour and travel sales programs to fill shoulder seasons and need periods for the destination to drive overnight visitation and room sales to assessed businesses.

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Salinas Visitor Services
The Salinas Visitor Services portion of the assessment budget shall be utilized for funding visitor services activities for the benefit of generating overnight visitation and room night stays at Zone 2 lodging businesses. The Salinas Visitor Services program will provide visitors with brochures, maps, and information regarding local events. The Salinas Visitor Services assessment budget shall be the amount collected annually from the additional $0.50 assessment in Zone 2.

MCCVB Administration and Operations
The MCCVB administration and operations portion of the assessment budget shall be utilized by the MCCVB for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

City/County Administration Fee
The cities and County may retain a fee equal to one percent (1%) of the amount of the assessment collected, within their respective jurisdictions, to cover their costs of collection and administration.

Contingency/Reserve
The assessment budget includes a contingency line item to account for lower than anticipated collections or higher than anticipated program costs, if any. Up to ten percent (10%) of the assessment budget may be allocated to the contingency/reserve in any given year. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the TID Committee. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the TID Committee. Contingency/reserve funds may be spent on TID activities or administrative and renewal costs in such proportions as determined by the Committee. The reserve fund may be used for the costs of renewing the TID.

B. Annual Assessment Budget

The assessment is a fixed amount per occupied room per night. The assessment is based on the business hotel type. Based on the provision of additional services and additional benefit to the lodging businesses, the assessment rate shall automatically increase biennially beginning in FY 2025-26 for both Zone 1 and Zone 2, unless the MCCVB Board's TID Committee votes not to implement the automatic increase based upon circumstances that they deem significant. If the MCCVB Board's TID Committee elects to cancel the automatic increase for that year, the MCCVB Board's TID Committee may implement a cumulative increase at the next regularly scheduled rate increase. Because services shall remain constant for the Salinas Visitor Services program (brochures, maps, and information regarding local events for visitors), the additional rate of $0.50 per annum in Zone 2 shall remain static over the life of the district. The biennial assessment increase in both Zone 1 and Zone 2 (notwithstanding the static $0.50 rate in Zone 2), shall be $0.90 per paid occupied room per night for luxury lodging businesses, $0.60 per paid occupied room per night for non-luxury full service lodging businesses, and $0.20 per paid occupied room per night for limited service lodging businesses.

The assessment budget is projected at an initial budget of $8,856,266, increasing biennially for a total of $111,645,780 through 2033. This amount is expected to fluctuate as occupancy rates increase at assessed businesses and when the assessment rate is increased. The following table demonstrates the estimated assessment budget over the life of the district, based on existing lodging businesses, following the rate increase schedule. Any new lodging businesses that commence business within the MCTID during the ten (10) year term shall be assessed using the same methodology listed in Section IV (D).

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Estimated Annual Assessment Budget

Fiscal Year	Marketing Comm.	Group Bus. Devel.	Salinas Visitor Services *(Zone 2 Only)*	Contingency / Reserve	Admin & Operations	City/County Admin Fee	Total
2023-24	$3,985,320	$3,152,831	$123,988	$885,627	$619,939	$88,563	$8,856,266
2024-25	$3,985,320	$3,152,831	$123,988	$885,627	$619,939	$88,563	$8,856,266
2025-26	$4,504,690	$3,563,710	$140,146	$1,001,042	$700,730	$100,104	$10,010,422
2026-27	$4,504,690	$3,563,710	$140,146	$1,001,042	$700,730	$100,104	$10,010,422
2027-28	$5,024,060	$3,974,590	$156,304	$1,116,458	$781,520	$111,646	$11,164,578
2028-29	$5,024,060	$3,974,590	$156,304	$1,116,458	$781,520	$111,646	$11,164,578
2029-30	$5,543,430	$4,385,469	$172,462	$1,231,873	$862,311	$123,187	$12,318,734
2030-31	$5,543,430	$4,385,469	$172,462	$1,231,873	$862,311	$123,187	$12,318,734
2031-32	$6,062,801	$4,796,349	$188,620	$1,347,289	$943,102	$134,729	$13,472,890
2032-33	$6,062,801	$4,796,349	$188,620	$1,347,289	$943,102	$134,729	$13,472,890
Total	$50,240,601	$39,745,898	$1,563,041	$11,164,578	$7,815,205	$1,116,458	$111,645,780

C. California Constitutional Compliance

The MCTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term 'assessments' to levies on real property.[1] Rather, the MCTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the MCTID, a "specific benefit" and a "specific government service." Both require that the costs of benefits or services do not exceed the reasonable costs to the cities and County of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, "a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege."[2] The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the MCTID. The activities described in this Plan are specifically targeted to increase demand for room night sales for assessed lodging businesses within the boundaries of the MCTID, and are narrowly tailored. MCTID funds shall be used exclusively to provide the specific benefit of increased demand for room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in MCTID activities, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this MCTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is the generation of room night sales. The specific benefit of increased demand for room night sales for assessed lodging businesses shall be provided only to lodging businesses paying the district assessment, with MCTID activities promoting lodging businesses paying the MCTID assessment. The MCTID activities will be designed to generate room night sales at each assessed lodging businesses. Because they are necessary to provide the MCTID activities that specifically benefit the assessed lodging

[1] *Jarvis v. the City of San Diego* 72 Cal App. 4th 230
[2] Cal. Const. art XIII C § 1(e)(1)

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businesses, the administration and contingency services also provide the specific benefit of increased demand for room night sales to the assessed lodging businesses.

Although the MCTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, "A specific benefit is not excluded from classification as a 'specific benefit' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor."[3]

2. Specific Government Service

The assessment may also be utilized to provide, "a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product."[4] The legislature has recognized that marketing and promotions services like those to be provided by the MCTID are government services within the meaning of Proposition 26[5]. Further, the legislature has determined that "a specific government service is not excluded from classification as a 'specific government service' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor."[6]

3. Reasonable Cost

MCTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed shall be used to provide the services described herein. Excluding Zone 2 funds managed by the City of Salinas, funds shall be managed by the MCCVB, and reports submitted on an annual basis to the City of Monterey. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from MCTID-funded activities, be featured in advertising campaigns, and benefit from other MCTID-funded services. Non-assessed lodging businesses will not receive these, nor any other, MCTID-funded services and benefits.

The MCTID-funded activities are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-MCTID funds. MCTID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The assessment is a fixed amount per occupied room per night. The assessment is based on the business hotel type. Based on the provision of additional services and additional benefit to the lodging businesses, the assessment rate shall automatically increase biennially beginning in FY 2025-26, unless the MCCVB Board's TID Committee votes not to implement the automatic increase based upon circumstances that they deem significant. If the MCCVB Board's TID Committee elects to cancel the automatic increase for that year, the MCCVB Board may implement a cumulative increase at the next regularly scheduled rate increase. Because services shall remain constant for the Salinas Visitor Services program (brochures, maps, and information regarding local events for visitors), the additional rate of $0.50 per annum in Zone 2 shall not be increased over the life of the district. The biennial assessment

[3] Government Code § 53758(a)
[4] Cal. Const. art XIII C § 1(e)(2)
[5] Government Code § 53758(b)
[6] Government Code § 53758(b)

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increase shall be $0.90 per paid occupied room per night for luxury lodging businesses, $0.60 per paid occupied room per night for non-luxury full service lodging businesses, and $0.20 per paid occupied room per night for limited service lodging businesses. Based on the benefit received, assessments shall not be collected on: stays of more than thirty (30) consecutive days; stays at vacation time-share facilities; stays at vacation rentals; stays at RV parks; stays by any Federal or State of California officer or employee when on official business; and stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. The assessment increase schedule is illustrated in the table below.

	Zone 1			Zone 2		
Fiscal Year	**Luxury**	**Non-Luxury Full Service**	**Limited Service**	**Luxury**	**Non-Luxury Full Service**	**Limited Service**
2023-24	$ 7.00	$ 4.50	$ 1.50	$ 7.50	$ 5.00	$ 2.00
2024-25	$ 7.00	$ 4.50	$ 1.50	$ 7.50	$ 5.00	$ 2.00
2025-26	$ 7.90	$ 5.10	$ 1.70	$ 8.40	$ 5.60	$ 2.20
2026-27	$ 7.90	$ 5.10	$ 1.70	$ 8.40	$ 5.60	$ 2.20
2027-28	$ 8.80	$ 5.70	$ 1.90	$ 9.30	$ 6.20	$ 2.40
2028-29	$ 8.80	$ 5.70	$ 1.90	$ 9.30	$ 6.20	$ 2.40
2029-30	$ 9.70	$ 6.30	$ 2.10	$ 10.20	$ 6.80	$ 2.60
2030-31	$ 9.70	$ 6.30	$ 2.10	$ 10.20	$ 6.80	$ 2.60
2031-32	$ 10.60	$ 6.90	$ 2.30	$ 11.10	$ 7.40	$ 2.80
2032-33	$ 10.60	$ 6.90	$ 2.30	$ 11.10	$ 7.40	$ 2.80

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the MCTID assessment is identified separately it shall be disclosed as the "MCTID Assessment." As an alternative, the disclosure may include the amount of the MCTID assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the "Tourism Assessment." The assessment is imposed solely upon, and is the sole obligation of, the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The MCTID shall reimburse the cities and County for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent MCTID assessment are sought to be recovered in the same collection action by the cities or County, the MCTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business that fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment or the estimated assessment.
2. *Continued Delinquency:* Any lodging business that fails to remit any delinquent assessment on or before a period of thirty (30) days following the date on which the assessment first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the

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assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.

3. *Fraud:* If the cities or County determine that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto, in addition to the penalties stated in paragraphs 1 and 2 of this section.
4. *Interest:* In addition the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of one percent (1%) per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. *Penalties Merged with Assessment:* Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment required to be paid.
6. *Audit Deficiency:* If, upon audit by the cities or County, a lodging business is found to be deficient in either its return or its remittances or both, the cities or County shall immediately invoice the lodging business for the amount of the net deficiency plus a penalty of ten percent (10%) of the net deficiency. If the lodging business fails or refuses to pay the deficient amount and applicable penalties within thirty (30) days of the date of the invoice, an additional ten percent (10%) penalty shall be added to the original deficiency. In addition to the penalties imposed, any lodging business that fails to remit payment of billed audit deficiencies within thirty (30) days of the date of the invoice shall pay interest at the rate of one percent (1%) per month or fraction thereof on the amount of the assessment, exclusive of penalties.

F. Time and Manner for Collecting Assessments

The MCTID assessment shall be implemented beginning July 1, 2023, or as soon as possible thereafter, and end ten (10) years from its start date. The cities and County shall be responsible for collecting the assessment on a monthly, bi-monthly or quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in their respective jurisdictions. The cities and County shall make all reasonable efforts to collect the assessments from each lodging business. The cities and County shall forward the assessments collected to the Owners' Association, except for the additional assessments in Zones 2.

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V. GOVERNANCE

A. Owners' Association

The Monterey City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the MCTID as defined in Streets and Highways Code §36612. Monterey County Destination Marketing Organization, Inc. d.b.a. Monterey County Convention and Visitors Bureau (MCCVB) shall continue to serve as the Owners' Association for the MCTID. The MCCVB Board's TID Committee shall continue to have full decision-making authority over the expenditure of MCTID funds. The TID Committee shall be comprised solely of assessed lodging business representatives. The number of seats on the TID Committee from each MCTID jurisdiction shall reflect the proportional assessment revenue derived from each MCTID jurisdiction. Notwithstanding the forgoing, the City of Salinas shall have full decision-making authority over the expenditure of funds raised by the additional $0.50 assessment rate on all lodging business types in Zone 2.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the MCCVB board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The MCCVB shall present an annual report at the end of each year of operation to the Monterey City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- 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 estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied.

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APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2022 SUPPLEMENT ***
(ALL 2021 LEGISLATION)

STREETS AND HIGHWAYS CODE
DIVISION 18. PARKING
PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature's guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

(a) Promotion of public events.

(b) Furnishing of music in any public place.

(c) Promotion of tourism within the district.

(d) Marketing and economic development, including retail retention and recruitment.

(e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.

(f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. "Clerk"

"Clerk" means the clerk of the legislative body.

36609.5. "General benefit"

"General benefit" means, for purposes of a property-based district, any benefit that is not a "special benefit" as defined in Section 36615.5.

36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

(a) Parking facilities.
(b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
(c) Trash receptacles and public restrooms.
(d) Lighting and heating facilities.
(e) Decorations.
(f) Parks.
(g) Fountains.
(h) Planting areas.
(i) Closing, opening, widening, or narrowing of existing streets.
(j) Facilities or equipment, or both, to enhance security of persons and property within the district.
(k) Ramps, sidewalks, plazas, and pedestrian malls.
(l) Rehabilitation or removal of existing structures.

36611. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

36612. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), for all records relating to activities of the district.

36614. "Property"

"Property" means real property situated within a district.

36614.5. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

36614.6. "Property-based assessment"

"Property-based assessment" means any assessment made pursuant to this part upon real property.

36614.7. "Property-based district"

"Property-based district" means any district in which a city levies a property-based assessment.

36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. "Special benefit"

"Special benefit" means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law

36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

(1) A map showing the boundaries of the district.

(2) Information specifying where the complete management district plan can be obtained.

(3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial

year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k)

(1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will 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 against such

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businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.
(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.
(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in an action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36625. An appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a)The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to

be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.
(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.
(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
(2) The improvements, maintenance, and activities to be provided for that fiscal year.
(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.
The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

Business Name	Business Address	City/State/Zip	Type
ABV Presidents Inn MUNRAS MTY	1150 MUNRAS AVE	MONTEREY, CA 93940	Limited
Adams Motel/Boronda Inn	2086 N. Main St.	Salinas, CA 93906	Limited
ADOBE INN	1919 GRAND CANAL BL.#B5	STOCKTON CA 95207	Full
Aloha Motel	235 Kern St.	Salinas, CA 93905	Limited
ANDRIL MOTEL & COTTAGES	569 ASILOMAR BLVD	PACIFIC GROVE, CA 93950-3701	Limited
ARAMARK Sports & Entertainment	800 ASILOMAR BLVD	PACIFIC GROVE, CA 93950-3704	Limited
AUBERGE CARMEL	PO BOX J	CARMEL CA 93921	Luxury
BAYSIDE INN	2055 NORTH FREMONT ST.	MONTEREY, CA 93940	Limited
BEACHCOMBER INN	1996 SUNSET DR	PACIFIC GROVE, CA 93950-3787	Limited
Bernardus Lodge	415 W CARMEL VALLEY RD	Carmel Valley, CA 93924-9417	Luxury
Best 5 Motel/Lakshmi Hotel Group	1010 Fairview Ave.	Salinas, CA 93905	Limited
BEST WESTERN DE ANZA INN	2141 NORTH FREMONT ST	MONTEREY, CA 93940	Limited
Best Western Marina State Beach	3290 DUNES DR	MARINA, CA 93933	Limited
BEST WESTERN MONTEREY INN	825 ABREGO	MONTEREY, CA 93940	Limited
Best Western Salinas Monterey/Western Hotel Corp	175 Kern St.	Salinas, CA 93905	Limited
Best Western Salinas Valley Inn	187 Kern St.	Salinas, CA 93905	Limited
BEST WESTERN INN AND SUITES	4258 CESAR CHAVEZ ST	San Francisco, CA 94131-1815	Limited
BEST WESTERN-PARK CREST	1100 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
BIDE A WEE INN AND COTTAGES	221 ASILOMAR BLVD	PACIFIC GROVE, CA 93950-2093	Limited
Big Sur Campground & Cabins	47000 HIGHWAY 1	BIG SUR, CA 93920-9556	Limited
Big Sur Lodge	47225 HIGHWAY 1	BIG SUR, CA 93920-9542	Full
Big Sur River Inn	46800 HIGHWAY 1	BIG SUR, CA 93920-9693	Full
BLU PACIFIC HOTEL (FORMERLY COMFORT INN-MTY BAY)	2050 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
Blue Sky Lodge	10 FLIGHT RD	Carmel Valley, CA 93924-9617	Limited
BORGS MOTEL	1315 SKYVIEW DR	BURLINGAME, CA 94010-6236	Limited
Budget Inn Motel/BMN LLC	219 John St.	Salinas, CA 93901	Limited
BUTTERFLY GROVE INN	1073 LIGHTHOUSE AVE	PACIFIC GROVE, CA 93950-2357	Limited
Cabana Holiday	8710 Prunedale North Rd	SALINAS, CA 93907-1371	Limited
California Inn Motel	736 N. Main St.	Salinas, CA 93906	Limited
CANDLE BAY INN	2118 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
CANDLELIGHT INN	P.O. Box 101	CARMEL CA 93921	Limited
CANNERY ROW INN	200 FOAM ST.	MONTEREY, CA 93940	Limited
Capitol Motel/Jainika Corporation	2110 N. Main St.	Salinas, CA 93906	Limited
Captain's Inn At Moss Landing	8122 MOSS LANDING RD	Moss Landing, CA 95039-9617	Limited
CARMEL BAY VIEW INN	700 UNIVERSITY AV.#150	SACRAMENTO CA 95825	Limited
CARMEL COTTAGE INN	PO BOX 5805	CARMEL CA 93921	Limited
CARMEL COUNTRY INN	PO BOX 3756	CARMEL CA 93921	Limited
CARMEL FIREPLACE INN INC.	P.O. BOX 5245	CARMEL CA 93921	Limited
CARMEL GARDEN INN	PO BOX 5547	CARMEL CA 93921	Limited
CARMEL GREEN LANTERN INN	PO BOX 1114	CARMEL CA 93921	Limited

CARMEL INN & SUITES	P.O. BOX 1295	CARMEL CA 93921	Limited
CARMEL LODGE	P.O.BOX 4235	CARMEL CA 93921	Limited
Carmel Mission Inn	3665 RIO RD	CARMEL, CA 93923-8609	Full
CARMEL OAKS INN	P.O. BOX 3696	CARMEL CA 93921	Limited
CARMEL RESORT INN	P.O. BOX 2106	MONTEREY CA 93942	Limited
Carmel River Inn	26600 OLIVER RD	CARMEL, CA 93923-9219	Limited
CARMEL TRADEWINDS INN	P. O. BOX 3403	CARMEL CA 93921	Limited
Carmel Valley Lodge	8 FORD RD	Carmel Valley, CA 93924-9511	Limited
Carmel Valley Manor	8545 CARMEL VALLEY RD	CARMEL, CA 93923-9556	Full
Carmel Valley Ranch	1 OLD RANCH RD	CARMEL, CA 93923-8551	Luxury
CARMEL WAYFARER INN	P.O. BOX 1896	CARMEL CA 93921	Limited
CARMEL'S TOWN HOUSE LODGE	P.O. BOX 3574	CARMEL CA 93921	Limited
CARRIAGE HOUSE INN	PO BOX 101	CARMEL CA 93921	Limited
Casa Linda Motel	1109 N. Main St.	Salinas, CA 93906	Limited
CASA MUNRAS HOTEL	700 MUNRAS AVENUE	MONTEREY, CA 93940	Full
Casa Palmero	1518 CYPRESS DR	PEBBLE BEACH, CA 93953	Luxury
CASA VERDE INN	2113 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
CENTRELLA INN	612 CENTRAL AVE	PACIFIC GROVE, CA 93950-2611	Limited
Ciudad Del Rey Motel	50620 MESA VERDE RD	KING CITY, CA 93930	Limited
CLARION HOTEL	1046 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
COACHMAN'S INN	PO BOX 3073	MONTEREY CA 93940	Limited
COLTON INN	707 PACIFIC ST	MONTEREY, CA 93940	Limited
COMFORT INN	140 RESERVATION RD	MARINA, CA 93933-2522	Limited
Comfort Inn & Suites/Shakti LLC	181 Kern St.	Salinas, CA 93905	Limited
Comfort Inn Monterey Airport	1200 OLMSTED RD	MONTEREY, CA 93940	Limited
COMFORT INN-CARMEL BY THE SEA	P.O. BOX 3838	CARMEL CA 93921	Limited
Contenta Inn	20 VIA CONTENTA	Carmel Valley, CA 93924-9501	Limited
Continental Motel	1165 N. Main St.	Salinas, CA 93906	Limited
COUNTRY INN & SUITES	3288 DUNES DR	MARINA, CA 93933	Limited
Country Inn/Meldi Inc	126 John St.	Salinas, CA 93901	Limited
Courtyard Salinas	17225 EL RANCHO WAY	SALINAS, CA 93907-1732	Limited
CVI INVESTORS	PO BOX 3185	CARMEL CA 93921	Limited
CVI INVESTORS	PO BOX 3185	CARMEL CA 93921	Limited
CYPRESS INN	P.O. Box Y	CARMEL CA 93921	Limited
Days Inn	1130 Broadway St	KING CITY, CA 93930	Limited
DAYS INN	1288 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
DAYS INN - SAN CARLOS	850 ABREGO	MONTEREY, CA 93940	Limited
DEER HAVEN INN	750 CROCKER AVE	PACIFIC GROVE, CA 93950-3727	Limited
Deetjen's Big Sur Inn	48865 HIGHWAY 1	BIG SUR, CA 93920-9512	Full
Discovery Inn	1106 Fremont Blvd.	Seaside, CA 93955	Limited
ECONO LODGE (MONTEREY FAIRGROUNDS INN)	2042 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
EconoLodge Bay Breeze Inn	2049 Fremont Blvd	Seaside, CA 93955	Limited
Economy Inn	214 John St.	Salinas, CA 93901	Limited
Economy Inn	1131 Fremont Blvd.	Seaside, CA 93955	Limited

EL CASTELL MOTEL	2102 NORTH FREMONT	MONTEREY, CA 93940	Limited
El Dorado Motel/Café Main Street	1351 N. Main	Salinas, CA 93906	Limited
El Rey Motel	443 W. Market St.	Salinas, CA 93901	Limited
El Sombrero Motel/Ramesh J. Patel	210 Abbott St.	Salinas, CA 93901	Limited
Embassy Suites	1441 Canyon Del Rey Blvd.	Seaside, CA 93955	Full
Esalen Institute	55000 HIGHWAY 1	BIG SUR, CA 93920-9546	Full
Fairview Inn	1060 Fairview Ave.	Salinas, CA 93905	Limited
Fernwood Resort	47200 HIGHWAY 1	BIG SUR, CA 93920-9542	Limited
Fireside Inn	640 Broadway St	KING CITY, CA 93930	Limited
FOREST LODGE	PO BOX 6286	CARMEL CA 93921	Limited
Gateway Lodge	1909 Fremont Blvd. #3128	Seaside, CA 93955	Limited
Glen Oaks Big Sur	47080 HIGHWAY 1	BIG SUR, CA 93920-9556	Limited
Gorda Cabin Rental	7801 HIGHWAY 1	BIG SUR, CA 93920	Limited
GOSBY HOUSE INN	643 LIGHTHOUSE AVE	PACIFIC GROVE, CA 93950-2691	Limited
GREEN GABLES INN	PO BOX 3073	MONTEREY, CA 93942-3080	Limited
H.I. Resort Condominium Assoc, Inc	120 HIGHLAND DR	CARMEL, CA 93923-9607	Full
Hacienda House	505 CORRAL DE TIERRA RD	SALINAS, CA 93908-8950	Limited
HAMPTON INN	17777 Center Court Dr. #725	MARINA, CA 93933	Limited
Hampton Inn & Suites/Salinas Hotel Investors	523 Work St.	Salinas, CA 93901	Limited
HAMPTON INN (formerly LaQuinta)	2401 DEL MONTE AVENUE	MONTEREY, CA 93940	Limited
HHLP SANCTUARY ASSOCIATES	3295 DUNES RD	MARINA, CA 93933-2002	Full
Hidden Valley Inn	102 W CARMEL VALLEY RD	Carmel Valley, CA 93924-9573	Limited
Highlands Inn	140 HIGHLAND DR	CARMEL, CA 93923-9607	Limited
HILTON GARDEN INN	1000 AGUAJITO RD	MONTEREY, CA 93940	Full
HOFSAS HOUSE INC.	P.O. BOX 1195	CARMEL CA 93921	Limited
Holiday Inn Express	1400 Del Monte Blvd.	Seaside, CA 93955	Limited
HOLIDAY INN EXPRESS	443 WAVE STREET	MONTEREY, CA 93940	Limited
Holiday Inn Express & Suites	195 Kern St.	Salinas, CA 93905	Limited
Holiday Inn Express & Suites Marina	189 SEASIDE AVE	MARINA, CA 93933-2505	Limited
Holman Ranch, LLC	60 HOLMAN RD	Carmel Valley, CA 93924-9620	Limited
HOME 2 SUITES	1534 Fremont Blvd Suite D	MARINA, CA 93933	Limited
HORIZON INN	P. O. BOX 1693	CARMEL CA 93921	Limited
HOTEL 1110	1110 DEL MONTE AVENUE	MONTEREY, CA 93940	Limited
HOTEL ABREGO	755 ABREGO ST.	MONTEREY, CA 93940	Full
HOTEL CARMEL	8000 S Arizona Grand Pkwy	PHOENIX AZ 85044	Limited
HOTEL PACIFIC	300 PACIFIC STREET	MONTEREY, CA 93940	Limited
HOWARD JOHNSON	416 RESERVATION RD	MARINA, CA 93933-3320	Limited
Howard Johnson Inn/Ambakari, Inc	131 John St.	Salinas, CA 93901	Limited
HYATT REGENCY MONTEREY	ONE OLD GOLF COURSE RD.	MONTEREY, CA 93940	Full
IHG ARMY POM	Presidio of Monterey	MONTEREY, CA 93940	Full
Inn at King City	4 Broadway Cir.	KING CITY, CA 93930	Limited
Inn At Moss Landing Point	8425 MOSS LANDING RD D	Moss Landing, CA 95039-9679	Limited

Inn At Spanish Bay, Attn: David Hoopingarner	2700 17 MILE DR	PEBBLE BEACH, CA 93953	Luxury
Inn at the Pinnacles	32025 Stonewall Canyon Rd	SOLEDAD, CA 93960	Limited
INN BY THE BAY MONTEREY	936 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
Inns of California	1215 De La Torre	Salinas, CA 93905	Limited
INTERCONTINENTAL – The Clement	750 CANNERY ROW	MONTEREY, CA 93940	Full
JABBERWOCK	598 LAINE ST.	MONTEREY, CA 93940	Limited
Keefers Inn	615 Canal St	KING CITY, CA 93930	Limited
LA PLAYA HOTEL	8000 S Arizona Grand Pkwy	PHOENIX AZ 85044	Luxury
LAGUNA LODGE	430 RESERVATION RD	MARINA, CA 93933-3320	Limited
LAMPLIGHTER INN	PO BOX 6286	CARMEL CA 93921	Limited
Laurel Inn	801 W. Laurel Dr.	Salinas, CA 93906	Limited
Lincoln Green Inn	26200 CARMELO ST	CARMEL, CA 93923-9134	Limited
LOBOS LODGE	P.O. Box L-1	CARMEL CA 93921	Limited
LONE OAK MOTEL	2221 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
Los Laureles Lodge	313 W CARMEL VALLEY RD	Carmel Valley, CA 93924-9415	Full
LOVERS POINT INN	9600 Blue Larkspur Ln Ste 101	MONTEREY, CA 93940-6585	Limited
Lucia Lodge	62400 HIGHWAY 1	BIG SUR, CA 93920-9533	Limited
MARIPOSA INN	1386 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
MARRIOTT SPRINGHILL SUITES	215 10TH ST	MARINA, CA 93933-6004	Limited
MARTINE INN	PO BOX 330	PACIFIC GROVE, CA 93950-0321	Limited
MERRITT HOUSE	386 PACIFIC ST.	MONTEREY, CA 93940	Limited
Mission Ranch	26270 DOLORES ST	CARMEL, CA 93923-9218	Full
Monarch Inn	633 Broadway St.	KING CITY, CA 93930	Limited
MONARCH RESORT	1111 LIGHTHOUSE AVE	PACIFIC GROVE, CA 93950-2312	Limited
MONTE VERDE INN	PO BOX 394	CARMEL CA 93921	Limited
MONTE VERDE INN EAST	P.O.BOX 394	CARMEL CA 93921	Limited
MONTEREY BAY INN	242 CANNERY ROW	MONTEREY, CA 93940	Limited
MONTEREY BAY LODGE	55 CAMINO AGUAJITO	MONTEREY, CA 93940	Limited
MONTEREY FIREPLACE INN	2362 N. Fremont	MONTEREY, CA 93940	Limited
MONTEREY FIRESIDE MOTEL	1131 TENTH ST.	MONTEREY, CA 93940	Limited
MONTEREY HOSTEL	778 HAWTHORNE ST.	MONTEREY, CA 93940	Limited
MONTEREY HOTEL	406 ALVARADO	MONTEREY, CA 93940	Limited
MONTEREY MARRIOTT	350 CALLE PRINCIPAL	MONTEREY, CA 93940	Full
MONTEREY OCEANSIDE INN	2030 DEL MONTE AVENUE	MONTEREY, CA 93940	Limited
MONTEREY PENINSULA INN	1101 LIGHTHOUSE AVE	PACIFIC GROVE, CA 93950-2312	Limited
Monterey Pines Inn	1298 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
MONTEREY PLAZA	400 CANNERY ROW	MONTEREY, CA 93940	Full
MONTEREY SURF INN	1200 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
MONTEREY TIDES HOTEL	2600 SAND DUNES DRIVE	MONTEREY, CA 93940	Full
MOTEL 6	2124 NORTH FREMONT	MONTEREY, CA 93940	Limited
Motel 6 #0639/G6 Hospitality Property LLC	1257 De La Torre	Salinas, CA 93905	Limited
MOTEL 6 #1026	100 RESERVATION RD	MARINA, CA 93933-2517	Limited

Motel 6 #1370/G6 Hospitality Property LLC	140 Kern St.	Salinas, CA 93901	Limited
MOTEL 6 MONTEREY DOWNTOWN	1240 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
Motel 6 Soledad	152 San Felipe Rd	Soledad CA 93960	Limited
Mountain Paradise	17717 CACHAGUA RD	Carmel Valley, CA 93924-9319	Limited
MUNRAS INN	1010 MUNRAS AVE	MONTEREY, CA 93940	Limited
NORMANDY INN	700 UNIVERSITY AV.#150	SACRAMENTO CA 95925	Limited
OCEAN VIEW LODGE	P. O. BOX 1693	CARMEL CA 93921	Limited
OCM LIGHTHOUSE LODGE LLC	1150 LIGHTHOUSE AVE	PACIFIC GROVE, CA 93950-2360	Limited
OLD MARINA INN	3110 DEL MONTE BLVD	MARINA, CA 93933-3049	Limited
OLD MONTEREY INN	500 MARTIN STREET	MONTEREY, CA 93940	Limited
OLD SAINT ANGELA INN	321 CENTRAL AVE	PACIFIC GROVE, CA 93950-2934	Limited
OLYMPIA MOTOR LODGE	PO BOX 51907	PACIFIC GROVE, CA 93950-6907	Limited
Pacific Best Inn	1141 Fremont Blvd.	Seaside, CA 93955	Limited
PACIFIC GARDENS INN	701 ASILOMAR BLVD	PACIFIC GROVE, CA 93950-3701	Limited
PACIFIC GROVE INN	PO BOX 2106	MONTEREY, CA 93942-2215	Limited
PACIFIC GROVE PLAZA	PO BOX 476	PACIFIC GROVE, CA 93950-0476	Limited
PACIFIC INN MONTEREY	2332 NORTH FREMONT ST.	MONTEREY, CA 93940	Limited
PADRE OAKS MOTEL	1278 MUNRAS AVE	MONTEREY, CA 93940	Limited
Pal Rest Easy LLC	196 Infantry RD	Fort Hunter Liggett, CA 93928	Limited
Parkfield Inn	70403 PARKFIELD RD	SAN MIGUEL, CA 93451	Limited
PELICAN INN	2058 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
Pessagno Winery	1645 RIVER RD	SALINAS, CA 93908-8751	Limited
PINE ACRES LODGE	1380 LEAD HILL BLVD 201	ROSEVILLE, CA 95661-2997	Limited
PINE INN	P.O. Box 250	CARMEL CA 93921	Full
PORTOLA HOTEL & SPA	2 PORTOLA PLAZA	MONTEREY, CA 93940	Full
Post Ranch Inn	47900 HIGHWAY 1	BIG SUR, CA 93920-9576	Luxury
Prunedale Motor Lodge	1017 EL CAMINO REAL N	PRUNEDALE, CA 93907-3359	Limited
Prunedale Motor Lodge Cabins	1017 EL CAMINO REAL N	PRUNEDALE, CA 93907-3359	Limited
Quail Lodge And Golf Club	8205 VALLEY GREENS DR	CARMEL, CA 93923-9512	Luxury
Quality Inn	1190 Broadway St.	KING CITY, CA 93930	Limited
QUALITY INN - FAIRGROUNDS	2075 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
QUALITY INN - MUNRAS (Arbor Inn)	1058 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
Quality Inn/Om Namah	144 Kern St	Salinas, CA 93905	Limited
RAMADA INN	323 RESERVATION RD	MARINA, CA 93933-3218	Limited
RAMADA LTD. CARMEL HILL	1182 CASS STREET	MONTEREY, CA 93940	Limited
RED LION INN (FORMERLY BAY PARK HOTEL)	1425 MUNRAS AVENUE	MONTEREY, CA 93940	Full
RED ROOF INN	2227 N FREMONT ST	MONTEREY, CA 93940	Limited
Residence Inn Salinas	17215 EL RANCHO WAY	SALINAS, CA 93907-1732	Limited
Rex Motel/Parshottambhai M Ahir	305 Kern St.	Salinas, CA 93905	Limited
Ripplewood Resort	47047 HIGHWAY 1	BIG SUR, CA 93920	Full
Riverside Campground	47020 HIGHWAY 1	BIG SUR, CA 93920-9556	Limited
RODEWAY INN	2041 FREMONT ST	MONTEREY, CA 93940	Limited
Rodeway Inn (Formerly Knights Inn)	1374 MUNRAS AVENUE	MONTEREY, CA 93940	Limited

ROSEDALE INN	4781 SAN LUCAS WAY	SAN JOSE, CA 95135-2345	Limited
Sai Enterprises DBA Motel 6	3 Broadway Cir.	KING CITY, CA 93930	Limited
Salinas Travel Inn/MJ Nahal Inc	425 Monterey St.	Salinas, CA 93901	Limited
Salinas Valley Motel/Aatray Hotels, Inc/BAPS LLC	2100 N. Main St.	Salinas, CA 93906	Limited
Sand Castle Inn	1011 La Salle Ave.	Seaside, CA 93955	Limited
Sand Dollar Inn (formerly Magic Carpet Inn)	1875 Fremont Blvd	Seaside, CA 93955	Limited
Sandpiper Inn	2408 BAY VIEW AVE	CARMEL, CA 93923-9118	Limited
SEA VIEW INN	35 W.POPLAR AV.	SAN MATEO CA 94402	Limited
SeaLamp Inn	2201 Del Monte Blvd.	Seaside, CA 93955	Limited
Seaside Inn	1986 Del Monte Blvd.	Seaside, CA 93955	Limited
SEVEN GABLES INN	301 N CANON DR STE 302	BEVERLY HILLS, CA 90210-4724	Limited
Silver Saddle	705 Broadway St	KING CITY, CA 93930	Limited
Soledad Motel 8	1013 Front St	Soledad CA 93960	Limited
SPINDRIFT INN	652 CANNERY ROW	MONTEREY, CA 93940	Full
STAGE COACH LODGE	1111 10 ST	MONTEREY, CA 93940	Limited
Steinbeck Lodge/Travelodge/J S Inc	109 John St.	Salinas, CA 93901	Limited
STONEHOUSE INN	5130 COMMERCIAL CIRCLE	CONCORD CA 94520	Limited
Stonepine Estate Resort	150 E CARMEL VALLEY RD	Carmel Valley, CA 93924-9605	Full
SUNSET HOUSE	PO BOX 6286	CARMEL CA 93921	Limited
SUNSET INN	133 ASILOMAR BLVD	PACIFIC GROVE, CA 93950-2094	Limited
SUPER 8 - FREMONT	2120 NO. FREMONT ST.	MONTEREY, CA 93940	Limited
SUPER 8 - MUNRAS	1300 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
Super 8/Ram Hotels LLC	131 Kern St.	Salinas, CA 93906	Limited
Sure Stay Hotel	1893 Fremont Blvd.	Seaside, CA 93955	Limited
SVENDSGAARD'S INN	PO BOX 101	CARMEL CA 93921	Limited
TALLY HO INN	P.O. Box 3726	CARMEL CA 93921	Limited
Tehama Golf Club, LLC	25000 Via Malpaso Canada Woods	CARMEL, CA 93923	Limited
THE BRIARWOOD INN	PO BOX 5245	CARMEL CA 93921	Limited
THE BRIARWOOD INN II	PO BOX 5245	CARMEL CA 93921	Limited
THE COLONIAL TERRACE	P.O. BOX 1375	CARMEL CA 93921	Limited
The Holly Farm	9200 CARMEL VALLEY RD	CARMEL, CA 93923-9574	Limited
THE HOMESTEAD	26270 DOLORES ST.	CARMEL CA 93923	Limited
The Inn at 1252 Monterey	1252 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
The Inn at 1252 Monterey	1262 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
The Lodge At Pebble Beach Attn: David Hoopingarner	1500 CYPRESS DR	PEBBLE BEACH, CA 93953	Luxury
THE SEA BREEZE INN	1100 LIGHTHOUSE AVE	PACIFIC GROVE, CA 93950-2362	Limited
THE STEVENSON MONTEREY	675 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
THE VAGABOND'S HOUSE	PO BOX 2747	CARMEL CA 93921	Limited
Thunderbird Motel	1933 Fremont Blvd. #3128	Seaside, CA 93955	Limited
Tickle Pink Motor Inn	155 HIGHLAND DR	CARMEL, CA 93923-9601	Limited
TRAVELODGE - FAIRGROUNDS	2030 N. FREMONT ST	MONTEREY, CA 93940	Limited

Treebones Resort	71895 HIGHWAY 1	BIG SUR, CA 93920-9573	Limited
Vendange Carmel Inn & Suites	24815 CARPENTER ST	CARMEL, CA 93923	Limited
Ventana Big Sur	48123 HIGHWAY 1	BIG SUR, CA 93920-9538	Luxury
VICTORIAN INN	487 FOAM STREET	MONTEREY, CA 93940	Limited
VILLA FRANCA (FORMERLY EL DORADO INN)	900 MUNRAS AVENUE	MONTEREY, CA 93940	Limited
Vision Quest Safari Bed & Breakfast	400 RIVER RD	SALINAS, CA 93908-9627	Limited
Wagon Wheel Motel	1217 N. Main St.	Salinas, CA 93906	Limited
WAVE STREET INN (PREVIOUSLY OTTER INN)	571 WAVE ST	MONTEREY, CA 93940	Limited
WAYSIDE INN	PO BOX 101	CARMEL CA 93921	Limited
Western Motel/Western Skylodge LLC	6 S. Wood St.	Salinas, CA 93906	Limited
WILKIES INN	1038 LIGHTHOUSE AVE	PACIFIC GROVE, CA 93950-2424	Limited
Willow Lodge	719 S. Main St.	Salinas, CA 93901	Limited
Zen Mtn Center/Tassajar Springs C/O Ccao Controlle	39171 TASSAJARA RD	CARMEL VALLEY, CA 93924-9316	Limited

**List as of October 2022*

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APPENDIX 3 – BENEFITS BY HOTEL TYPE

PROGRAMS / ACTIVITIES	Luxury	Non-Luxury Full Service	Limited Service
General: Inclusion in Sales, Marketing, and Promotional Opportunities*	X	X	X
General: Listing on www.SeeMonterey.com with direct link to hotel page	X	X	X
General: Inclusion on SeeMonterey Online travel planning app	X	X	X
General: Inclusion on SeeMonterey Consumer Brochures	X	X	X
General: Access to SeeMonterey research reports and insights	X	X	X
General: Represented by SeeMonterey at industry conferences & events	X	X	X
Consumer: Opportunity to participate in Consumer Marketing Campaigns	X	X	X
Consumer: Public Relations participation opportunities	X	X	X
Consumer: Familiarization Tour (Press & Influencer) Opportunities	X	X	X
Consumer: Inclusion Opportunity in Social Media Efforts	X	X	X
Consumer: Inclusion Opportunity in Destination Video & Photo Shoots	X	X	X
Consumer: New project & special event opportunities	X	X	X
Travel Trade: Trade Show Opportunities	X	X	X
Travel Trade: Sales Mission Opportunities	X	X	X
Travel Trade: Lead Opportunities	X	X	X
Travel Trade: Familiarization Tour Leads (Press & Travel Trade) Opportunities	X	X	X
Meetings/Group: Brochure Inclusion (Mention)	X	X	X
Meetings/Group: Familiarization Tours	X	X	
Meetings/Group: Tradeshow Participation	X	X	
Meetings/Group: Site Inspections	X	X	
Meetings/Group: Marketing Campaigns	X	X	
Meetings/Group: Brochure Inclusion (Full Page)	X	X	
Inclusion in SeeMonterey destination partnership with Virtuoso Network	X		

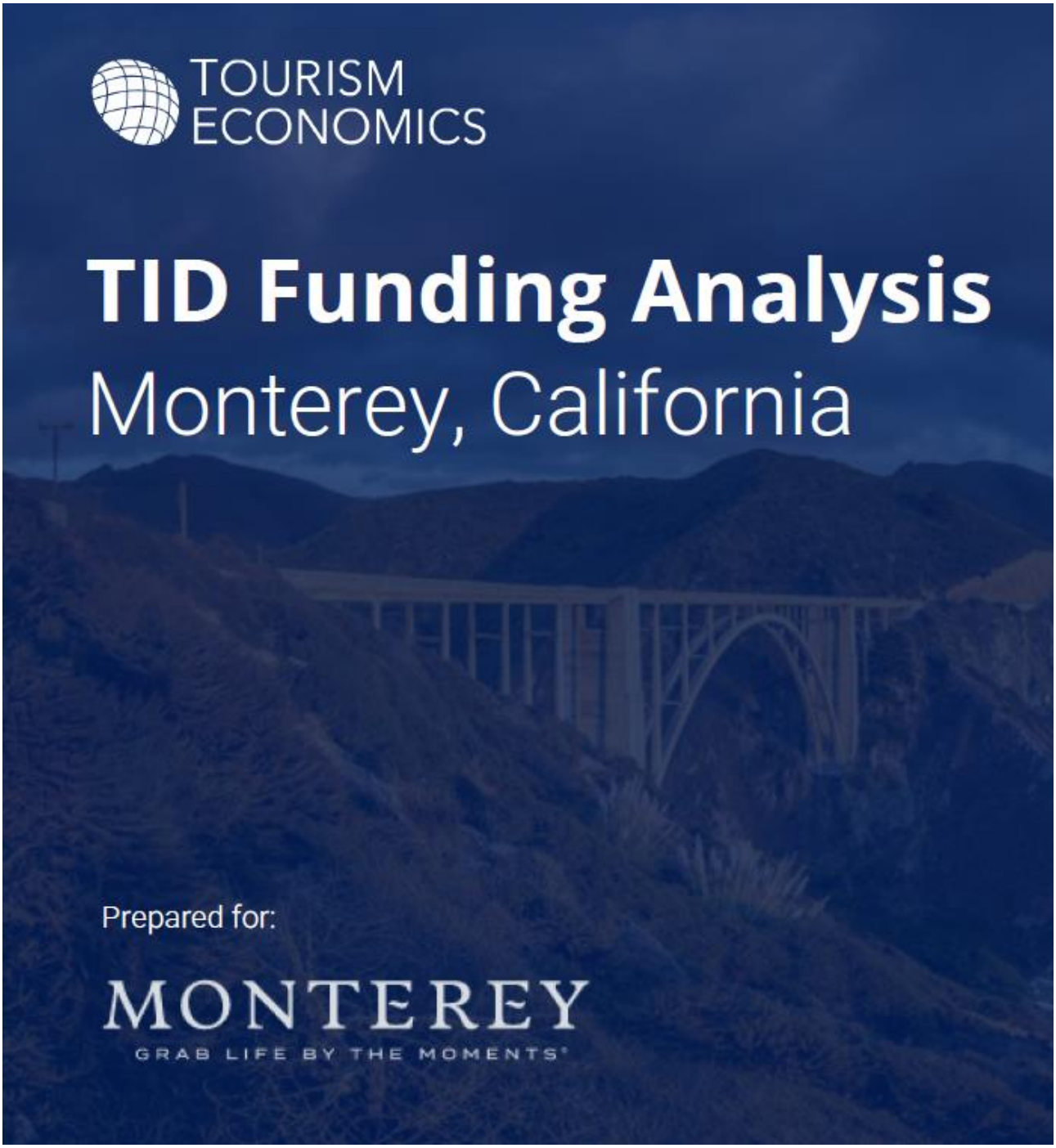
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Representation a luxury travel conferences (e.g. ILTM)	X		
Representation at VCA luxury travel week	X		
Featured in Luxury Advertising Campaign	X		
Featured in Luxury Public Relations Campaign	X		

** Each property that meets the minimum criteria of the client, journalist, or meeting planner will be promoted.*

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APPENDIX 4 - TOURISM ECONOMICS STUDY



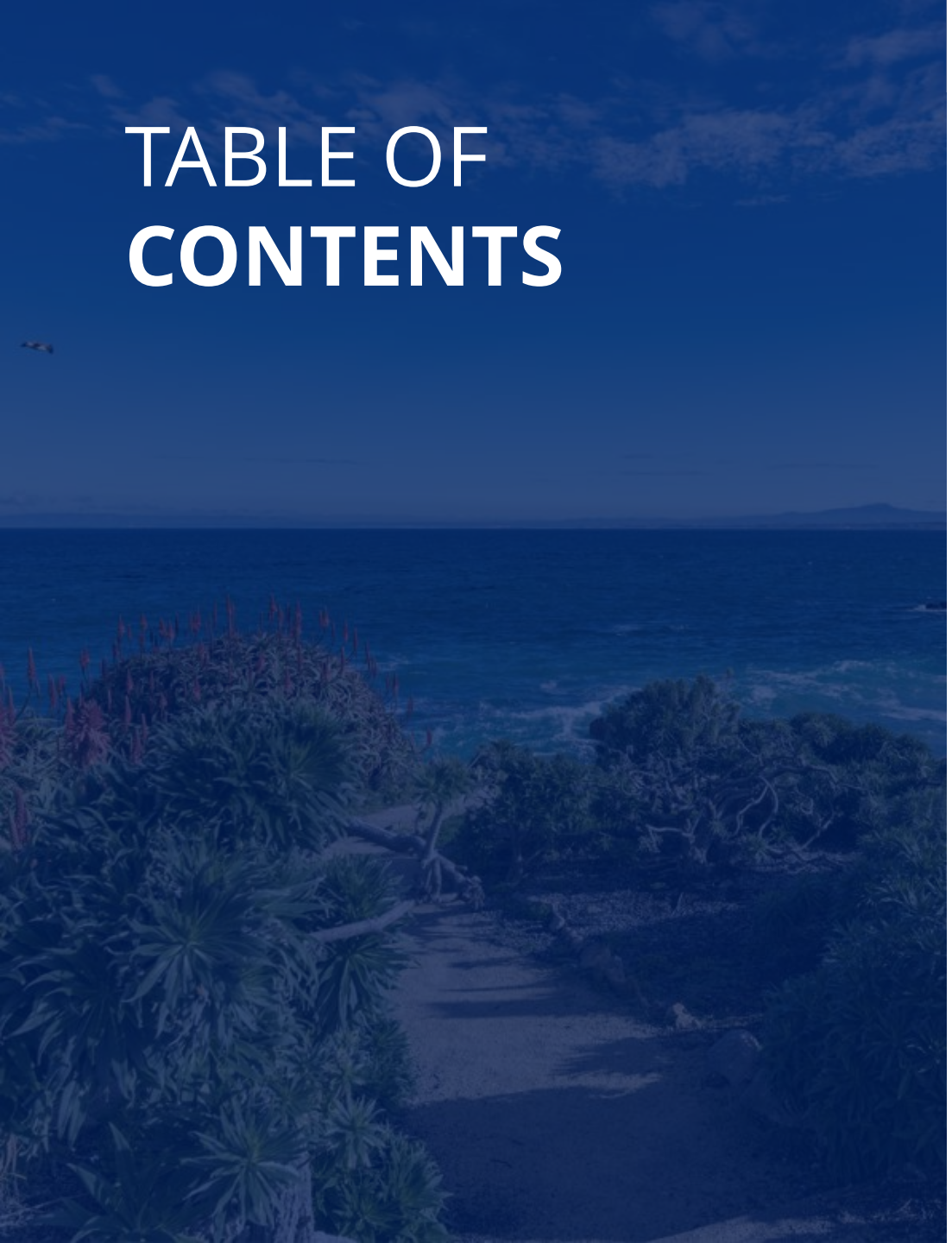


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3 MCCVB performance

4 Growing the visitor economy

5 Competitive funding analysis

6 Impact of TID funding on Monterey's economy

Appendix 1: The impact of TIDs

Appendix 2: The ROI of destination marketing



1 Introduction

Introduction

In 2019, visitors to Monterey County spent a total of $3.2 billion locally and booked 3.1 million rooms. Total visitor spending increased 43% from 2011 to 2019. The revenue generated by the Monterey County Tourism Improvement District (TID) and the work performed by the Monterey County Convention and Visitors Bureau (MCCVB) is a major factor in this accelerated growth.

This report provides a comprehensive overview of the TID and its impact on Monterey's tourism sector and overall economy. It highlights key trends over the past decade and quantifies how TID funding benefits hotels across the county.

Right now, Monterey is experiencing a strong recovery from the pandemic. Continued support and a renewal of the TID will support these trends into the future and ensure that the county's visitor economy reaches its full potential.



Key findings



In 2019, visitors spent $3.2 billion in Monterey County, supporting 40,480 jobs and $2.1 billion in local income (including direct, indirect, and induced impacts).



From 2011 to 2019, spending in Monterey increased 43%, faster than the state and region.



MCCVB's group sales team was increasing its bookings prior to the pandemic and provided an ROI of 14-1.



MCCVB sales and marketing are integral to increasing spending per visitor and driving visitation in the off-season.



Monterey County's TID will generate $2.3 billion in visitor spending over the next decade. Adopting the MCCVB's proposed assessment would generate an additional $2.2 billion, greatly accelerating post-pandemic growth.

2 Monterey Visitor Economy: Overview and Trends

Monterey Visitor Economy: Overview and Trends

Importance of the visitor economy

In 2019*, visitors spent $3.2 billion in Monterey County, supporting 40,480 jobs and $2.1 billion in local income**

Visitors to Monterey County spent $3.2 billion in 2019. Most of this spending accrued to the accommodations and food services sectors.

This spending directly generated (i.e., not including indirect and induced effects) 27,160 jobs, $1.4 billion of income, and $298 million in state and local taxes.

Monterey County represents approximately one-third of the Central Coast region's tourism sector and 2% of the state's tourism sector.

*Much of this report focuses on 2019 (fiscal or calendar year) as a benchmark for a typical year.

Key tourism indictors in Monterey County, 2019

Dollar figures in millions

Total visitor spending	**$3,241**
Accommodations	*$879*
Food Service	*$967*
Food Stores	*$78*
Local Tran. & Gas	*$267*
Arts, Ent. & Rec.	*$394*
Retail Sales	*$520*
Visitor Air Tran.	*$24*
Other	*$112*
Total Earnings**	**$2,161**
Direct earning	*$1,420*
Total jobs**	**40,480**
Direct jobs	*27,160*
Total S&L taxes**	**$398**
Direct S&L taxes	*$298*

Sources: Dean Runyan Associates, Tourism Economics
**totals include indirect and induced impacts calculated by Tourism Economics

Monterey Visitor Economy: Overview and Trends

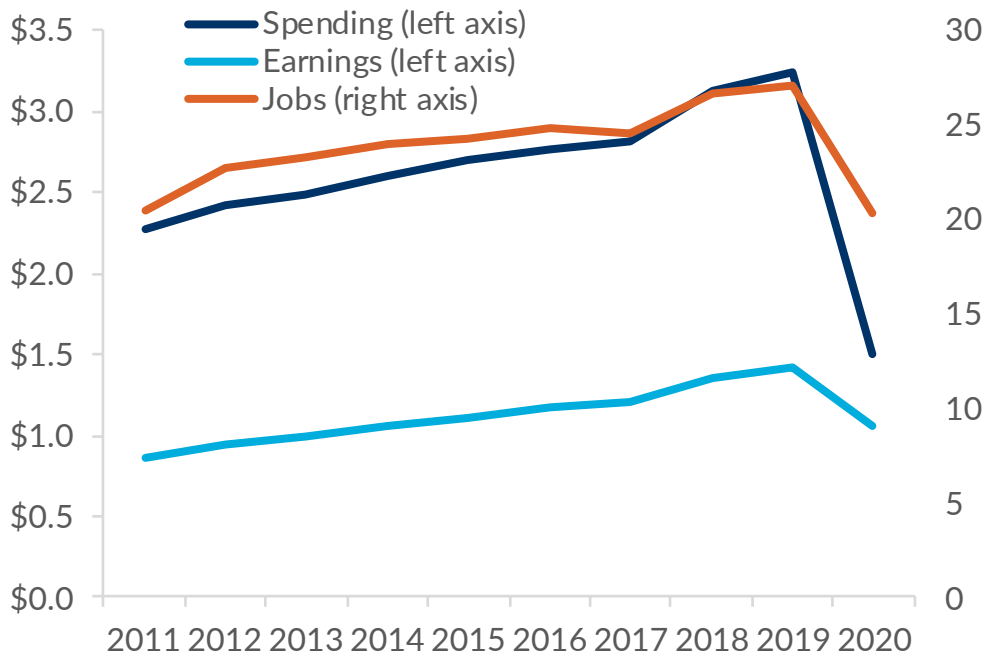
Trends in the visitor economy

Visitor spending increased 43% from 2011 to 2019.

Meanwhile earning and jobs increased 65% and 32%, respectively.

Growth of the visitor economy* in Monterey

Dollar figures in billions



Source Dean Runyan Associates
*earnings and jobs include direct impacts only

Monterey Visitor Economy: Overview and Trends

Hotel sector KPIs

Hotel performance metrics were all strengthening in the years prior to the pandemic.

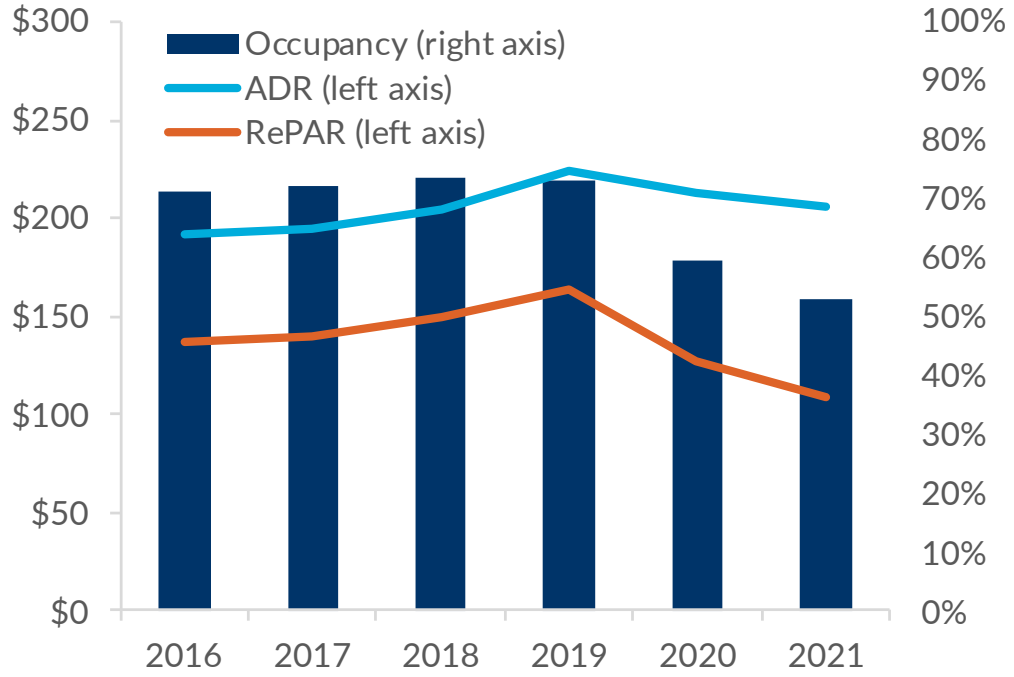
From FY2016-2019, ADR grew from $192 to $224, a 17% increase over three years

RevPAR grew to $164 from $137, a 20% increase.

Hotel occupancy increased to 73% from 71%.

Hotel sector KPIs in Monterey County

Dollars



Source Dean Runyan Associates

Monterey Visitor Economy: Overview and Trends

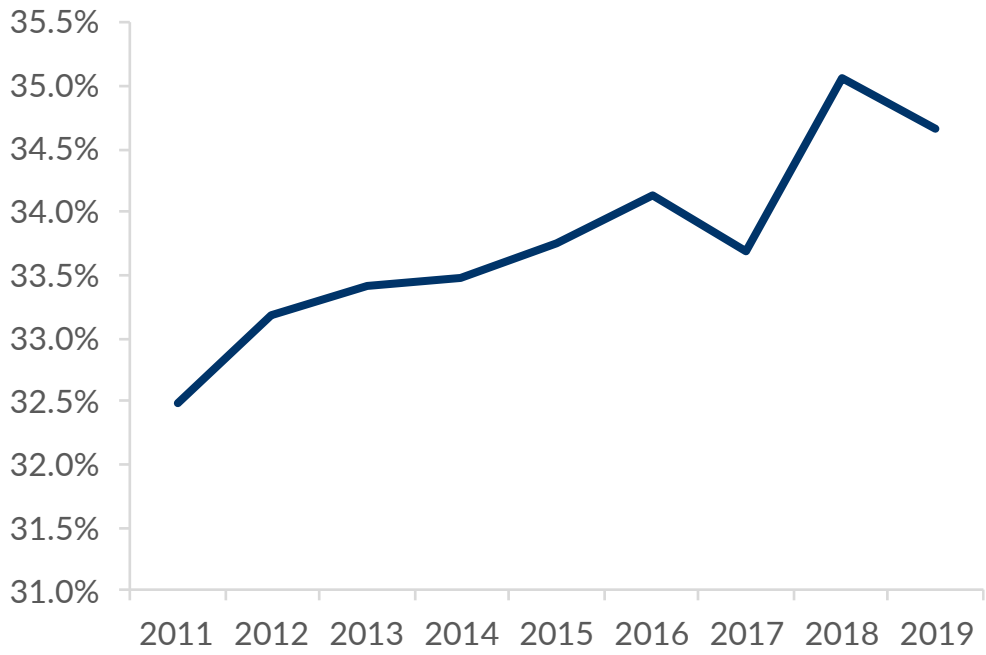
Visitor spending share

Monterey has been capturing an increasing share of the region's tourism market.

In 2019, Monterey County accounted for 34.7% of all spending in the Central Coast region, up from 32.5% in 2011. This increase of 2.2% may seem small; but given that visitors spent $9.4 billion dollars in the region in 2019, the 2.2% increase represents an additional $202 million in visitor spending injected into Monterey's economy.

Monterey share of visitor spending in the Central Coast region

Share of total regional spending



Source: Dean Runyan Associates

* Includes Monterey, San Benito, San Luis Obispo, Santa Barbara, and Ventura Counties

Monterey Visitor Economy: Overview and Trends

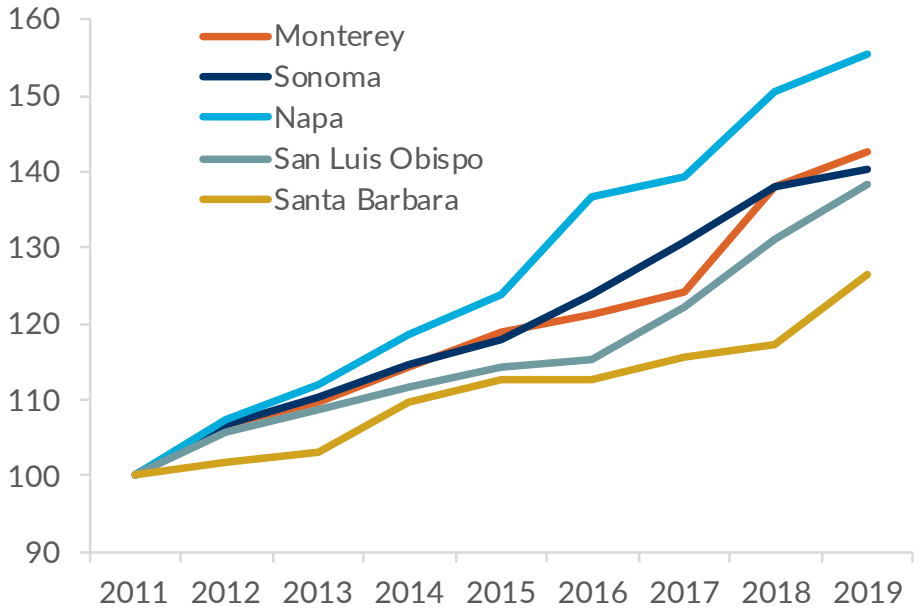
Visitor spending comparisons

Monterey exhibited strong growth compared to other nearby leisure-oriented counties.

Monterey County outpaced three of four nearby leisure-oriented counties from 2011-2019, including Sonoma, San Luis Obispo, and Santa Barbara.

Visitor spending growth in Monterey and local competitors

Index (2011=100)



Source: Dean Runyan Associates

Monterey Visitor Economy: Overview and Trends

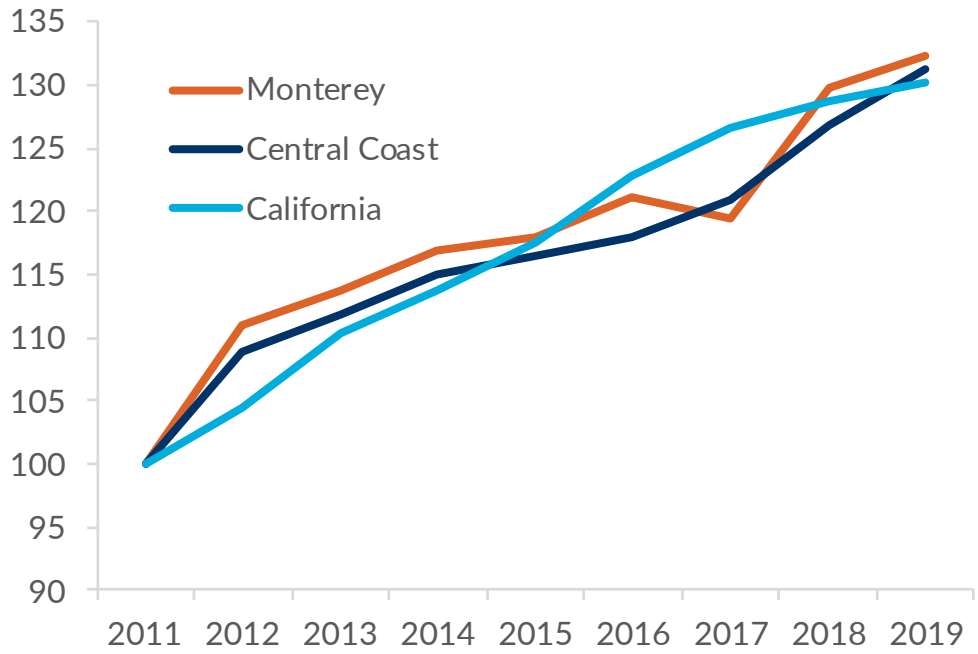
Tourism employment growth comparisons

Direct tourism employment in Monterey has grown at an accelerated rate.

Direct employment in Monterey County reached 27,160 in 2019, up from 20,510 in 2011. This represents an increase of 32% over that time period, which is slightly faster than growth in the state and region.

Direct tourism employment growth in Monterey, the region, and the state

Index (2011=100)



Source: Dean Runyan Associates

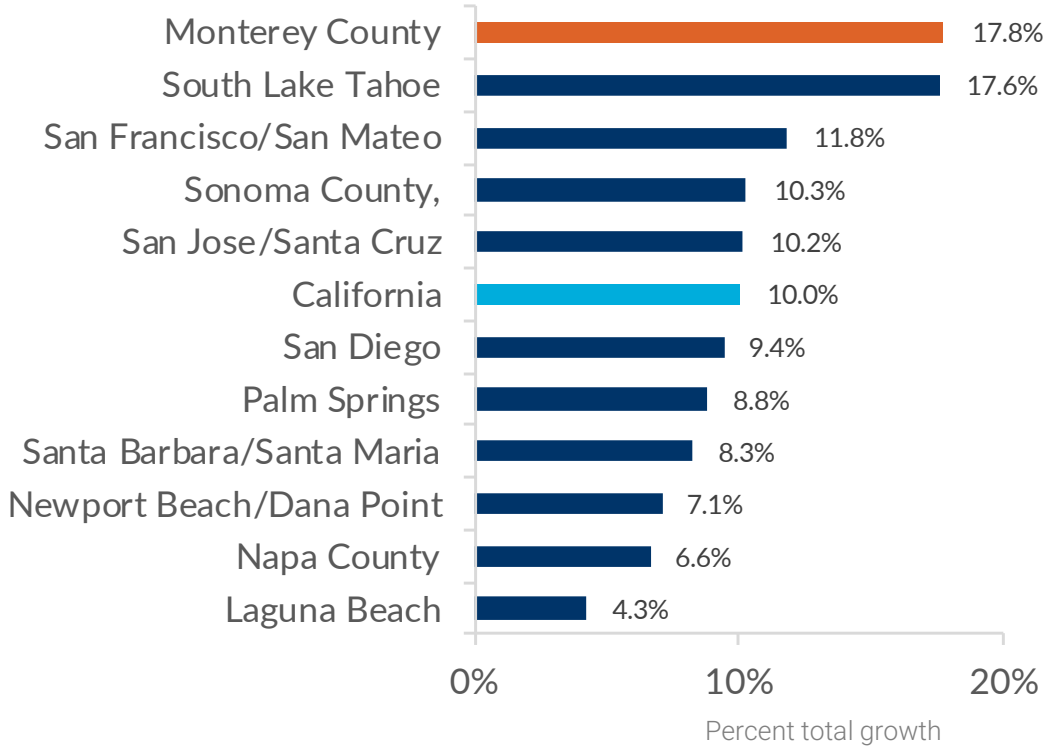
Monterey Visitor Economy: Overview and Trends

Hotel sector growth comparisons

Monterey led its competition in terms of room revenue growth over the three years prior to the pandemic.

Hotel room revenue in Monterey outpaced 10 competing destinations and grew almost 8% faster than the state.

Room revenue growth in Monterey and competitors, FY2017-2019*



Source: STR
*We use a shorter time horizon due to data limitations

Monterey Visitor Economy: Overview and Trends

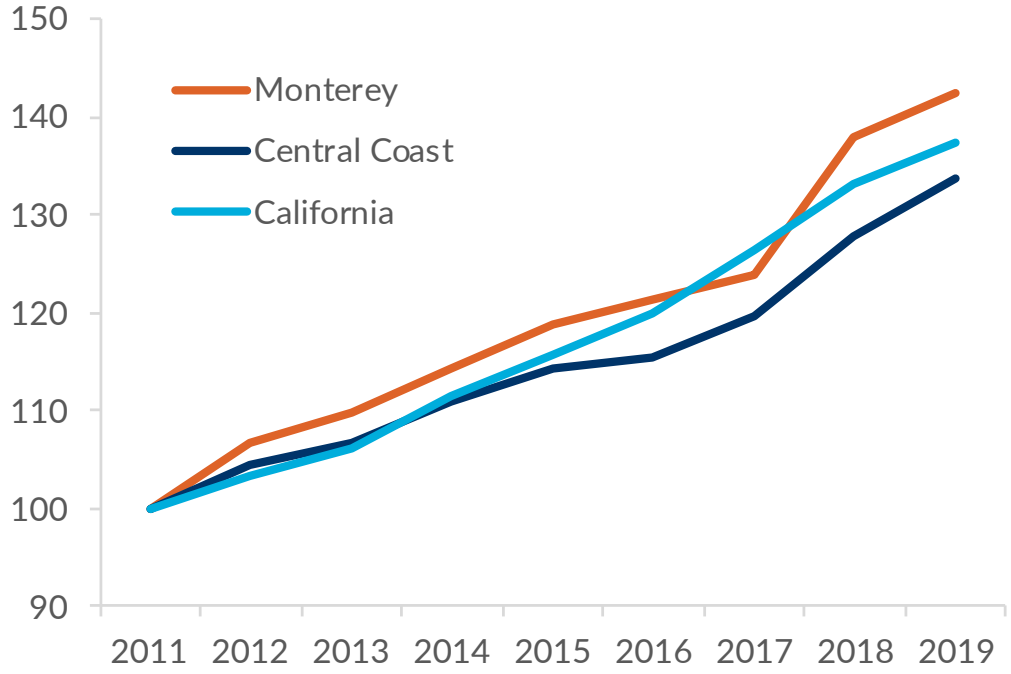
Visitor spending comparisons

Visitor spending increased at a faster rate in Monterey than in the state or region.

While Monterey's strong performance is notable over the entire decade, the county achieved particularly robust growth in the later half of the decade. Between 2015 and 2019, visitor spending in Monterey increased 20%, outpacing both the region (+17%) and the state (+19%).

Visitor spending growth in Monterey, the region, and the state

Index (2011=100)



Source: Dean Runyan Associates

3 MCCVB Performance

MCCVB Performance

Advertising ROI

MCCVB advertising generates a significant ROI in drive and fly markets.

In the first half of FY2022, media campaigns run by the MCCVB generated awareness of Monterey County as a tourism destination in 4.2 million households in both drive and fly markets. These newly aware households made 115,261 trips to Monterey County and spent $136.8 million locally. These ads produced an ROI of 75-to-1.

MCCVB advertising performance by market type, mid-year FY2022

	Drive	Fly	**Total**
Aware households created	2,500,000	1,700,000	**4,200,000**
Influenced trips to Monterey	45,857	69,404	**115,261**
Influenced visitor spending (millions)	$44.0	$92.8	**$136.8**
Ad spending (millions)	$0.7	$1.1	**$1.8**
ROI	62-to-1	84-to-1	**75-to-1**

Source: SMARI

MCCVB Performance

Group sales performance

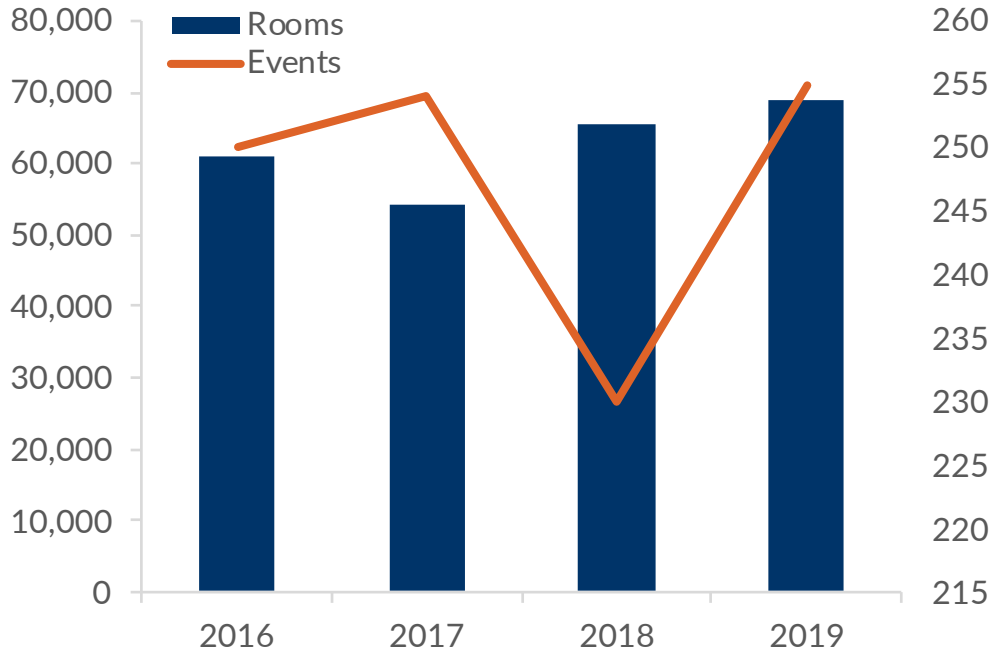
The MCCVB's group sales team was increasing its bookings prior to the pandemic.

The sales teams booked 255 events in FY2019, up from 250 in FY2016. Meanwhile, rooms booked increased to 69,000 from 61,200, a 13% increase over the same time period.

The average size of events also increased in this time period, growing to 271 rooms per event from 245.

MCCVB group sales

Rooms booked



Source: MCCVB

MCCVB Performance

Group sales return on investment

The MCCVB's group sales team generated a substantial ROI in FY2019.

The events booked by the MCCVB sales team resulted in 96,800 total room sales and $44 million in visitor spending. This provided an ROI of 14-to-1 when measured against their $3.1 million budget.

MCCVB group sales performance, FY2019

Total event rooms*	96,800
Spending per room**	$455
Total Spending (millions)	$44.0
Sales and group services expenses (millions)	$3.1
Group sales ROI	14-to-1

Source: MCCVB; Tourism Economics
*This includes bookings in the event room block and an estimation of outside the block bookings from Tourism Economics' and Destination International's Event Impact Calculator.
** Includes spending by the event organizer.

MCCVB Performance

Group sales and seasonality

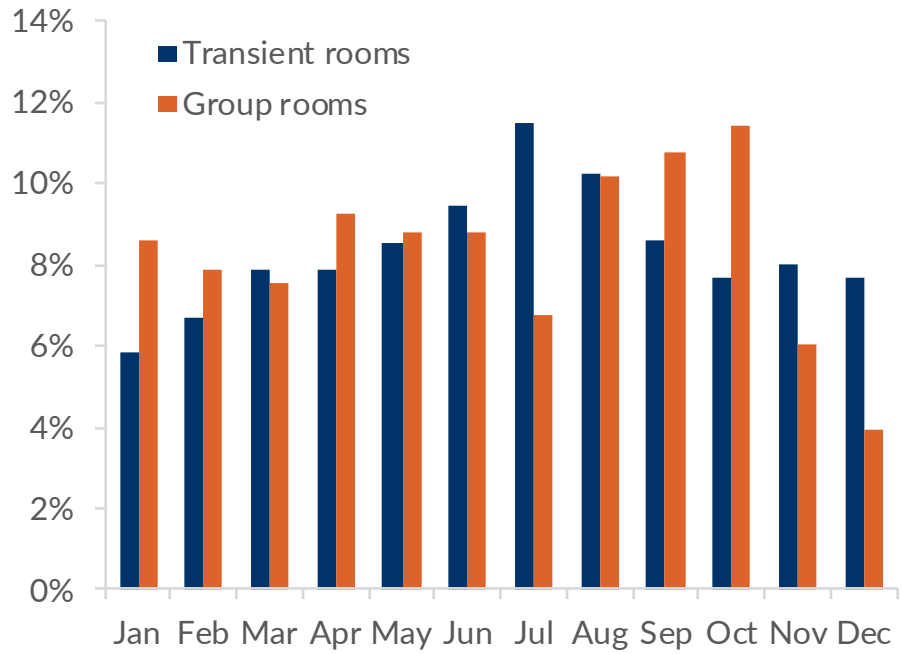
Group sales help fill out the off-peak "shoulder" seasons for the Monterey visitor economy.

While group sales* remain low in November and December, they create a substantial boost in the shoulder months of Jan.-Apr. and Sep.-Oct. when transient (i.e., not group or contract) room bookings are lower.

*As reported by STR, which includes additional rooms beyond what the MCCVB books.

Seasonality of room bookings in Monterey County, 2018

Monthly share of annual rooms



Source: STR



4 Growing the Visitor Economy

Growing the Visitor Economy

Overcoming supply constraints

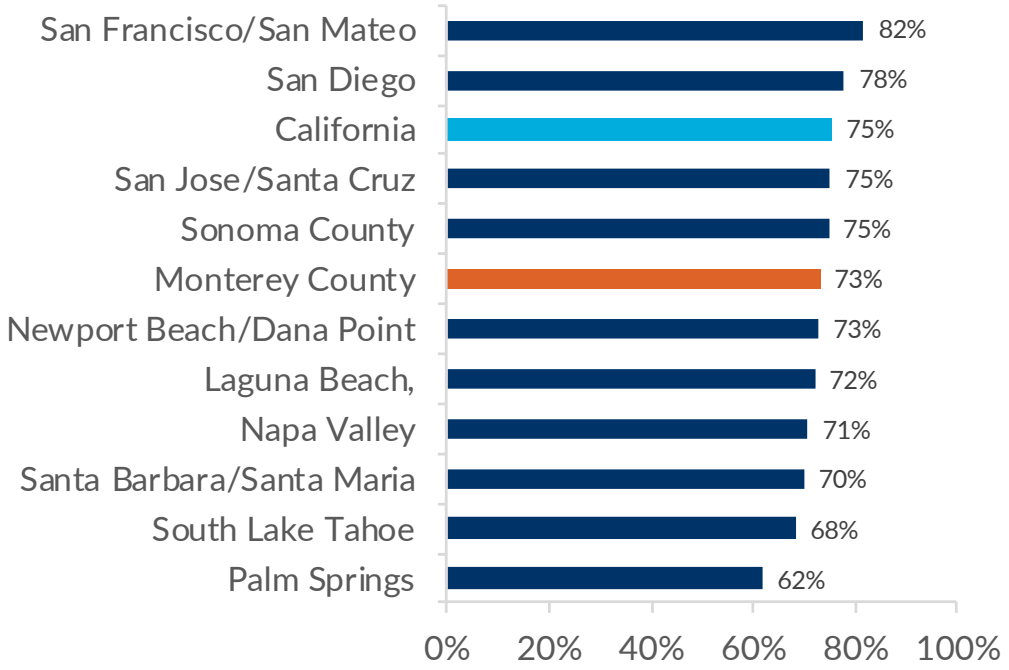
Monterey's pre-pandemic occupancy rate was nearing full capacity.

This section reviews ways to increase the economic impact of tourism given current supply constraints

While a 73% occupancy rate may leave an impression that there are numerous available rooms, this is close to full capacity for a leisure destination. It is rare to see non-urban destinations (cities fill weekdays and 'low' seasons with business travelers) maintain annual occupancy rates above 75%.

Therefore, increasing the economic impact of tourism in Monterey County largely depends on some combination of increasing room inventory, increasing visitor spending per booked room, and filling out the shoulder periods (especially weekdays).

Occupancy rate in Monterey County and competing destinations, FY2019



Source: STR

Growing the Visitor Economy

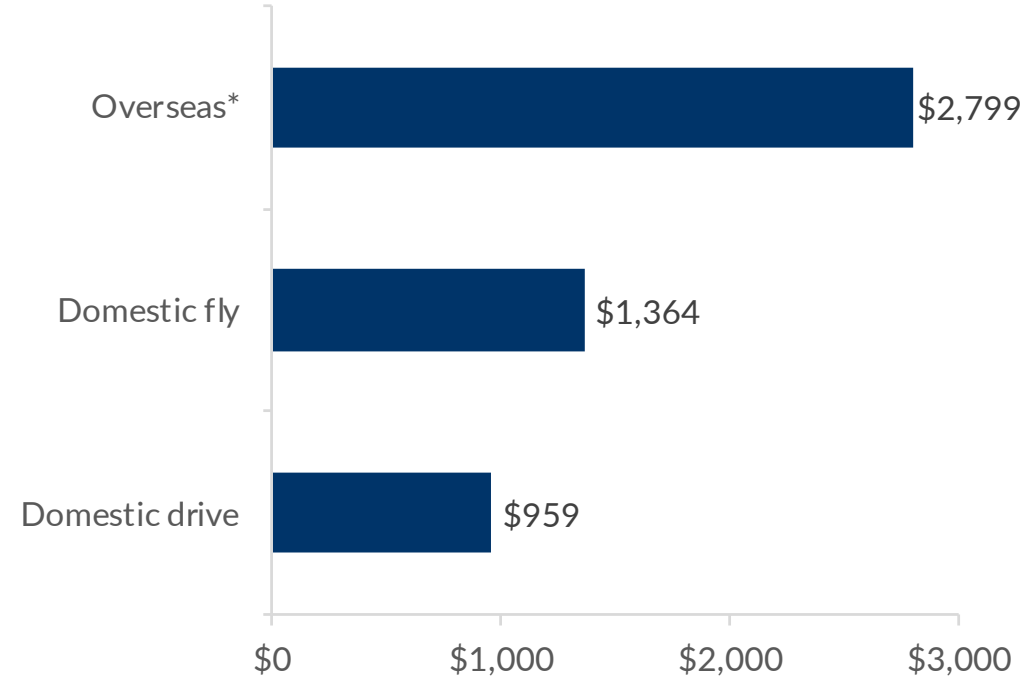
Importance of visitor value

Visitors from greater distances spend significantly more per trip.

To maximize the value of each visitor, the MCCVB can concentrate on the domestic-fly and overseas markets. The domestic-fly market spends 42% more than the drive market, and the overseas* market spends 192% more than the domestic drive market.

*The overseas spending estimate is a statewide average that comes from Tourism Economics' International State Travel database and includes data inputs from a dozen sources including the NTTO, the BEA, and VisaVue Travel. This includes spending in California, but not spending on travel to the US.

Spending per trip by origin market



Sources: SMARI; Tourism Economics
*California figure – calendar year 2020, other figures FY2021

Dollars per trip

Growing the Visitor Economy

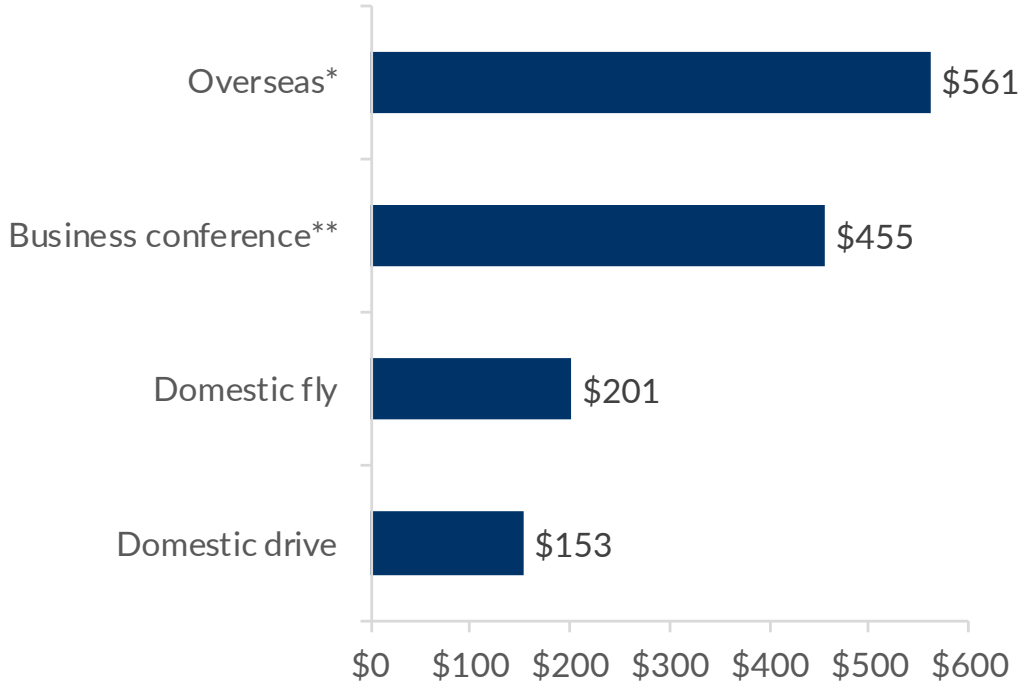
Importance of visitor value

Visitors from greater distances spend significantly more per night.

Compared to the domestic drive market, the domestic fly market spends 31% more per night, the business conference market spends 158% more, and the overseas* market spends 190% more.

*The overseas origin market estimate uses San Jose data, the closest available data point, and comes from Tourism Economics' Global City Travel database. This uses data inputs from a dozen sources including the NTTO, the BEA, and VisaVue Travel. This includes spending in San Jose, but not spending on travel to the US.

Spending per night by origin market



Sources: SMARI; Tourism Economics
*San Jose figure – calendar year 2020, other figures FY2021
** Includes spending by the event organizer.

Dollars per night

Growing the Visitor Economy

Boosting the low season

MCCVB is also well-positioned to increase off-season bookings.

While Monterey's 73% annual occupancy rate is quite high for a non-urban leisure destination, MCCVB can realize the opportunity to increase low-season bookings.

If the six low-season months (average occupancy 64%) matched the occupancy rate of the six high-seasons months (80%), Monterey would see an increase of 354,000 rooms booked—a 10% increase over its current total.

Seasonality and potential new booking in Monterey, 2019

	Rooms booked	Occupancy rate	Potential new bookings*
Jan	214,000	56%	93,000
Feb	215,000	64%	53,000
Mar	253,000	68%	44,000
Apr	277,000	75%	18,000
May	290,000	76%	--
Jun	302,000	82%	--
Jul	319,000	84%	--
Aug	317,000	83%	--
Sep	291,000	79%	--
Oct	295,000	77%	--
Nov	248,000	67%	49,000
Dec	210,000	55%	97,000
Total	3,231,000		354,000

Sources: STR; Tourism Economics
*Potential new room bookings if these months could match the high-season occupancy rate of 80%.

5 Competitive Funding Analysis

Competitive Funding Analysis

TID overview

The Monterey County TID assessment that funds the MCCVB ranges from $1.00 to $2.00.

Full-service hotels are assessed $2.00 and other hotels are assessed $1.00. In FY2019, the TID (tourism improvement district) generated $4.2 million of funding dedicated for tourism promotion through the MCCVB and represented the largest source of funding for tourism promotion in the county.

Monterey hotel sector and TID details by scale, FY2019

	ADR	Room revenue	% of Revenue	Current Avg TID per Room Assumption	Current TID Contribution	Contribution % of Total TID
Luxury	$455	$294,000,000	41%	$2.00	$1,293,000	31%
Upper Upscale	$229	$134,000,000	19%	$1.50	$875,000	21%
Upscale	$180	$48,000,000	7%	$1.25	$333,000	8%
Upper Midscale	$185	$75,000,000	10%	$1.15	$468,000	11%
Midscale	$179	$39,000,000	5%	$1.00	$218,000	5%
Economy	$132	$133,000,000	18%	$1.00	$1,013,000	24%
Total	**$231**	**$724,000,000**	**100%**	**$0.00**	**$4,201,000**	**100%**

Source: MCCVB, STR

Competitive Funding Analysis

TID rate comparison

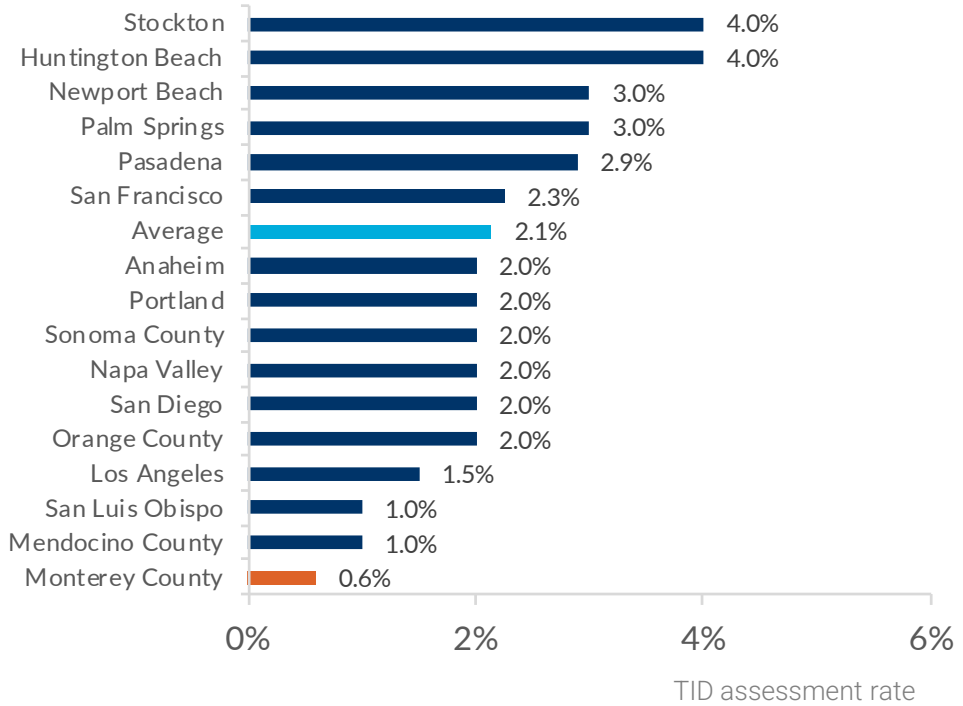
Monterey's TID assessment of 0.6%* is much lower than the competitive set average of 2.1%.

This set includes the MCCVB's competitive set and additional DMOs that disclosed their assessment rate to Destinations International (DI).

Since the assessment is a major source of revenue for the MCCVB (and the majority of other DMOs on this list), this results in a limited tourism promotion budget for Monterey County. Increasing the TID assessment rate could generate additional funding and provide competitive funding for tourism promotion in Monterey County.

*Monterey's per room assessment scheme results in an overall rate of 0.6% of room revenue.

TID assessment rates in Monterey and competitors



Sources: Dean Runyan Associates; Tourism Economics

Competitive Funding Analysis

Competitive funding analysis

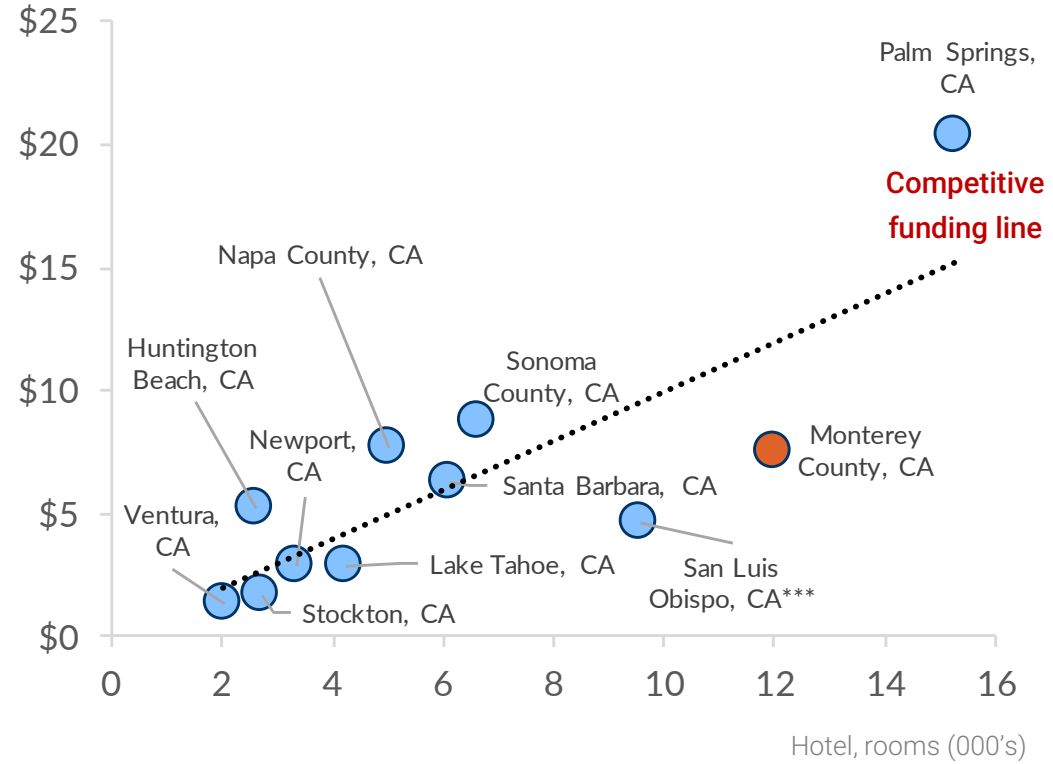
Tourism promotion in Monterey County is underfunded relative to local competitors.

This analysis compares destinations' DMO budgets relative to the size of the local tourism sector (as measured by hotel room inventory). This analysis shows that Monterey County tourism promotion is underfunded compared to the line of best fit (the dotted line).

We chose to conduct a pre-pandemic analysis to provide perspective on a 'normal' level of DMO spending and room inventory, as the pandemic has caused severe swings.

Hotel rooms and DMO revenue in competing destinations, pre-pandemic*

DMO budget, millions



Sources: Tourism Economics, DI, STR

*2018 or 2019 depending on destination's reporting

** San Luis Obispo has greatly increased their DMO's budget recently. The destination will likely spend close to $10m in 2022, up from $4.6m in this analysis.

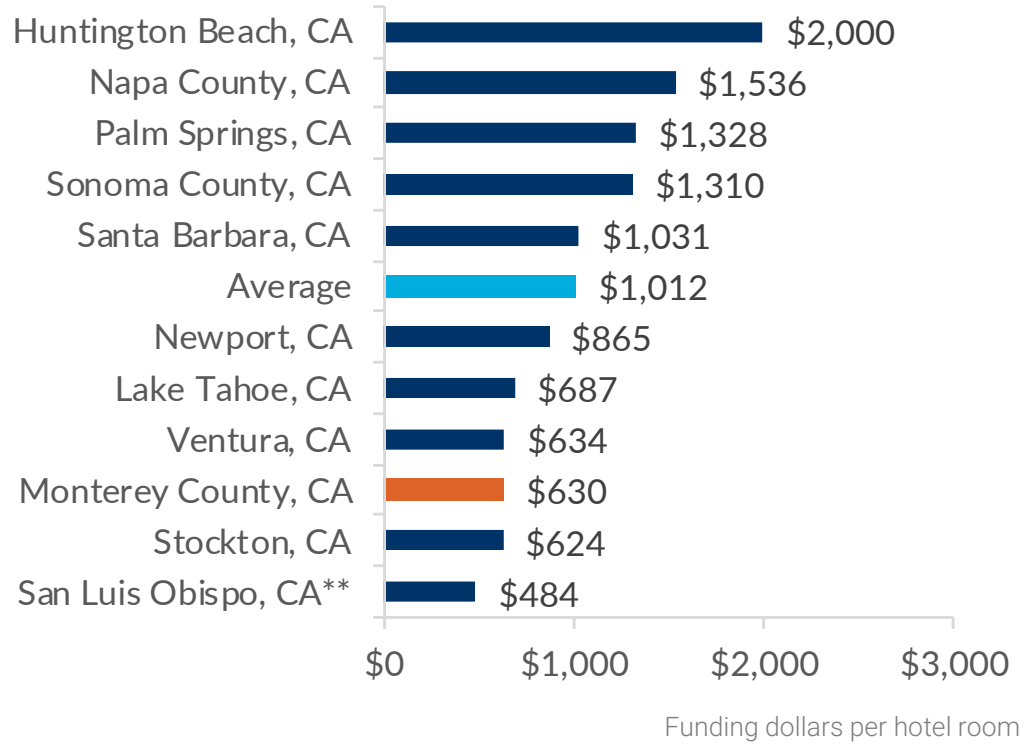
Competitive Funding Analysis

Competitive funding analysis

Monterey County's tourism promotion budget is 38% below the set average.

Examining the same data as the prior slide, we see that Monterey County provides $630 of tourism promotion spending for every hotel room, 38% below the set average.

Tourism promotion funding per room in select destinations, pre-pandemic



Sources: Tourism Economics, DI, STR
*2018 or 2019 depending on destination's reporting
** San Luis Obispo has recently increased their DMO's budget, and their figure may double in 2022.

6 Impact of TID Funding on the Monterey Economy

Impact of TID Funding on the Monterey Economy

Importance of visitor value

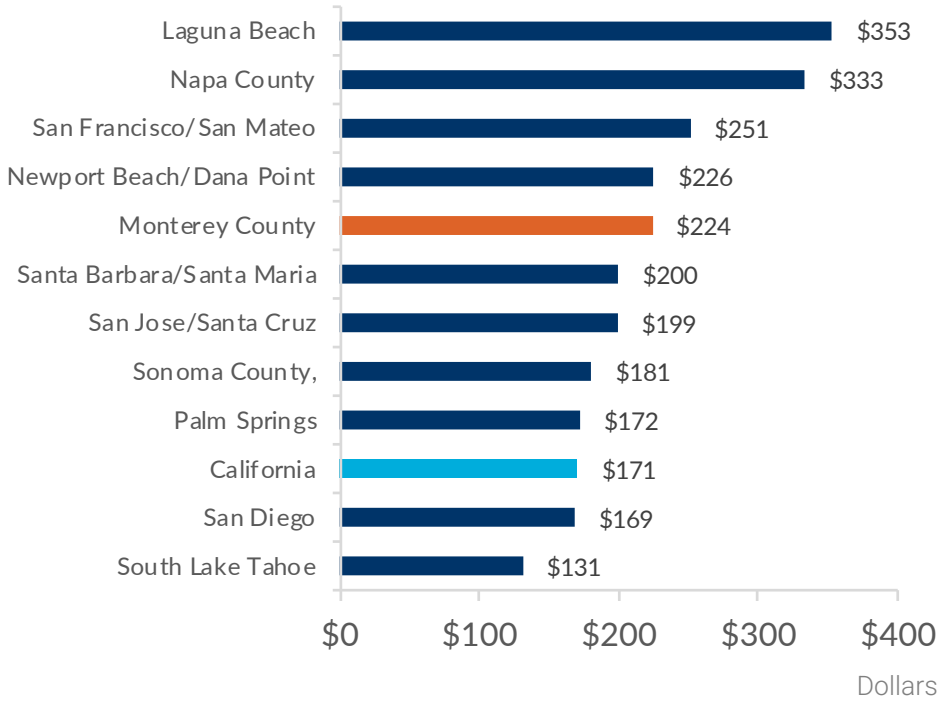
Changing the TID assessment rate would not impact local hotels' price competitiveness.

Increasing or decreasing the TID assessment rate would do little to change Monterey's price competitiveness amongst its main competitors. Economically, elimination of the TID is unlikely to produce any positive benefit on room demand. Tourism Economics modeling on behalf of STR has consistently found hotel room demand to be highly inelastic at the market level. That is, while an individual property may gain or lose share within a market based on price, a market-wide shift in rate has no appreciable impact on room demand.

The impact of the loss of tourism promotion funding would in all likelihood far exceed any possible negative effect of higher room costs. We also note that from FY2016-2019, ADR increased 17% while the occupancy rate grew to 73% from 71%. This indicates that price sensitivity does not seem to be a major factor for visitors.

In sum, eliminating the TID would not impact hotels' price competitiveness but would appreciably undercut Monterey's competitive market position in the absence of concerted destination sales and marketing.

Average room rate in Monterey and competitors, FY2019*



Source: STR
* The US Open boosted room rates in Monterey County FY2019.

Impact of TID Funding on the Monterey Economy

Importance of visitor value

The MCCVB generated an ROI of $47-to-$1.

Based on prior calculations of paid media and group sales ROIs, we estimate that the MCCVB has an organizational ROI of 47-to-1 (i.e., one dollar of MCCVB funding generates $47 of visitor spending).

MCCVB organizational ROI calculations

	Value	Source / calculation
Paid media ROI on visitor spending	75-to-1	*See 'MCCVB Performance' section*
Paid Media expenses share of total DMO budget	56%	*MCCVB*
Group Sales ROI on visitor spending	14-to-1	*See 'MCCVB Performance' section*
Group sales share of total DMO budget	33%	*MCCVB*
Organization ROI on visitor spending	47-to-1	*(75 * 61%) + (14 * 33%)*

Sources: SMARI; MCCVB; Tourism Economics

Impact of TID Funding on the Monterey Economy

Scenario development

Changes in the TID could create an impact of several hundred million dollars.

Here we evaluate the impact of changes to the TID structure via three scenarios. In the Baseline Scenario the TID structure remains the same, in the TID elimination scenario the TID is removed, and in the Alternative TID Scenario the TID structure is changed to a three-tiered flat assessment that begins at $1.50 for limited-service hotels, $4.50 for full-service hotels, and $7.00 for luxury properties with biennial escalators.

We provide additional details on the three scenarios in fiscal year 2025, as this is the first year without a "cool-down" or "ramp-up" effect (i.e. the full effect of a funding increase/decrease will not be felt in the first two years of budget changes as lags exists between assessments being collected, distributed, media spending being increased/decreased, consumers making travel plans, and visitors actually traveling).

In 2025, our Baseline Scenario forecasted MCCVB's revenue is $9.0 million. In the TID Elimination Scenario, the MCCVB receives $4.0 million, a decrease of $5.0 million. We estimate a 47-to-1 ROI on this lost funding spending, which results in $233 million of lost visitor spending.

MCCVB revenue and visitor spending in three scenarios, FY2025

Dollar figures in millions

	TID Elimination Scenario	Baseline Scenario	Alternative Assessment Scenario
TID revenue	$0.0	$5.0	$9.8
Jurisdiction investment	$4.0	$4.0	$4.0
Total MCCVB revenue	**$4.0**	**$9.0**	**$13.8**
Revenue change relative to baseline	-$5.0	--	$4.8
Anticipated ROI revenue change*	47-to-1	--	42-to-1
Change in visitor spending	-$233	--	$204
Total visitor spending	$3,157	$3,391	$3,594

Sources: SMARI; MCCVB; Tourism Economics

In the Alternative Assessment Scenario, the MCCVB receives $13.8 million in revenue, an increase of $4.8 million. To be conservative and account for diminishing marginal returns on new funding, we estimate a 42-to-1 ROI on this new funding, which results in $204 million of gained visitor spending.

Impact of TID Funding on the Monterey Economy

Baseline Scenario forecast

In our Baseline Scenario, visitor spending grows to $3.8 billion in FY2032.**

Monterey County's visitor economy, Baseline Scenario*

Dollar figures in millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'19-'32 Growth
Spending	$3,189	$2,529	$2,197	$2,751	$3,295	$3,342	$3,391	$3,440	$3,525	$3,576	$3,627	$3,680	$3,733	$3,787	17%
Earnings	$1,387	$1,239	$991	$1,179	$1,405	$1,418	$1,431	$1,445	$1,473	$1,487	$1,501	$1,515	$1,529	$1,543	10%
Jobs	26,895	23,765	19,342	24,226	28,431	28,265	28,100	27,936	28,053	27,890	27,727	27,565	27,404	27,244	2%
Local taxes	$168	$130	$114	$143	$172	$175	$178	$182	$186	$190	$193	$196	$200	$204	19%
Sales tax	$72	$58	$50	$63	$75	$76	$77	$78	$80	$81	$82	$83	$83	$84	15%
TOT	$71	$53	$47	$60	$72	$74	$76	$78	$80	$82	$84	$86	$88	$90	23%
State taxes	$142	$109	$96	$115	$143	$147	$153	$156	$159	$162	$164	$166	$169	$171	19%

Monterey County's visitor economy, Baseline Scenario

Index, (FY2019=100)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Spending	100	79	69	86	103	105	106	108	111	112	114	115	117	119
Earnings	100	89	71	85	101	102	103	104	106	107	108	109	110	111
Jobs	100	88	72	90	106	105	104	104	104	104	103	102	102	101
Local taxes	100	78	68	85	103	105	106	108	111	113	115	117	119	121
Sales tax	100	81	70	87	104	105	106	108	110	111	113	114	115	117
TOT	100	75	66	84	101	104	106	109	112	115	117	120	123	126
State taxes	100	77	68	81	101	104	108	110	113	114	116	118	119	121

Sources: SMARI; MCCVB; Tourism Economics
*Fiscal years
**Based on MCCVB projections of hotel revenue

Impact of TID Funding on the Monterey Economy

TID Elimination scenario

The TID Elimination scenario results in $2.3 billion dollars of lost spending over the next decade.

These spending losses result in losses of $939 million in earnings, $120 million in local taxes, and an average of 1,759 jobs annually.

Monterey County's visitor economy, TID Elimination Scenario

Dollar figures in millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total losses
Baseline Scenario visitor spending	$3,189	$2,529	$2,197	$2,751	$3,295	$3,342	$3,391	$3,440	$3,525	$3,576	$3,627	$3,680	$3,733	$3,787	--
Lost TID Scenario visitor spending	--	--	--	--	$3,221	$3,192	$3,157	$3,201	$3,280	$3,325	$3,370	$3,416	$3,463	$3,510	--
Lost spending	--	--	--	--	$73	$150	$233	$239	$245	$251	$257	$263	$270	$277	$2,259
Lost earnings	--	--	--	--	$31	$64	$98	$100	$102	$104	$106	$108	$111	$113	$939
Lost jobs*	--	--	--	--	633	1,270	1,933	1,941	1,949	1,957	1,966	1,974	1,982	1,990	1,759
Lost local taxes	--	--	--	--	$3.8	$7.9	$12.3	$12.6	$12.9	$13.3	$13.7	$14.1	$14.5	$14.9	$120
Sales tax	--	--	--	--	$1.7	$3.5	$5.4	$5.5	$5.6	$5.8	$5.9	$6.0	$6.2	$6.3	$52
TOT	--	--	--	--	$1.6	$3.2	$5.1	$5.3	$5.4	$5.6	$5.8	$6.0	$6.2	$6.4	$51
Lost state taxes	--	--	--	--	$3.2	$6.6	$10.6	$10.8	$11.1	$11.4	$11.6	$11.9	$12.2	$12.5	$102

Source: Tourism Economics
*annual average

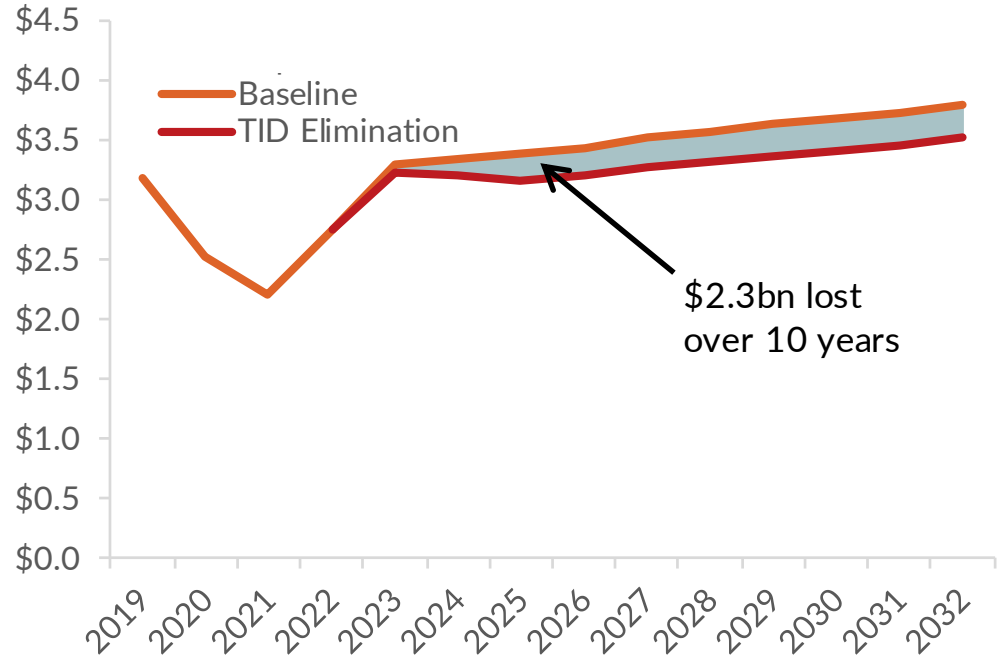
Impact of TID Funding on the Monterey Economy

TID Elimination scenario

The TID elimination scenario results in $2.3 billion dollars of lost spending over the next decade.

Future visitor spending growth in Monterey, two scenarios

Dollars, billions



Source: Tourism Economics

Impact of TID Funding on the Monterey Economy

Alternative Assessment Scenario

The Alternative Assessment Scenario results in $2.2 billion dollars of gained spending over the next decade.

These spending gains result in gains of $920 million in earnings, $118 million in local taxes, and an average of 1,716 jobs annually.

Monterey County's visitor economy, Alternative Assessment Scenario

Dollar figures in millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total gains
Baseline Scenario visitor spending	$3,189	$2,529	$2,197	$2,751	$3,295	$3,342	$3,391	$3,440	$3,525	$3,576	$3,627	$3,680	$3,733	$3,787	--
Alternative Assessment Scenario visitor spending	--	--	--	--	$3,349	$3,448	$3,594	$3,638	$3,766	$3,812	$3,906	$3,953	$4,048	$4,096	--
Gained spending	--	--	--	--	$55	$106	$204	$199	$242	$236	$279	$273	$316	$310	$2,218
Gained earnings	--	--	--	--	$23	$45	$86	$83	$101	$98	$115	$112	$129	$126	$920
Gained jobs*	--	--	--	--	471	896	1,688	1,613	1,923	1,842	2,132	2,047	2,317	2,228	1,716
Gained local taxes	--	--	--	--	$2.9	$5.6	$10.7	$10.5	$12.8	$12.5	$14.8	$14.6	$16.9	$16.7	$118
Sales tax	--	--	--	--	$1.7	$3.5	$5.4	$5.5	$5.6	$5.8	$5.9	$6.0	$6.2	$6.3	$52
TOT	--	--	--	--	$1.6	$3.2	$5.1	$5.3	$5.4	$5.6	$5.8	$6.0	$6.2	$6.4	$51
Gained state taxes	--	--	--	--	$2.4	$4.7	$9.2	$9.0	$10.9	$10.7	$12.6	$12.4	$14.3	$14.0	$100

Source: Tourism Economics
*annual average

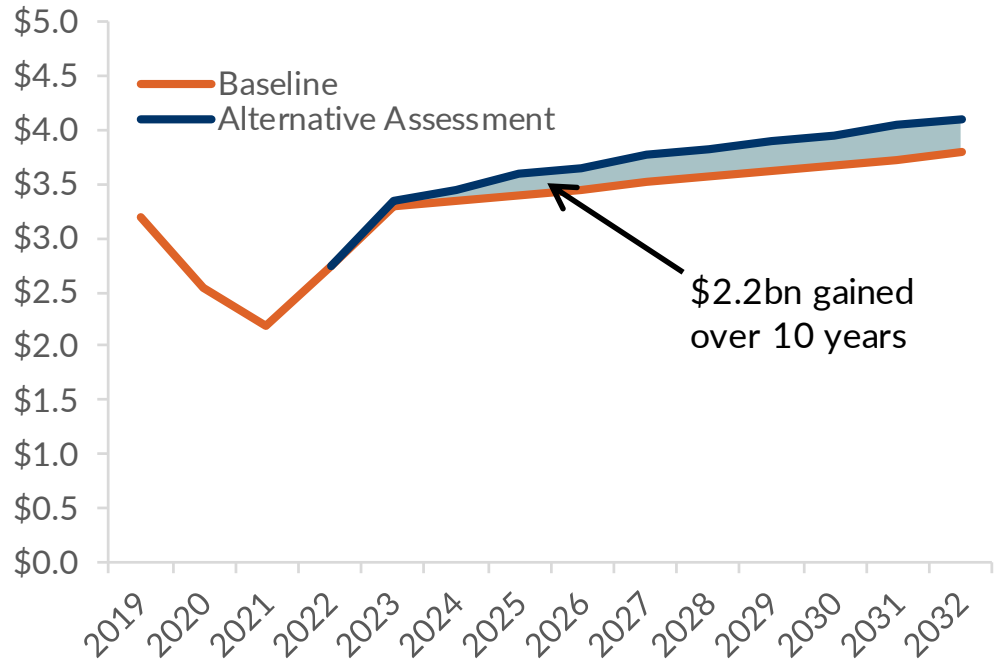
Impact of TID Funding on the Monterey Economy

Alternative Assessment Scenario

The Alternative Assessment Scenario results in $2.2 billion dollars of gained spending over the next decade.

Future visitor spending growth in Monterey, two scenarios

Dollars, billions



Source: Tourism Economics

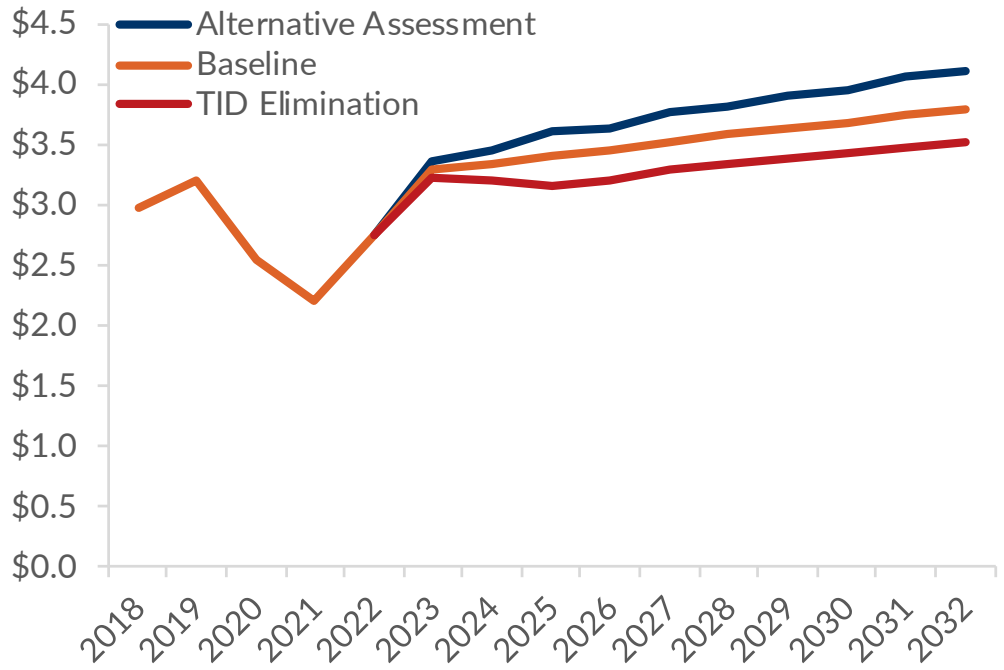
Impact of TID Funding on the Monterey Economy

Scenario comparison

The changes in TID funding create a notable impact on the future path of the visitor economy.

Future visitor spending growth in Monterey, three scenarios

Dollars, billions



Source: Tourism Economics

Appendix: The National Impact of Tourism Improvement Districts

The Impact of Tourism Improvement Districts

National study of TID benefits

The following pages review a collaborative research project on the impact of TIDs performed by Tourism Economics.

The study finds that tourism improvement districts (TIDs) provide a competitive advantage for destinations. By examining TID impacts on room demand, revenue, and visitor spending, this white paper explores that ground-breaking research and explains how TIDs enhance economic impacts in destinations.

The Impact of TIDs

Destination sample

The analysis covers 100 cities, including 29 TID destinations and 71 non-TID destinations.

Cities included in Tourism Economics' TID impact analysis

TID sample

	City	State	Year established
1	Mobile	AL	2020
2	Sacramento	CA	2019
3	Los Angeles	CA	2011
4	Anaheim	CA	2010
5	Napa	CA	2010
6	Palm Springs	CA	2008
7	San Francisco	CA	2008
8	San Diego	CA	2007
9	Monterey	CA	2006
10	San Jose	CA	2006
11	Denver	CO	2017
12	Tampa	FL	2020
13	Wichita	KS	2014
14	New Orleans	LA	2014
15	Baltimore	MD	2019
16	Billings	MT	2007
17	Newark	NJ	2013
18	Tulsa	OK	2019
19	Portland	OR	2012
20	Philadelphia	PA	2017
21	Newport	RI	2017
22	Sioux Falls	SD	2011
23	Memphis	TN	2015
24	San Antonio	TX	2018
25	Fort Worth	TX	2017
26	Arlington	TX	2016
27	Dallas	TX	2012
28	Seattle	WA	2012
29	Spokane	WA	2003

Non-TID sample

	City	State		City	State
1	Anchorage	AK	36	Charlotte	NC
2	Birmingham	AL	37	Asheville	NC
3	Huntsville	AL	38	Greensboro	NC
4	Little Rock	AR	39	Raleigh	NC
5	Tucson	AZ	40	Fargo	ND
6	Mesa	AZ	41	Omaha	NE
7	Colorado Springs	CO	42	Atlantic City	NJ
8	Aspen	CO	43	Albuquerque	NM
9	Hartford	CT	44	Las Vegas	NV
10	New Haven	CT	45	Syracuse	NY
11	Washington	DC	46	Albany	NY
12	Jacksonville	FL	47	Buffalo	NY
13	Miami	FL	48	New York	NY
14	Orlando	FL	49	Lake George	NY
15	Pensacola	FL	50	Cincinnati	OH
16	Atlanta	GA	51	Cleveland	OH
17	Savannah	GA	52	Columbus	OH
18	Honolulu	HI	53	Oklahoma City	OK
19	Des Moines	IA	54	Gettysburg	PA
20	Boise	ID	55	Pittsburgh	PA
21	Chicago	IL	56	Harrisburg	PA
22	Fort Wayne	IN	57	Providence	RI
23	Indianapolis	IN	58	Charleston	SC
24	Louisville	KY	59	Hilton Head Island	SC
25	Lexington	KY	60	Myrtle Beach	SC
26	Baton Rouge	LA	61	Chattanooga	TN
27	Boston	MA	62	Nashville	TN
28	Portland_ME	ME	63	Austin	TX
29	Detroit	MI	64	Salt Lake City	UT
30	Grand Rapids	MI	65	Richmond	VA
31	Minneapolis	MN	66	Virginia Beach	VA
32	Saint Paul	MN	67	Tacoma	WA
33	St. Louis	MO	68	Madison	WI
34	Kansas City	MO	69	Milwaukee	WI
35	Jackson	MS	70	Charleston_WV	WV
			71	Jackson_WY	WY

The Impact of TIDs

Room demand regression model

Our approach to estimate the effect of TID on room demand included:

1. 100 US destinations (counties); 29 TID destinations and 71 non-TID destinations
2. Oxford Economics databank was utilized for relevant macroeconomic indicators, namely, GDP and employment (at county level)
3. The final panel dataset consisted of 100 cross-sections and 30 time periods (1990-2019), totaling 3,000 observations

$$\log(Room\ demand) = b_1 + b_2 \times \log(Arts\&Rec\ GDP)$$
$$+b_3 \times \log(Total\ GDP) + b_4 \times TID_{dummy} + error$$

Where $TID_{dummy} = 1$ for a TID city, and 0 otherwise.

- The model sought to test whether a positive and significant relationship existed between the dependent variable, $Room\ demand$, and the independent variable TID_{dummy} ; a positive b_4 coefficient with a small p-value.
- The other two independent variables, Arts & Rec GDP and $Total\ GDP$, were employed as control variables to control for a destination's size and its relative importance as a tourist destination.
- Below are the regression results indicating a positive and highly significant b_4 coefficient.
- The results suggest that when controlled for size and importance of a destination as a tourist destination, across our sample of 100 cities, there was an average 2.12% difference in room demand between years in which a destination had an active TID and years without a TID. Results are statistically significant with a 99% confidence level.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.051367	0.125775	56.06344	0.0000
LOG(GDP71LCC)	0.135999	0.008530	15.94374	0.0000
LOG(GDPTOTLCC)	0.671031	0.014663	45.76392	0.0000
DUMMY2_TID	0.021258	0.005906	3.599285	0.0003

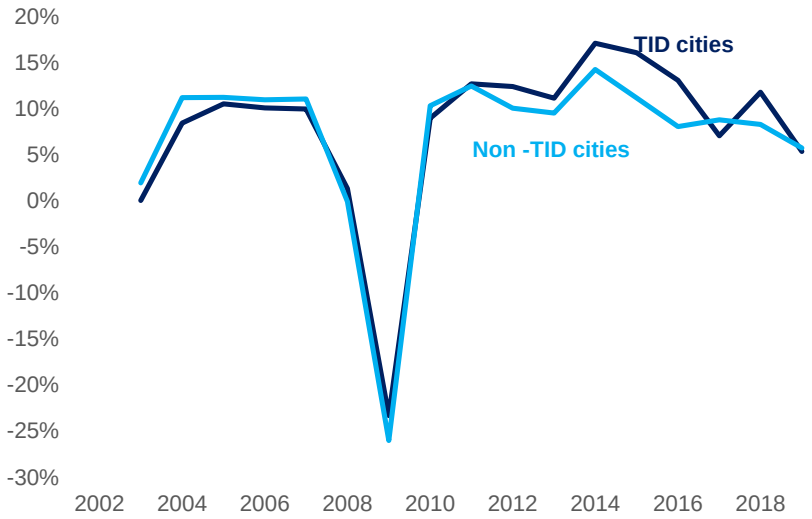
The Impact of TIDs

High-level view

Visually, we can observe that TID destinations outperformed non-TID markets in the latest upcycle.

Total hotel room revenue

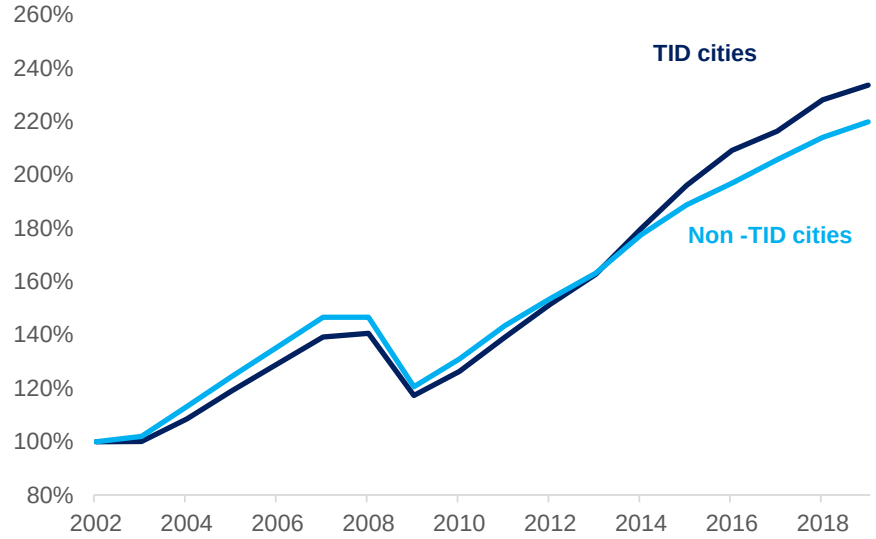
TID vs. non-TID cities growth



Source: STR, Civitas, Tourism Economics

Total hotel room revenue

TID vs. non-TID cities (2002=100)



Source: STR, Civitas, Tourism Economics

The Impact of TIDs

TID growth premium: demand

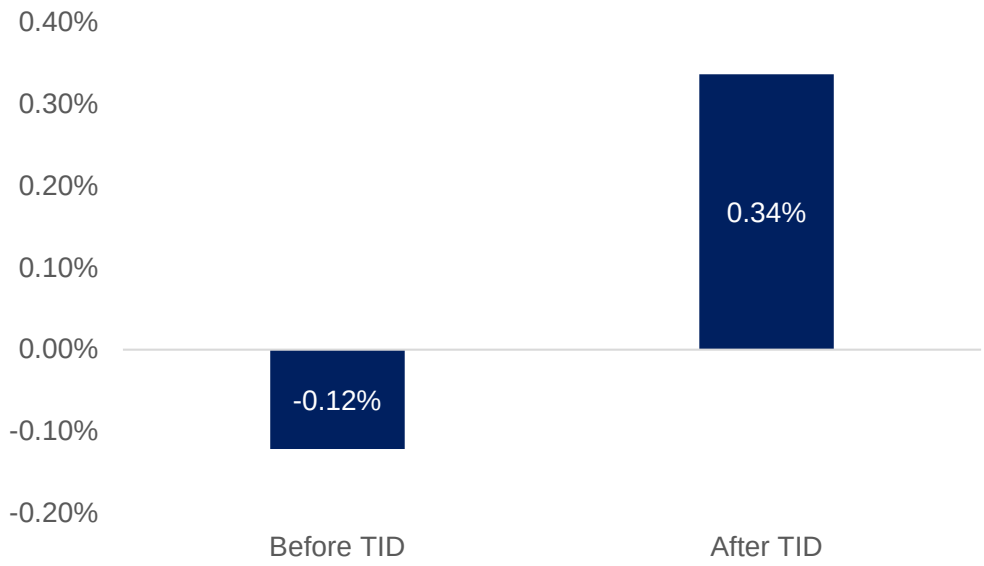
On average, a destination gains 0.5% in demand growth per year after a TID is put in place.

The demand premium is calculated as the difference between an average 3-year growth in TID cities and non-TID cities prior to the TID ("Before TID") and post the TID ("After TID").

- Before authorizing a TID, growth in cities that eventually had a TID was 12 basis points slower compared to growth in TID cities.
- After authorizing a TID, growth in TID cities was 34 basis points faster compared to non-TID cities.
- Swing of 0.5% in room demand.

Room demand growth premium*

2003-2019



"Premium" is measured as the difference in growth rates between TID and non-TID destinations
Source: STR, Tourism Economics

The Impact of TIDs

TID growth premium: revenue

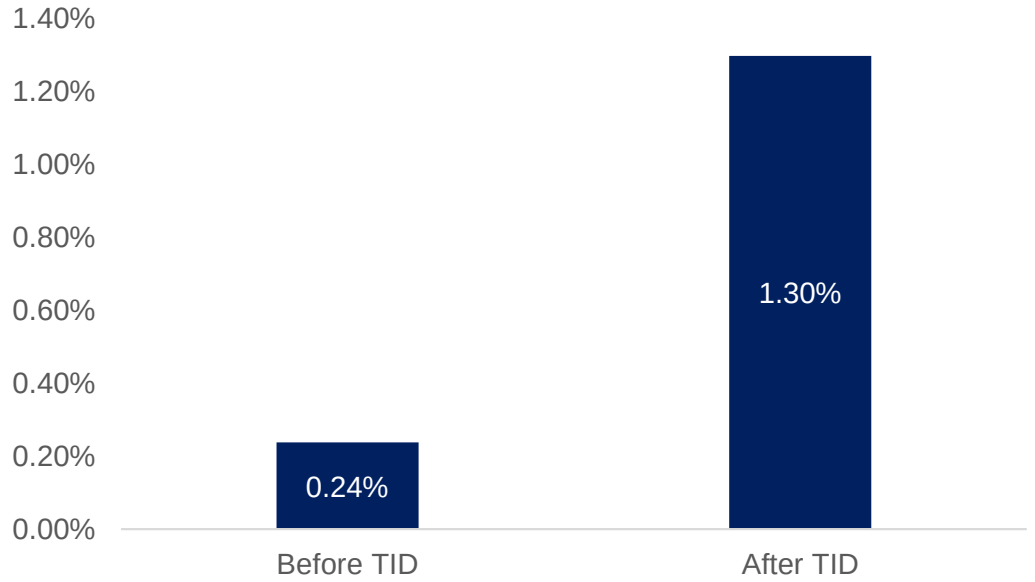
On average, a destination gains 1.1% in revenue growth per year after a TID is put in place.

The revenue premium is calculated as the difference between an average 3-year growth in TID cities and non-TID cities prior to the TID ("Before TID") and post the TID ("After TID").

- Before authorizing a TID, growth in TID cities was 24 basis points faster compared to growth in non-TID cities
- After authorizing a TID, growth in TID cities was 130 basis points faster compared to non-TID cities
- Gain of 1.1% in room revenue.

Room revenue growth premium*

2003-2019



"Premium" is measured as the difference in growth rates between TID and non-TID destinations
Source: STR, Tourism Economics

The Impact of TIDs

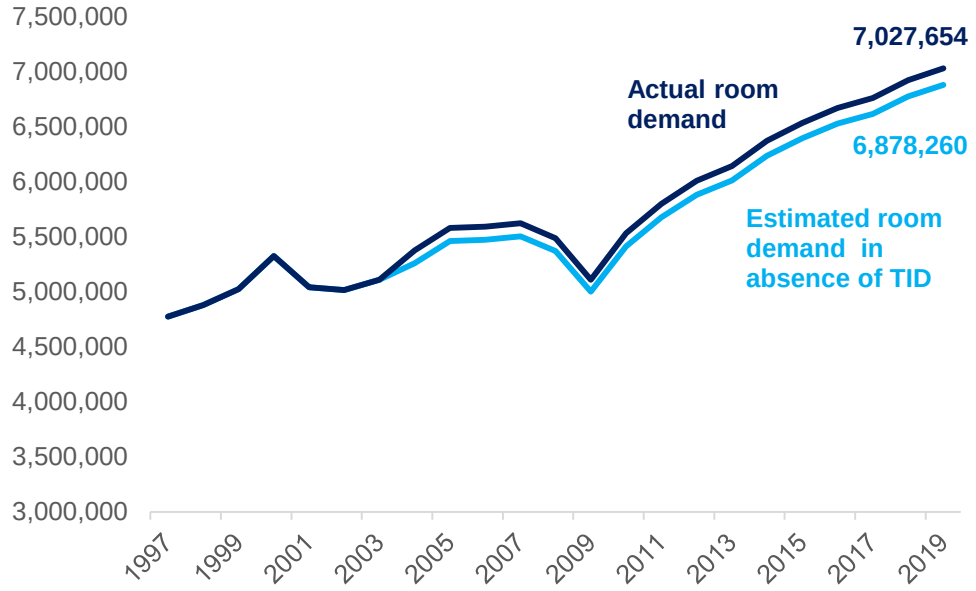
TID room demand lift

On average, our modeling indicates that TIDs produce a 2.1% lift in hotel room demand.

The 29 TID destinations in our model grew to generate 7,027,654 rooms in 2019. Without the boost generated by the TIDs, these destinations would have only generated 6,878,260 rooms.

Average annual hotel room demand

TID cities



Sources: STR, Civitas, Tourism Economics

The Impact of TIDs

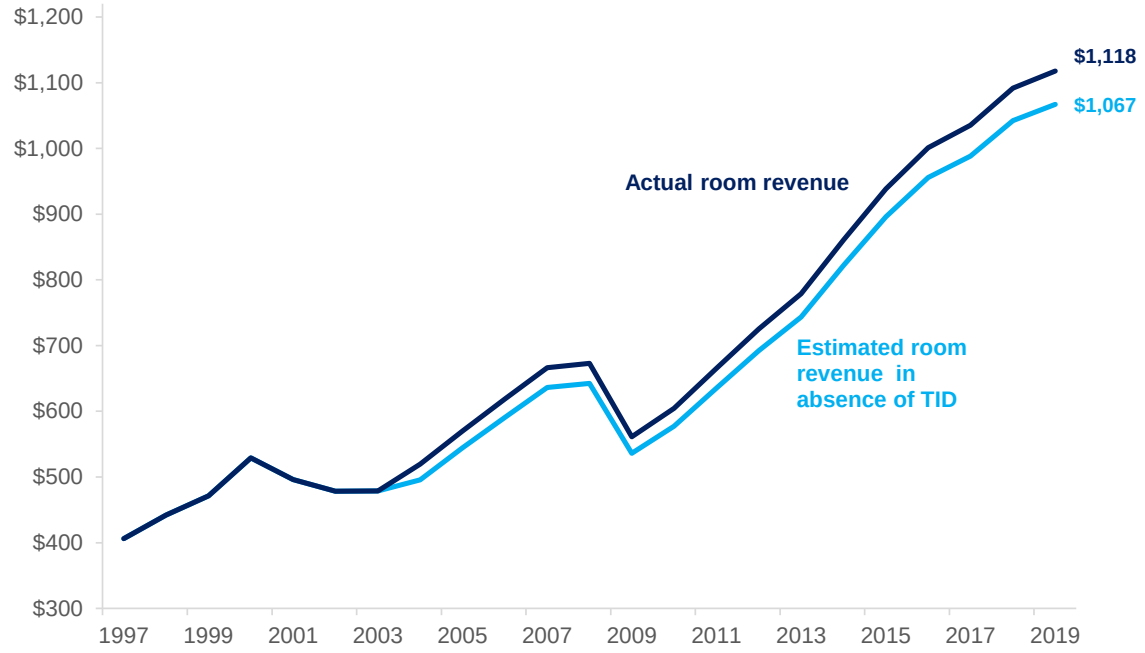
TID room demand lift

On average, our modeling indicates that TIDs produce a 4.5% lift in hotel room revenue.

The 29 TID destinations in our model grew to generate $1.12 billion in room revenue in 2019. Without the boost generated by the TIDs, these destinations would have only generated $1.07 billion in room revenue.

Average annual hotel room demand

TID cities (millions)



Sources: STR, Civitas, Tourism Economics

The Impact of Tourism Improvement Districts

Economic benefits of TIDs

The impacts of TIDs go beyond just the hotel and tourism sector.

Tourism promotion funding provided by TIDs results in more visitors and visitor spending, and this spending represents a new injection to the local economy with many downstream benefits . In total, benefits are felt on three levels.

- Direct Impacts: Visitors create direct economic value within a discreet group of sectors (e.g., recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Indirect Impacts: Each directly affected sector also purchases goods and services as inputs (e.g., food wholesalers, utilities) into production. These impacts are called indirect impacts.
- Induced Impacts: Lastly, the induced impact is generated when employees whose wages are generated whether directly or indirectly by visitors, spend those wages in the local economy.



Appendix 2: The ROI of Destination Marketing

The ROI of Destination Marketing

Many state and local CVBs and DMOs conduct periodic assessments of marketing effectiveness. There are several goals of these studies, including understanding how specific marketing campaigns are perceived by households, how effective the campaigns are in having an impact on households' intent to travel to a given destination, and which target markets are showing differing level of responsiveness to marketing. Frequently these studies include a specific analysis of the ROI of marketing spending in the form of a quantitative assessment of the level of incremental visitor spending and tax revenues that are attributable to destination marketing.

These studies use a variety of methods and are measuring the impact of a range of different campaigns across different situations. For example, a specific study may look at incremental visitors attracted by a state-level marketing campaign conducted by a state that attracts travelers from a range of national markets, while another study may focus on the results of a more targeted regional campaign carried out by a city-level CVB. While the results of a specific study pertain most directly to the situation that was analyzed and the corresponding assumptions, it is appropriate to consider broader inferences from the research. We analyzed recent studies that included an estimate of the incremental visitor spending attributable to advertising campaign spending.

For example, in a fairly typical approach, a study would:

- Use a survey to analyze the effect of a specific advertising campaign on households' travel to a given destination, such as by analyzing the impact on actual travel among those that had observed the advertising or by analyzing the impact on households' intentions to travel;
- Project that effect to the broader set of households in the marketing area to estimate the number of incremental visits attributable to the campaign;
- Apply typical levels of spending per visitor to estimate incremental visitor spending; and,
- Compare incremental visitor spending to the level of advertising spending to estimate the ROI.

Tourism Economics summarized the estimates of incremental visitor spending per dollar of advertising campaign spending from these studies in the table on the following page

The ROI of Destination Marketing

Estimates of incremental visitor spending per dollar of advertising campaign spending from the set of studies we analyzed is summarized in the adjacent table, supporting the following observations:

Overall, we observe that recent marketing campaigns by destination marketing organizations at the metro/regional level have generated approximately $53 of incremental visitor spending per dollar of advertising spending.

These ROI estimates relate directly to advertising spending. It is also appropriate to consider a visitor spending ROI relative to total CVB operating costs, or relative to public funding. As an example of the former approach, Meet Minneapolis reports the ratio of visitor spending associated with events tracked in its group sales management system to total CVB operating costs has averaged $33 in recent years. This excludes almost all leisure visitor spending.

As an example of an ROI based on public funding, the Florida state government recently analyzed the return on investment for public funding of Visit Florida. The analysis attributed Visit Florida's public funding (excluding, for example, significant private funding for cooperative advertising and promotions) to generating $11.2 billion of visitor spending during the three-year-period through FY 2013, representing a visitor spending ROI of $97, and a state tax revenue ROI of $3.2 ($3.20 of state tax revenue generated by each $1 of state funding).

Marketing ROI matrix

Region	Timing	Visitor spending per ad dollar
States		
California	Average 2009 to 2013	$326
Arizona	Average 2007, '11, '12, '1[illegible]	$221
Georgia	Average 2011 and 2012	$211
Colorado	2012	$200
Florida	2011	$177
Maryland	2012	$160
Wyoming	Average 2012, '13, '14	$156
Kentucky	2014	$151
Missouri	2013	$131
North Dakota	Average 2010, '12, '14	$101
Utah	Average 2010, '11, '13	$83
New Mexico	2013 to 2015	$72
Virginia	2006	$71
Michigan	Average 2006 to 2014	$69
Metros and regions		
Philadelphia, PA	2009/10	$100
Kansas City, MO	2013	$65
Washington, DC	2013	$27
San Diego, CA	2013	$19
Branson, MO	2012	$79
Springfield, MO	2011	$61
Finger Lakes Wine Country, NY	2012	$44
Syracuse, NY	2008	$12
Average of metros/regions		$51
Median of metros/regions		$53

Sources: Local studies compiled by Tourism Economics

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

For more information:
info@tourismeconomics.com

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Jennifer Pope, Management Analyst
MEETING DATE:	February 1, 2023
SUBJECT:	Amendment of Resolution 22-048, Authorizing Examination of Sales or Transactions and Use Tax Records.
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve the Proposed Amendment of Resolution 22-048, Authorizing Examination of Sales or Transactions and Use Tax Records.

DISCUSSION

At the City Council meeting on October 19, 2022, City Council adopted a resolution Authorizing the Examination of Sales or Transactions and Use Tax Records, see Attachment 1. The City is required by the state to enact a resolution for the Examination of Sales or Transactions and Use Tax Records to allow for review of Measure A, as well as the City's other sales or transactions and use tax records.

The CDTFA has requested the following corrections to the resolution which you will find in Attachment 2, Redline Version of the Proposed Amendment:

- Change the ordinance number in the first paragraph of the resolution to Ordinance Number 766, Uniform Local Sales and Use Tax.
- Add Ordinance #08-005, Hotel Tax Increase, to the second paragraph of the resolution.
- Add all employees that may represent the City with authority to examine sales or transactions and use tax records.

The proposed amendment to the resolution that has been reviewed and approved by the CDTFA is included in Attachment 3, Clean Version of Proposed Amendment to Resolution 22-048.

OPTIONS

Provide alternate direction

FINANCIAL IMPACT:

No financial impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

Resolution 22-048 Examination of Sales or Transaction and Use Tax Records

Redline Version of Proposed Amendment to Resolution 22-048

Clean Version of Proposed Amendment to Resolution 22-048

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RESOLUTION NO. 22-048

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance Number 21-032, the City of Pacific Grove (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales and use taxes; and

WHEREAS, pursuant to Ordinance Number 21-032. Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the City Council of the City of Pacific Grove deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE HEREBY RESOLVES AS FOLLOWS:

Section 1. That the City Manager or any other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to that contract.

Section 3. That HdL Companies is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the HdL Companies:

a) has an existing contract with the City to examine those sales or transactions and use tax records;

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b) is required by that contract to disclose the information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.

c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to the contract between the City and the Department.

Section 4. That this resolution supersedes all prior resolutions of the City Council of the City of Pacific Grove adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

Introduced, approved and adopted this 19th day of October 2022.

ATTEST: (s) DocuSigned by: Sandra Kandell 7882F89F4EDE420... SANDRA KANDELL, City Clerk

(s) DocuSigned by: Bill Peake 2E6F9DE48137414... BILL PEAKE, Mayor

APPROVED AS TO FORM: (s) DocuSigned by: Brian Pierik 01871FB17BD8435... BRIAN PIERIK, City Attorney

I, Sandra Kandell, City Clerk of the City of Pacific Grove, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of the City of Pacific Grove, at a regular meeting of said Council held on the 19th day of October, 2022, by the following roll call vote:

Ayes: Mayor Peake, Mayor Pro Tem Amelio, Councilmembers Coletti, McAdams, Poduri, Smith, and Tomlinson.

Noes: None.

Absent: None.

(s) DocuSigned by: Sandra Kandell 7882F89F4EDE420... SANDRA KANDELL, City Clerk

RESOLUTION NO. 22-XXX

A Resolution of the City Council of the City of Pacific Grove Authorizing Examination of Sales or Transactions and Use Tax Records

WHEREAS, pursuant to Ordinance Number ~~21-032~~ 766, the City of Pacific Grove (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales and use taxes; and

WHEREAS, pursuant to Ordinance Number 21-032 and Ordinance Number 08-005. Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the City Council of the City of Pacific Grove deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE HEREBY RESOLVES AS FOLLOWS:

Section 1. That the City Manager, Administrative Services Director, Finance and Risk Manager (Program Manager), Deputy Director of Finance (Senior Program Manager), Management Analyst, or any other officer or employee of the City designated in writing by the City Manager or the Administrative Services Director to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

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a) has an existing contract with the City to examine those sales or transactions and use tax records;

b) is required by that contract to disclose the information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.

c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to the contract between the City and the Department.

Section 4. That this resolution supersedes all prior resolutions of the City Council of the City of Pacific Grove adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

Introduced, approved and adopted this_____day of_____ 20___.

ATTEST: (s) _____ (s) _____
City Clerk Mayor

I, _____, City Clerk of the City of _____, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of _____, at a regular meeting of said Council held on the _____ day of _____, 20___, by the following roll call vote:

Ayes: (Names of Councilmembers)

Noes: (Names of Councilmembers)

Absent: (Names of Councilmembers)

(s) _____
City Clerk

RESOLUTION NO. 22-XXX

A Resolution of the City Council of the City of Pacific Grove Authorizing Examination of Sales or Transactions and Use Tax Records

WHEREAS, pursuant to Ordinance Number 766, the City of Pacific Grove (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales and use taxes; and

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WHEREAS, the City Council of the City of Pacific Grove deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

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Section 4. That this resolution supersedes all prior resolutions of the City Council of the City of Pacific Grove adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

Introduced, approved and adopted this_____day of_____ 20___.

ATTEST: (s) _____ (s) _____
City Clerk Mayor

I, _____, City Clerk of the City of _____, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of _____, at a regular meeting of said Council held on the _____ day of _____, 20___, by the following roll call vote:

Ayes: (Names of Councilmembers)

Noes: (Names of Councilmembers)

Absent: (Names of Councilmembers)

(s) _____
City Clerk

Agenda No. 8 A

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Mark Sullivan, Accountant

MEETING DATE: February 1, 2023

SUBJECT: Second Quarter Treasurer's Quarterly Report – Fiscal Year 2022-23

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive the Report.

DISCUSSION

Article 19, Section (K) of the City Charter requires that a quarterly statement of all funds in the treasury be submitted to the Council. The Treasurer's report allows the Council and public to verify that the City's funds are invested in a safe and prudent manner, and that such investments comply with City policy and state law. The Treasurer's Report is different from a budget report, as its purpose is to report on cash balances.

This report reflects the City's balances as of December 31, 2022, and shows that cash and investments held citywide, with a market value of $28,177,825. All investments are in government securities, certificates of deposit (CD), or other approved investment vehicles. The maturity dates are laddered, to ensure liquidity. All bank balances are insured. The City does not actively tra de either certificates of deposits or federal agency securities but hold investments in the portfolio for maturity.

Date	Description	Rate	Dollar Amt/ Face Value	Activity
11/7/22	Direct Fed Credit Union, Needham, MA, CD	4.75%	$249,000	Purchase
11/8/22	Southern Bank, Poplar Bluff, MO, CD	4.70%	$249,000	Purchase
11/22/22	Alabama Credit Union, Tuscaloosa, AL, CD	4.90%	$248,000	Purchase
11/22/22	Goldman Sachs Bank, NY, CD	2.40%	$247,000	Maturity
11/22/22	TIAA FSB, Jacksonville, FL, CD	2.20%	$247,000	Maturity
11/28/22	Baxter Credit Union, Vernon Hills, IL, CD	5.00%	$248,000	Purchase
11/28/22	Greenwood Credit Union, Warwick, RI, CD	4.95%	$248,000	Purchase
11/30/22	Mountain America Credit Union, West Jordan, UT, CD	5.00%	$248,000	Purchase
11/30/22	University Bank, Ann Arbor, MI, CD	4.20%	$249,000	Purchase

12/9/22	Liberty Credit Union, Evansville, IN, CD	4.90%	$249,000	Purchase
12/16/22	Austin Telco Federal Credit Union, TX, CD	4.95%	$249,000	Purchase
12/20/22	All In Federal Credit Union, Daleville, AL, CD	4.40%	$249,000	Purchase
12/21/22	Latino Community Center Credit Union, Durham, NC, CD	4.50%	$249,000	Purchase
12/29/22	Ideal Credit Union, Woodbury, MN, CD	4.50%	$249,000	Purchase
12/30/22	Alliant Credit Union, Chicago, IL, CD	4.85%	$249,000	Purchase

Investment Notes:

- The average yield on the City's portfolio for the quarter is 2.45%. This represents a yield rate that is 0.75% greater than prior quarter and 1.18% greater the same quarter in the prior year.

OPTIONS

N/A – This is an informational report.

FINANCIAL IMPACT:

There is no fiscal impact. This is informational only.

GOAL ALIGNMENT: Not Applicable.

Attachments

22.12.31 Treasurer's Report

City of Pacific Grove
Treasurers' Report
As of December 31, 2022

DEPOSITORY	ACCOUNT	DESCRIPTION OF SECURITY	MATURITY DATE	INTEREST RATE/YIELD	DOLLAR/PAR AMOUNT	MARKET VALUE
State of California	Local Agency Investment Fund (LAIF)		Immediate	2.07%	6,466,594.44	6,466,594.44
					6,466,594.44	6,466,594.44
Bank of America	Checking	Pooled Cash	Immediate	0.00%	6,508,211.60	6,508,211.60
					6,508,211.60	6,508,211.60
N/A	Petty Cash	General	Immediate	0.00%	685.00	685.00
					685.00	685.00
Concourse Financial Group	Cash	Dreyfus Govt Cash Mngt		3.70%	547,883.24	547,883.24
Concourse TVI	Certificate of Deposit	Alabama Cr Un Tuscaloosa Ala Sh Ctf	11/22/2024	4.90%	248,000.00	249,331.76
Concourse TVI	Certificate of Deposit	All In Fed Cr Un Daleville AL Sh Ctf	12/20/2027	4.40%	249,000.00	246,793.86
Concourse TVI	Certificate of Deposit	Alliant Cr Un Chicago Ill Sh Ctf	12/30/2027	4.85%	249,000.00	251,776.35
Concourse TVI	Certificate of Deposit	Ally Bk Sandy Utah	6/9/2026	3.00%	246,000.00	233,727.06
Concourse TVI	Certificate of Deposit	Amerant Bk Natl Assn Coral Gables FL	12/3/2025	0.45%	249,000.00	220,892.88
Concourse TVI	Certificate of Deposit	American Express Natl Bk	7/13/2027	3.25%	246,000.00	232,590.54
Concourse TVI	Certificate of Deposit	Austin Telco Fed Cr Un Tex Sh CTF	12/16/2026	4.95%	249,000.00	252,274.35
Concourse TVI	Certificate of Deposit	BMW Bk North Amer Salt Lake City Utah	11/20/2025	0.50%	249,000.00	221,789.28
Concourse TVI	Certificate of Deposit	BMO Harris Bk Natl Assn Chicago Ill	6/10/2024	2.80%	246,000.00	239,786.04
Concourse TVI	Certificate of Deposit	Bank Baroda New York Brh	7/22/2025	0.65%	249,000.00	225,544.20
Concourse TVI	Certificate of Deposit	Baxter Cr Un Vernon Hills Ill Sh CTF	11/30/2026	5.00%	248,000.00	251,677.84
Concourse TVI	Certificate of Deposit	Baycoast Bnk Swansea Mass CTF	1/24/2025	1.70%	247,000.00	233,017.33
Concourse TVI	Certificate of Deposit	Bell Bank Fargo ND CTF Dep	3/24/2023	0.85%	249,000.00	247,107.60
Concourse TVI	Certificate of Deposit	Bridgewater Bk St Louis Pk, MN	11/28/2025	0.45%	249,000.00	220,989.99
Concourse TVI	Certificate of Deposit	Capital One Natl Assn McLean VA CTF	8/7/2024	2.25%	247,000.00	238,041.31
Concourse TVI	Certificate of Deposit	Capital One Natl Assn Glen Allen VA CTF	6/9/2025	3.00%	246,000.00	237,043.14
Concourse TVI	Certificate of Deposit	Centerstate Bank Fla Winterhaven Fla	3/30/2023	0.90%	242,000.00	240,078.52
Concourse TVI	Certificate of Deposit	Direct Fed Cr Un Needham Mass SH CTF	11/9/2026	4.75%	249,000.00	250,449.18
Concourse TVI	Certificate of Deposit	Discover BknGreenwood Del	6/7/2027	3.15%	246,000.00	231,882.06
Concourse TVI	Certificate of Deposit	Enerbank Salt Lake City UT CTF	6/28/2023	3.20%	246,000.00	244,710.96
Concourse TVI	Certificate of Deposit	1ST Finl Bk Dakota Dunes SD	7/11/2024	2.90%	249,000.00	242,682.87
Concourse TVI	Certificate of Deposit	Greenwood Cr Un Warwick RI SH CTF	5/28/2024	4.95%	248,000.00	249,113.52
Concourse TVI	Certificate of Deposit	Ideal Cr Un Woodbury MN SH CTF	12/29/2027	4.50%	249,000.00	247,889.46
Concourse TVI	Certificate of Deposit	Industrial & Coml Bk China USA Natl Assn NY CTF	2/11/2026	0.45%	249,000.00	219,443.70
Concourse TVI	Certificate of Deposit	JPMorgan Chase BK NA Columbus OH CTF Dep	12/15/2025	0.50%	248,000.00	220,278.56
Concourse TVI	Certificate of Deposit	Latino Cmnty Cr Un Durham NC SH CTF	12/21/2027	4.50%	249,000.00	247,896.93
Concourse TVI	Certificate of Deposit	Liberty Fed Cr Un Evansville IN SH CTF	12/9/2024	4.90%	249,000.00	250,376.97
Concourse TVI	Certificate of Deposit	Live Oak Bkg Co Wilmington NC CTF Dep	11/27/2024	1.85%	249,000.00	236,480.28
Concourse TVI	Certificate of Deposit	Merrick Bk South Jordan Utah	1/31/2025	1.80%	249,000.00	235,168.05
Concourse TVI	Certificate of Deposit	Minnwest Bk Redwood Falls Minn Ctf Dep	7/15/2025	0.50%	249,000.00	224,607.96
Concourse TVI	Certificate of Deposit	Morgan Stanley Bk N A Salt Lake City Ut CTF	1/25/2023	2.65%	246,000.00	245,751.54
Concourse TVI	Certificate of Deposit	Morgan Stanley Private Bk Natl Assn Pur N Y	12/6/2023	3.55%	245,000.00	242,623.50
Concourse TVI	Certificate of Deposit	Mountain Amer Fed Cr Un West Jordan UT SH CTF	5/28/2024	5.00%	248,000.00	249,282.16
Concourse TVI	Certificate of Deposit	New York Cmnty Bk Westbury N Y	7/1/2026	0.70%	249,000.00	218,009.46
Concourse TVI	Certificate of Deposit	Preferred Bk Los Angeles Calif Ctf Dep	8/16/2024	2.00%	249,000.00	238,798.47
Concourse TVI	Certificate of Deposit	Raymond Jmes Bk Natl Assn St Petersburg FL CTF Dep	11/8/2023	1.75%	247,000.00	241,158.45
Concourse TVI	Certificate of Deposit	Sallie Mae Bk Salt Lake City UT CTF	5/23/2023	3.20%	246,000.00	245,016.00
Concourse TVI	Certificate of Deposit	Southern Bk Poplar Bluff MO CTF DEP	11/8/2024	4.70%	249,000.00	249,420.81
Concourse TVI	Certificate of Deposit	Synchrony Bk Retail CTF Dep Citigroup Instl CTF Dep	12/10/2026	1.25%	248,000.00	218,775.68
Concourse TVI	Certificate of Deposit	Texas Exchange Bk SSB Crowley Ctf Dep	11/25/2025	0.60%	249,000.00	221,087.10
Concourse TVI	Certificate of Deposit	UBS Bk USA Salt Lake City Ut	6/23/2026	0.75%	249,000.00	218,343.12
Concourse TVI	Certificate of Deposit	US Alliance FCU Rye New York SH CTF	9/30/2027	4.00%	249,000.00	242,667.93
Concourse TVI	Certificate of Deposit	University Bk Ann Arbor MICH CTF DEP	11/30/2027	4.20%	249,000.00	244,635.03
Concourse TVI	Certificate of Deposit	Wells Fargo Natl Bk West Las Vegas N V	1/30/2023	1.90%	249,000.00	248,549.31
Concourse TVI	U.S. Treasury Securities	United Sts Treas NTS	9/30/2025	0.60%	250,000.00	224,697.50
Concourse TVI	U.S. Treasury Securities	United Sts Treas NTS	5/31/2026	0.70%	250,000.00	223,232.50
Concourse TVI	U.S. Treasury Securities	United Sts Treas NTS	4/15/2025	2.63%	500,000.00	481,565.00
Concourse TVI	U.S. Government Bonds	Federal Farm Cr Bks	1/11/2027	1.470%	530,000.00	472,738.80
Total Concourse - General					12,986,883.24	12,417,678.15
TOTAL GENERAL INVESTMENTS					25,962,374.28	25,393,169.19

City of Pacific Grove
Treasurers' Report
As of December 31, 2022

DEPOSITORY	ACCOUNT	DESCRIPTION OF SECURITY	MATURITY DATE	INTEREST RATE/YIELD	DOLLAR/PAR AMOUNT	MARKET VALUE
Concourse TVI Yount	Cash	Sweep Money Market Fund		3.70%	471.16	471.16
Concourse TVI Yount	Fixed Income	Bank Hapoalim B M New York BRH Ctf Dep	12/15/2025	0.50%	205,000.00	182,083.05
Concourse TVI Yount	U.S.Treasury Securities	United Sts Treas NTS	4/30/2024	2.50%	180,000.00	174,938.40
Concourse TVI Yount	U.S. Government Bonds	Federal Farm Cr Bks Cons Systemwide BDS	9/16/2025	0.55%	96,000.00	86,592.96
Concourse TVI Yount	U.S. Government Bonds	Federal Farm Cr Bks Cons Systemwide	5/13/2026	0.88%	170,000.00	151,408.80
Concourse TVI Yount	U.S. Government Bonds	Federal Farm Cr Bks Cons Systemwide BDS	1/11/2027	1.47%	97,000.00	86,520.12
Concourse TVI Yount	U.S. Government Bonds	Federal Agric Mtg Corp Medium Terms Nts Fed	1/15/2026	0.48%	95,000.00	85,177.95
Total Concourse - Endowments					843,471.16	767,192.44
TOTAL INVESTMENTS HELD FOR ENDOWMENTS					843,471.16	767,192.44
Umpqua Bank	Money Market			0.01%	2,017,463.40	2,017,463.40
Total Umpqua Bank					2,017,463.40	2,017,463.40
TOTAL RESERVE INVESTMENT					2,017,463.40	2,017,463.40
GRAND TOTAL					28,823,308.84	28,177,825.03

Agenda No. 8 B

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Audrey Cray, Finance & Risk Manager
MEETING DATE:	February 1, 2023
SUBJECT:	Second Quarter 22/23 Workers' Compensation Report
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive the report.

DISCUSSION

On November 4, 2015, the Council approved a five-year Workers' Compensation phased refunding plan to bring the designated internal service fund into compliance with the Council's Budget and Financial Management Policy. At that time, Staff recommended that Council receive a quarterly status report on case statistics and Workers' Compensation Fund balances. Case statistics for the quarter ending December 31, 2022 is included in Attachment A.

The City Workers' Compensation program is a type of insurance that provides compensation and medical care for employees who become injured during the course of their employment. The City is now a member of the California Joint Powers Insurance Authority (CJPIA). This Authority provides excess Workers' Compensation liability coverage above the City's self-insured retention amount of $150,000 per occurrence. Workers' Compensation provides for: Payments in place of wages functioning as a type of disability insurance, compensation for past and future economic loss, reimbursement or payment of medical expenses, and benefits payable to the dependents of workers killed during employment functioning as a form of life insurance.

OPTIONS

N/A - Informational Only

FINANCIAL IMPACT:

There is no financial impact. This is informational only.

GOAL ALIGNMENT: Not Applicable.

Attachments

Second Quarter Workers' Compensation Report

City of Pacific Grove

Second Quarter Workers' Compensation Statistics – Fiscal Year 22/23

Projected Fund Balance

The Workers' Compensation Internal Service Fund (ISF) is used to separately budget and account for services provided to General Fund departments, as well as Enterprise Funds. Contributions to the ISF are calculated on a cost recovery basis, with charges apportioned to City departments based on claim trends and number of participants.

The status of the internal service fund for Workers' Compensation is provided in the tables below.

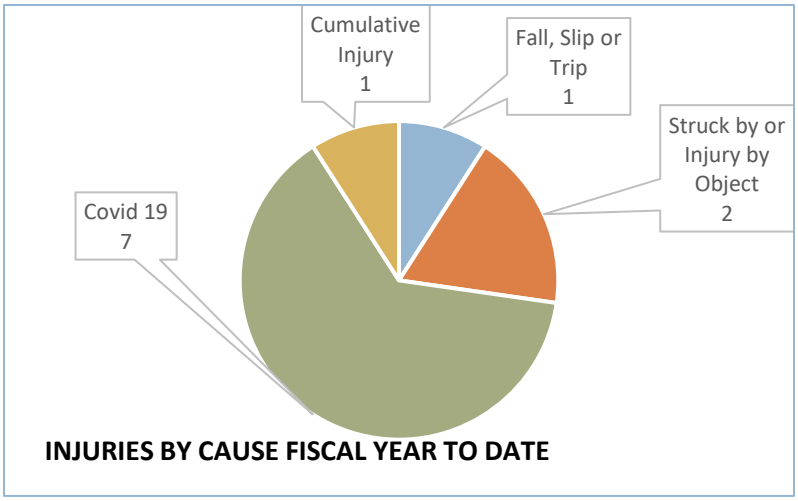
Workers' Compensation Fund (Fund 71)	Amount
Fund Balance, July 1st, 2022	$ 49,555
Revenues: Through December 31, 2022	$391,033
Expenditures: Through December 31, 2022	($596,478)
Estimated Fund Balance, Second Quarter	($155,890)

Consistent with Council's direction, the Workers' Compensation fund ended Fiscal Year 21/22 with a positive fund balance. The Workers' Compensation expenditures through the second quarter of FY 22/23 represent approximately 79% of the budgeted amount. The high expenditures and current negative fund balance are related to a one time premium payment due at the beginning of the Fiscal Year. The revenues reported represent 52% of the budgeted amount; and reflect departmental contributions and excess claim refunds. The estimated ending fund balance is anticipated to be positive at the end of Fiscal Year 22/23.

Cumulative Claims Outstanding

The City meets quarterly with the City's third-party administrator to evaluate and proactively manage claims. At the close of the second quarter, the number of outstanding claims decreased by nine to 38. This included a decrease of three claims to the Litigated/Future Medical category; a decrease of five claims to the Non-Litigated/Disability or Lost Time category; and a decrease of one claim to the Non-Litigated/Medical Only category.

Summary of Open/Reopen Claims as of 12/31/2022			
	Non-Litigated	Litigated	Total
Future Medical	15	14	29
Disability or Lost Time	4	5	9
Medical Only	0	0	0
First Aid	0	0	0
Total Open Claims	19	19	38



INJURIES BY CAUSE FISCAL YEAR TO DATE

New Claims – Second Quarter

In the first quarter of the Fiscal Year 22/23, there were two new claims from one Department. The adjacent chart provides an overview of the claims by cause. Although Covid 19 represents the highest number of claims for the fiscal year to date, the majority of these incidents are filed for reporting purposes only. These claims were all closed at the start of the second quarter. At the end of the second quarter, no new claims remained open.

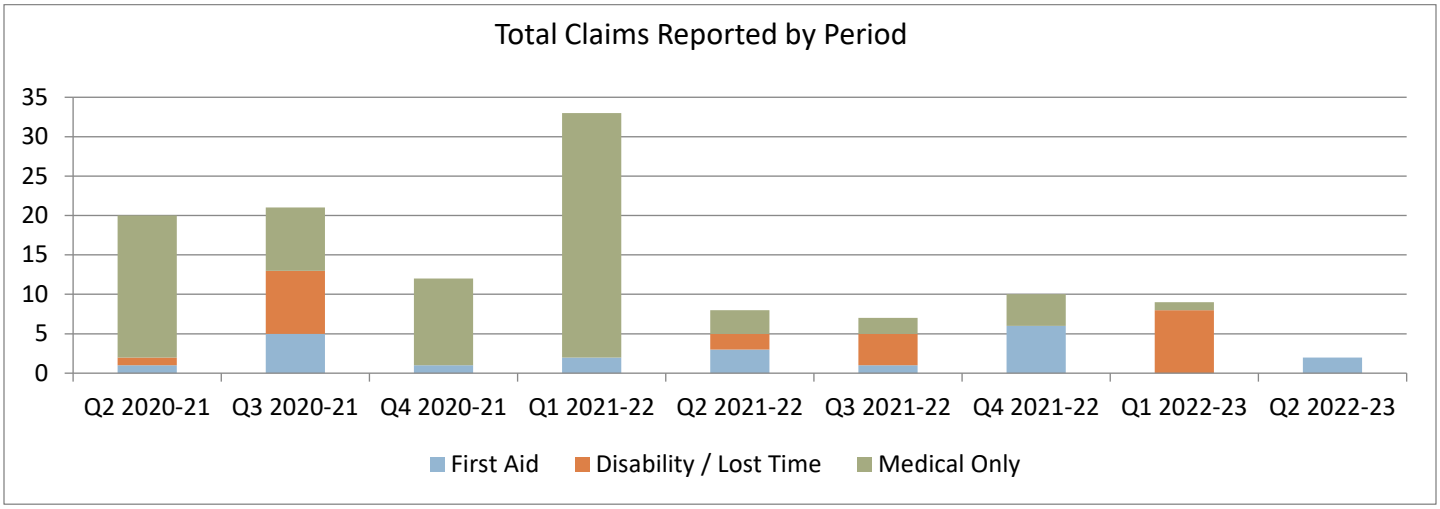
In the second quarter of FY 22/23, an annual Safety training calendar was developed for Public Works. Staff is in the process of establishing a City-wide training calendar for all other departments. Staff completed the 2023 Safety Awareness Calendar and is looking forward to holding the First Annual Safety Luncheon in the third quarter of FY 22/23. Staff is continuing to update the Covid Exposure Control Plan with the latest updates from CalOSHA.

The table listed below provides a comparison of claims over the last two fiscal years. In Fiscal Year 22/23, there are thirty fewer claims when compared to the prior Fiscal Year. This reduction is associated with the decrease of Covid Exposure claims compared to the prior Fiscal Year. Seven of the Disability/Lost Time claims are Covid 19 lost time.

New Claims by Type

	Quarter to Date		Year to Date	
	Current Year	Prior Year	Current Year	Prior Year
New Claims Received During the Period				
Disability or Lost Time	0	2	8	2
Medical	0	3	1	34
First Aid	2	3	2	5
Total Claims by Type	2	8	11	41

The following chart provides an overview of quarterly trends.



Agenda No. 8 C

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Tori Hannah, Administrative Services Director/Assistant City Manager
MEETING DATE:	February 1, 2023
SUBJECT:	Second Quarter Budget Report
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive the report.

DISCUSSION

The Administrative Services Department produces quarterly financial reports to assist in evaluating the City's fiscal condition. The attached report provides details on General Fund revenues and expenditures, as well as a summary related to enterprise funds.

Additional information regarding City finances, can be accessed from the following link: City Finance Information

OPTIONS

N/A. This is informational only.

FINANCIAL IMPACT:

There is no fiscal impact. The report is informational only.

GOAL ALIGNMENT: Not Applicable.

Attachments

Fiscal Year 22-23 Second Quarter Budget Report

City of Pacific Grove

Second Quarter Budget Report – Fiscal Year 22/23

Fund Summaries

The following tables provide an overview of current revenues and expenditures for each major fund. A summary of each fund, along with additional details on the General Fund are provided in the subsequent sections.

Revenues Fund		FY 22/23 Amended	YTD Transactions	% of Budget	Prior YTD Transactions
01	General Fund	$30,395,069	$14,749,301	49%	$13,421,012
74	Local Water Project	1,451,737	414,568	29%	429,362
75	Cemetery	636,750	451,780	71%	341,553
76	Sewer Fund	4,313,135	665,666	15%	602,475
77	Golf	386,500	201,408	52%	189,284

Expenditures Fund		FY 22/23 Amended	YTD Transactions	% of Budget	Prior YTD Transactions
01	General Fund	$31,860,948	$15,186,404	48%	$13,723,820
74	Local Water Project	1,373,448	334,291	24%	279,749
75	Cemetery	576,258	282,783	49%	247,405
76	Sewer Fund	4,348,574	1,243,233	29%	1,332,113
77	Golf	332,097	191,664	58%	153,890

General Fund Overview

General Fund revenues and expenditures are trending relatively consistent with the budgetary projections. The differences in the year-to-date (YTD) revenues are primarily related to economic recovery; and a corresponding planned increase in expenditures.

At the close of the second quarter, expenditures exceeded revenues by approximately $437,000. This variance is due to uneven revenue receipting patterns, combined with a significant debt service payment at the beginning of the year. This second quarter deficit is also evident in the prior year. Specific information related to major revenue categories and departmental expenditures are provided within this section.

The City continually monitors the budget on a regular basis. If any significant budgetary variances are identified, a budget amendment will be requested as part of the mid-year budget process; or through a separate budget amendment during the year. The Mid-Year Budget presentation is tentatively scheduled to be presented at the second Council Meeting in February, with the Five-Year Fiscal Forecast in March.

General Fund Revenues

The following chart provides an overview of the General Fund revenue receipts. All revenues are trending fairly consistent with the prior year or the annual budget. The Fiscal Year 22/23 year to date revenues are $1.3 million or 9.9% greater than the prior year. Any significant variances are listed below the chart.

Revenues	Amended Budget	YTD Transactions	% Used / Rec'd	Prior YTD Transactions
Taxes:				
Property Taxes	$8,840,000	5,299,211	60%	4,877,380
Transient Occupancy Tax	5,867,000	3,257,189	56%	2,889,334
Transient Use Licenses	95,000	3,036	3%	3,345
Sales and Use Tax	5,616,000	1,602,735	29%	1,408,686
Business License Tax	322,000	365,610	114%	308,485
Franchise Tax	1,546,000	338,087	22%	257,309
Utility User Tax	1,929,000	795,158	41%	718,944
Other Tax	237,000	77,134	33%	109,940
Total Taxes	**$24,452,000**	**$11,738,161**	**48%**	**$10,573,423**
Other:				
Licenses and Permits	1,045,000	515,165	49%	416,196
Intergovernmental	292,382	6,717	2%	52,521
Charges for Services	1,928,000	999,359	52%	723,647
Fines and Forfeitures	49,000	97,135	198%	6,574
Interest, Rents, Conc.	310,000	215,077	69%	147,452
Other Revenues	1,518,687	377,688	25%	489,605
Interfund Transfers	800,000	800,000	100%	1,011,595
Totals	**$30,395,069**	**$14,749,301**	**49%**	**$13,421,012**

Transient Occupancy Tax and Licenses

At the close of the second quarter, the City received $3.3 million in transient occupancy revenue, which is 12.7% or $367,855 greater than the prior year. The annual amounts reflect five payments within each fiscal year. The year-to-date amount that has been received represents 56% of the budgeted revenues. If this trend continues, it is likely the City will amend the budget to include this increased level of performance.

There was minimal activity in the Transient Use Licenses category. These revenues are typically received in the second half of the fiscal year.

Sales Tax

The Fiscal Year 22/23 amount represents four months of sales tax receipts, which is equivalent to the number of payments received in the prior year. This is $194,049 or 13.8% greater than the prior year. The budgetary estimate also includes sales tax revenues from Measure A that became effective on October 1, 2022. These revenues will appear for the first time in the Third Quarter Budget Report.

Franchise Taxes

This revenue category has uneven receipting patterns, with two utilities typically submitting a single large payment in the Fourth Quarter.

Other Tax

In Fiscal Years 20/21 and 21/22, the amount of Real Estate Transfer Taxes nearly doubled, when compared to Fiscal Year 19/20. The amounts received in the first half of this fiscal year are trending lower than anticipated, which could indicate a gradual return to traditional levels.

Intergovernmental

Intergovernmental revenues can vary based on the timing of grant reimbursements. In the first half of the year, there were minimal grant billings or receipts in the General Fund.

Fines and Forfeitures

In Fiscal Year 22/23, the City received an $80,414 payment related to a code enforcement case. Revenues in this category vary each year.

Other Revenues

The revenues within this category may vary each year. The budgeted amount includes $976,737 in anticipated proceeds from water entitlement sales. This primarily contributes to the budgetary variance. At the end of Fiscal Year 21/22, the City received $154,200 of the budgeted promissory note proceeds. The Fiscal Year 22/23 budget will be reduced by that amount to reflect the early receipt of these funds.

Interfund Transfers

In Fiscal Year 22/23, a transfer of $800,000 in American Rescue Plan Act (ARPA) funds was appropriated to assist in supplementing the General Fund. The amount transferred relates to corresponding expenditures that were identified in the first two quarters. In Fiscal Year 21/22, transfers from the Operating Donations Fund and the ARPA Fund were initiated to align with approved expenditures.

Expenditures

Department expenditures may not typically trend with the percentage of year that has elapsed. The primary exception is the underlying salary and benefit costs, which are trending consistent with the number of completed payperiods. The Fiscal Year 22/23 year to date expenditures are $1.5 million or 10.7% greater than the prior year. Additional information specific to departments are listed below the table.

Expenditures	FY 22/23 Amended	YTD Transactions	% of Budget	Prior YTD Transactions
City Council	$435,227	$151,238	35%	$211,894
City Manager	1,243,756	515,464	41%	506,970
City Attorney	812,100	218,276	27%	258,209
Economic Development	124,833	31,432	25%	-
Finance	1,476,067	554,266	38%	662,725
Information Services	951,166	326,454	34%	306,198
Police	7,895,899	3,828,918	48%	3,570,842
Fire	4,246,200	2,316,052	55%	1,949,160
Public Works	4,320,643	1,847,120	43%	1,690,940
Community Development	2,913,339	778,089	27%	857,000
Library	1,125,728	554,531	49%	504,226
Recreation	920,638	404,068	44%	330,791
Museum	314,500	94,435	30%	150,913
Subtotal	$26,780,096	$11,620,342	43%	$10,999,869
Capital Outlay	1,167,700	891,011	76%	-
Transfers to CIP Fund	575,000	287,500	50%	350,587
Debt Service	2,237,415	2,225,551	99%	2,156,756
Interfund Transfers	1,100,737	162,000	15%	216,608
Total Expenditures	$31,860,948	$15,186,404	48%	$13,723,820

City Council

The budgetary variance primarily relates to the timing of legal and professional service payments.

City Attorney

At the close of the second quarter, approximately 27% of the City Attorney budget was expended. The Fiscal Year 22/23 budget was recently amended to appropriate $100,000 in additional legal services. The majority of the unexpended funds have been encumbered or earmarked for specific legal contracts.

Economic Development

In Fiscal Year 22/23, the City established a new department to track expenditures for economic development programs. These costs were previously recorded in the City Manager and Community Development Department budgets. The budgetary difference primarily reflects the timing of Economic Development Commission expenditures; and the use of façade program funds.

Finance Department

In the first half of the year, the Finance Department expended approximately 38% of the budgeted amount. The budgetary variance primarily reflects the timing of payments related to audit services, funds set aside for a proposed fee study contract, and a pending invoice from the State for the implementation of Measure A.

Information Technology Department

The budgetary difference primarily reflects the timing of contract services, as well software licensing costs that are typically paid within the second half of the fiscal year.

Fire

The annual difference in fire expenditures reflect the timing of monthly payments. The Fiscal Year 22/23 year-to-date expenditures includes one additional payment for contract fire services.

Community Development

In the first half of the fiscal year, the Community Development Department has expended approximately 27% of the budgeted funds. The annual and budgetary difference primarily relate to the timing of contract services, as well as corresponding payments. The Fiscal Year 21/22 expenditures represent one additional monthly payment for building contract services.

Museum

The annual and budgetary difference in Museum expenditures predominately reflect a timing difference in the second quarter contract service payment.

Interfund Transfers

In Fiscal Year 22/23, the budgeted transfers represent $876,737 in water entitlement revenues to the Local Water Project to support operations and repay the Interfund Sewer Loan; and $224,000 in transfers to the Public Safety Augmentation Fund for emergency dispatch services. The water entitlement revenues are comprised of proceeds from two developer promissory notes in the amounts of $625,187 and $151,500; and a $100,000 General Fund contribution. The $625,187 amount will be transferred upon receipt of the payment, while the $151,500 amount was paid and transferred in the prior fiscal year. The transfers through the second quarter represent 50% of the contribution towards emergency dispatch fees and Local Water Project operations.

Other Funds

Local Water Project (LWP)

The LWP revenues for the first half of Fiscal Year 22/23, include a $50,000 transfer of water entitlement proceeds; and operating revenues of $364,568. The Fiscal Year 21/22 operating revenues for the same two quarters were $311,447, prior to transfers. Annual expenditures were approximately $54,000 greater than the prior year. Contributing factors include increased water utility costs which resulted from the failure of a mechanical component within the plant; and decreased wastewater flows in the City's main trunk lines during the evening hours.

Cemetery

The Cemetery expenditures are trending relatively close to the percentage of time that has elapsed. The first two quarters of Cemetery revenues represent 71% of the budgeted amount; and signify a 32.3% increase over the prior year. In the first quarter of Fiscal Year 22/23, staff worked to map historical and new sections of the El Carmelo Cemetery. This included Section T – A recent addition of 36 new single burial sites. Multiple new sites within this area were sold, contributing to increased revenues. An amendment will be made at mid-year to reflect this initial growth and any projected increases.

Sewer Fund

Sewer fund revenues are $63,191 greater than the prior year. This includes a $35,300 gain in the fair value of investments. The City contracts with Monterey One Water to collect sewer use fees. Due to the timing associated with collecting and remitting bi-monthly payments to the City, only one payment was received in the first half of the fiscal year. The Sewer Fund has sufficient fund balance to manage any cash flow requirements. The annual and budgetary variances in expenditures are primarily related to the timing of capital projects.

Golf Course

Golf Course revenues are trending relatively similar to the prior year, while expenditures are $37,774 greater than the prior year amount. This is primarily related to the planned replacement of HVAC unit at the golf course clubhouse. The expenditures within the first half of the year, also include a debt service payment of $136,000.

Agenda No. 8 D

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Jennifer Pope, Management Analyst
MEETING DATE:	February 1, 2023
SUBJECT:	Second Quarter Purchase Order Report
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Receive the Second Quarter Purchase Order Report.

DISCUSSION
The Second Quarter Purchase Order Report includes information on open purchase orders that were issued under $40,000. This report is intended to be consistent with the reporting requirement in Section 2.16.160 of the City's Purchasing Systems and Procedures.

Purchase orders are issued for purchases of supplies, services, materials, equipment, and contractual services over $5,000.

The Purchase Order Report includes:
- Vendor name
- Date the purchase order was issued
- Description of the encumbered funds
- Purchase order amount
- Preliminary year-to-date expenses through the Second Quarter

This report was previously a part of the Quarterly Budget Report, but based on the recommendation from the Finance Subcommittee, it is now presented independently.

OPTIONS
N/A - This is an informational report.

FINANCIAL IMPACT:
There is no financial impact associated with receiving this report.

GOAL ALIGNMENT: Not Applicable.

Attachments

Report

Open Purchase Orders - Less Than $40,000
Second Quarter FY 22/23

PO	DEPARTMENT	DIVISION	PROJECT	VENDOR NAME	DATE	DESCRIPTION	PURCHASE ORDER AMOUNT	YEAR TO DATE EXPENSE
23000047-01	CITY MANAGER	121		ELLIS INVESTIGATIONS	08/13/22	IMPARTIAL WORKPLACE INVESTIGATION	9,995.00	7,377.50
23000077-01	CITY MANAGER	121		NOLAND, HAMERLY, ETIENNE, & HOSS	09/04/22	LEGAL ADVICE EE DISC APPEAL	4,121.92	258.07
23000094-01	CITY MANAGER	121		HDL ECONSOLUTIONS	09/18/22	ECONOMIC DEVELOPMENT CONSULTANT	39,750.00	-
23000095-01	CITY MANAGER	121		HINDERLITER DE LLAMAS & ASSOCIATES	09/18/22	CANNABIS ORDINANCE CONSULTATION	15,000.00	1,500.00
23000096-01	CITY MANAGER	121		LIEBERT CASSIDY WHITMORE	09/23/22	LEGAL SERVICES - POA NEGOTIATIONS	15,000.00	9,265.00
23000103-01	CITY MANAGER	121		BRYCE CONSULTING, INC.	09/25/22	CLASS & COMPENSATION STUDY	17,687.50	-
23000147-01	ADMINISTRATIVE SERVICES	131		MCGILLOWAY, RAY, BROWN & KAUFMAN	12/02/22	IMPLEMENTATION OF GASB 87	8,000.00	6,200.00
23000149-01	ADMINISTRATIVE SERVICES	131		CLEARGOV	12/02/22	FISCAL TRANSPARENCY SOFTWARE	8,750.00	-
23000054-01	ADMINISTRATIVE SERVICES	131		CENTRALSQUARE TECHNOLOGIES	08/20/22	UPGRADE SOFTWARE, PROJECT	11,830.00	-
23000134-01	ADMINISTRATIVE SERVICES	131		ROBERT HALF INTERNATIONAL	11/17/22	TEMPORARY EMPLOYMENT SERVICES	30,000.00	15,498.00
23000078-01	ADMINISTRATIVE SERVICES	131		HINDERLITER, DE LLAMAS & ASSOCIATES	09/04/22	SALES TAX & BUSINESS LICENSE SERVICES	39,000.00	12,175.35
23000035-01	ADMINISTRATIVE SERVICES	131		QUADIENT LEASING USA	07/31/22	MAIL MACHINE	1,993.72	500.15
23000142-01	ADMINISTRATIVE SERVICES	133		ESRI, INC.	12/02/22	GIS SOFTWARE RENEWAL	5,400.00	-
23000114-01	ADMINISTRATIVE SERVICES	133		PROTELESIS	10/18/22	MITEL VOIP SYSTEM MAINTENANCE	12,000.00	6,049.98
23000063-01	ADMINISTRATIVE SERVICES	133		ALVAREZ TECHNOLOGY GROUP	08/28/22	AFTER HOURS SUPPORT	15,000.00	2,700.00
23000122-01	ADMINISTRATIVE SERVICES	133		GEOGRAPHIC TECHNOLOGIES	10/25/22	GIS IMPLEMENTATION	23,950.00	12,066.00
23000087-01	COMMUNITY DEVELOPMENT	201		RINCON CONSULTANTS, INC	09/18/22	ON CALL PEER REVIEW OF CEQA DOCUMENTS	20,000.00	296.25
23000089-01	COMMUNITY DEVELOPMENT	201		BEST BEST & KRIEGER	09/18/22	ASSIST & REVIEW HOUSING POLICY	30,917.00	-
23000141-01	COMMUNITY DEVELOPMENT	201		REGIONAL GOVERNMENT SERVICES	11/30/22	ON-CALL PLANNING SERVICES	39,000.00	5,825.00
23000046-01	COMMUNITY DEVELOPMENT	225	TRC19-04	HR & ASSOCIATES [1]	08/13/22	ATC PLANNING SERVICES	16,075.00	4,512.50
23000086-01	COMMUNITY DEVELOPMENT	225	TRC22-01	RINCON CONSULTANTS, INC [1]	09/18/22	PREPARE A REVISED STUDY & MND	39,041.25	608.00
23000026-01	POLICE DEPARTMENT	301		SYSTEMS FOR PUBLIC SAFETY	07/21/22	BACKGROUND INVESTIGATIONS	5,000.00	-
23000027-01	POLICE DEPARTMENT	301		MORELAND INVESTIGATIONS	07/21/22	BACKGROUND INVESTIGATIONS	5,000.00	268.72
23000025-01	POLICE DEPARTMENT	301		ARAMARK UNIFORM	07/21/22	DEPARTMENT LINEN AND RUG	6,000.00	2,925.35
23000105-01	POLICE DEPARTMENT	301		JONES AND MAYER	09/25/22	RECORDS REVIEW FOR PRR	5,000.00	-
23000129-01	POLICE DEPARTMENT	301		IPS GROUP, INC	11/08/22	IPS METER MAINTENANCE	6,487.82	5,070.53
23000019-01	POLICE DEPARTMENT	301		SPEAK WRITE	07/21/22	TRANSCRIPTION SERVICE	7,000.00	1,587.58
23000024-01	POLICE DEPARTMENT	301		CORDICO. INC.	07/21/22	DEPARTMENT EMPLOYEE WELLNESS	7,500.00	-

Open Purchase Orders - Less Than $40,000
Second Quarter FY 22/23

PO	DEPARTMENT	DIVISION	PROJECT	VENDOR NAME	DATE	DESCRIPTION	PURCHASE ORDER AMOUNT	YEAR TO DATE EXPENSE
23000014-01	POLICE DEPARTMENT	301		STAPLES CREDIT PLAN	07/21/22	OFFICE SUPPLIES	8,000.00	6,325.42
23000016-01	POLICE DEPARTMENT	301		VERIZON WIRELESS	07/21/22	WIRELESS MOBILE CONNECTION	8,000.00	3,094.94
23000018-01	POLICE DEPARTMENT	301		VERIZON BUSINESS	07/21/22	VERIZON PORT ACCESS	9,000.00	3,693.44
23000013-01	POLICE DEPARTMENT	301		SPCA OF MONTEREY COUNTY	07/21/22	ANIMAL SHELTER SERVICES	13,000.00	2,975.00
23000017-01	POLICE DEPARTMENT	301		LEXIPOL LLC	07/21/22	DEPARTMENT POLICY AND TRAINING	13,000.00	6,798.52
23000015-01	POLICE DEPARTMENT	301		TRACNET CORPORATION	07/21/22	RECORDS MANAGEMENT SYSTEM	17,500.00	8,700.00
23000154-01	POLICE DEPARTMENT	301		IPS GROUP, INC	12/27/22	NEW PARKING METERS	18,650.00	-
23000023-01	POLICE DEPARTMENT	301		AT&T MOBILITY	07/21/22	AT&T FIRSTNET	20,000.00	11,223.51
23000021-01	POLICE DEPARTMENT	301		IPS GROUP, INC	07/21/22	IPS PARKING METER BANK FEES	25,000.00	7,650.43
23000099-01	POLICE DEPARTMENT	304		LIFTSHIFT, LLC	09/25/22	DATA MIGRATION FOR MARK43	6,291.89	5,860.26
23000065-01	POLICE DEPARTMENT	304		AXON ENTERPRISE, INC	08/28/22	BODY WORN & IN CAR CAMERAS	28,000.00	17,496.56
23000066-01	POLICE DEPARTMENT	304		ENTERPRISE FM TRUST	08/28/22	LEASED VEHICLES	28,000.00	10,657.31
23000064-01	POLICE DEPARTMENT	304		MARK43, INC.	08/28/22	RECORDS MANAGEMENT	26,300.00	15,380.00
23000068-01	FIRE DEPARTMENT	351		MISSION LINEN SUPPLY, INC	08/28/22	LINEN SERVICES	3,500.00	1,641.47
23000028-01	FIRE DEPARTMENT	351		HI-TECH EVS, INC.	07/29/22	FIRE ENGINE REPAIR - 6414	21,651.42	-
23000009-01	LIBRARY	401	GRT22-01	ARC METAL FABRICATION	07/21/22	MOBILE OUTREACH VEHICLE	18,331.00	9,165.50
23000008-01	LIBRARY	401	GRT22-01	TOYOTA MATERIAL HANDLING	07/21/22	GLOBAL ELECTRIC MOTOR VEHICLE	22,351.46	-
23000002-01	LIBRARY	401		BAKER & TAYLOR COMPANIES	07/21/22	BOOKS & MATERIALS	23,500.00	17,790.11
23000006-01	LIBRARY	402		CROZIER STUDIOS	07/21/22	ART CURATION/INSTALLATION	15,000.00	7,910.00
23000083-01	PUBLIC WORKS	412	CIP22-04	1-888-4-ABATEMENT, INC.	09/25/22	LEAD ABATEMENT AT THE PG MUSEUM	29,295.00	27,900.00
23000069-01	PUBLIC WORKS	461	CIP21-05	CALIFORNIA JPIA	08/28/22	ADA COMPLIANCE ASSESSMENT	26,550.00	3,550.00
23000113-01	PUBLIC WORKS	501		WELLS FARGO VENDOR FINANCIAL	10/12/22	KONIKA LEASE	12,920.84	4,390.99
23000126-01	PUBLIC WORKS	501		MISSION UNIFORM SERVICE	11/03/22	LINEN & UNIFORM CLEANING	15,301.06	6,952.81
23000132-01	PUBLIC WORKS	503		MONTEREY BAY PEST CONTROL	11/09/22	ANNUAL PEST CONTROL SERVICES	6,960.00	895.00
23000039-01	PUBLIC WORKS	503		WLODZIMIERZ PABIAN	08/07/22	CITY HALL CLOCK TOWER ROOF	9,315.00	-
23000041-01	PUBLIC WORKS	503		WATSONVILLE FORD	08/10/22	ENGINE REPLACEMENT	14,486.97	13,680.36
23000045-01	PUBLIC WORKS	503		GACHINA LANDSCAPE MANAGE	08/10/22	PARK MOWING SERVICES	15,351.00	7,035.63
23000082-01	PUBLIC WORKS	503		TOM'S SITE SERVICES	09/11/22	PORTAPOTTY RENTAL	19,000.00	4,283.99

Open Purchase Orders - Less Than $40,000
Second Quarter FY 22/23

PO	DEPARTMENT	DIVISION	PROJECT	VENDOR NAME	DATE	DESCRIPTION	PURCHASE ORDER AMOUNT	YEAR TO DATE EXPENSE
23000072-01	PUBLIC WORKS	503		WHITSON JANITORIAL SERVICES	09/04/22	JANITORIAL SERVICE	23,100.00	8,400.00
23000118-01	PUBLIC WORKS	505		STRESSCRETE [2]	10/21/22	DOWNTOWN LIGHT FIXTURES	6,585.90	-
23000073-01	PUBLIC WORKS	505		SANDWELL, INC.	09/04/22	BOBCAT BROOM REPLACEMENT	7,201.13	-
23000119-01	PUBLIC WORKS	505		STRESSCRETE [2]	10/21/22	LIGHT FIXTURES-DOWNTOWN	18,578.85	-
23000115-01	PUBLIC WORKS	510	CIP22-09	DUDEK	10/21/22	GWP MANAGEMENT PLAN	12,808.65	3,682.50
23000116-01	PUBLIC WORKS	513	CIP22-09	CREEKSIDE CENTER FOR EARTH OBSERVATION	10/21/22	MONARCH BUTTERFLY HABITAT	10,000.00	2,400.00
23000131-01	PUBLIC WORKS	841	CIP22-19	V & A CONSULTING ENGINEER	11/09/22	FLOW MONITORING - PURPLE PIPE PROJECT	7,500.00	-
23000152-01	PUBLIC WORKS	841		LEHR AUTO ELECTRIC	12/27/22	CSO VAN EQUIPMENT	20,361.14	
23000081-01	PUBLIC WORKS	841	CIP23-19	BOWMAN CONSULTING GROUP	09/11/22	PURPLE PIPE FEASIBILITY STUDY	38,674.50	10,140.00
23000058-01	PUBLIC WORKS	631	TRC21-02	WILLIAMS SCOTSMAN, INC [2]	08/28/22	PW TRAILER LEASE	12,000.00	7,592.91
23000043-01	CEMETERY	601		LLORIN-VELASQUEZ CORPORATION	08/10/22	CEMETERY MARKER TRIMMING	29,150.00	15,900.00
23000011-01	SEWER	611		MONTEREY PENINSULA ENGINEERING	07/21/22	EMERGENCY SEWER WORK	9,142.50	7,950.00
23000127-01	SEWER	611		MONTEREY PENINSULA ENGINEERING	11/08/22	EMERGENCY SEWER WORK	9,687.50	-
23000005-01	SEWER	611		CALIFORNIA MARINE SANCTUARY	07/21/22	E9C WATER QUALITY MONITORING	11,623.00	7,104.19
23000029-01	SEWER	611		NEILL ENGINEERS	07/29/22	ENGINEERING RETAINER	12,000.00	6,000.00
23000061-01	SEWER	611		MONTEREY ONE WATER	08/28/22	FAT, OIL & GREASE INSPECTION	15,000.00	-
23000010-01	SEWER	611		WALLACE GROUP	07/21/22	SSMP 5 YEAR UPDATE	19,214.00	8,963.00
23000062-01	SEWER	612	CIP22-01	DUDEK	08/28/22	ARCHEOLOGICAL MONITORING	13,629.91	12,205.65
23000117-01	SEWER	612	CIP22-03	HARRIS & ASSOCIATES, INC	10/21/22	IS/MND -PHASE 9 CIP22-03	39,940.00	27,996.90

(1) Reimbursable through developer deposits.

(2) Reimbursable as a result of an insurance claim.

Agenda No. 8 E

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Andrew Butler, Code Compliance Officer
MEETING DATE:	February 1, 2023
SUBJECT:	Update on Code Compliance Program
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Receive the report.

DISCUSSION
This is a yearly update for the code compliance program. For the 2022 calendar year, City Code Compliance staff received 237 complaints, with 22 of those still pending per the standard process for compliance (attached). Code Compliance staff also oversees the Administrative Enforcement Panel where 41 administrative hearings were conducted, and decisions were produced by the hearing officers from the City's Administrative Hearing Officer Panel. Code Compliance staff also oversees the Residential Zoning Records Reports (RZRR) where staff received 177 applications and provided those reports prior to transfer of titles. Code Compliance staff also monitors the Forestry replant program, and has sent out 29 reminders for tree replants, which are required after one or multiple trees are removed from private property. In February 2022, Deckard Technologies software was deployed for assistance in short-term rental code compliance. Utilizing this software, staff found 31 unlicensed short-term rentals and subsequently collected approximately $20,604.07 in administrative penalties through the code compliance process. There is currently one pending case that is on track to collect approximately $5,000 in penalties for unlicensed short-term rental of a property. At this time City staff is pleased with the selection of Deckard Technologies, and plan on renewing the contract/license agreement.

OPTIONS
N/A; no recommended action.

FINANCIAL IMPACT:
Receiving this report has no financial impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

PPT

Pacific Grove Administrative Code Compliance Procedures

1. Complaint or staff referral received by Code Compliance Officer (CCO). *(Anonymous complaints may be given lower priority unless Health & Safety related.)*

2. CCO reviews documents to verify jurisdiction, zoning, permit status, property ownership, applicable code provisions, prior complaint history.

3a. If no evidence of violation, case is closed. CCO notifies Complainant.

3b. If code violation suspected, an *Introduction and Inspection Request Letter* is sent to the property owner(s) and occupant(s)—as a courtesy.

4. If no response within 30 days by owner(s), CCO sends *Follow up Letter* to owners and occupants specifying a date/time for inspection.

5a. If no response or inspection request denied, proceed to 7.

5b. CCO conducts inspection. Photograph and document apparent violations(s) and proceed to 6.

5c. If no evidence of violation, case is closed. Memo placed in file; property owner(s) and complainant contacted by phone or email if so requested.

6. CCO sends letter to property owner(s) informing them of violation and specific steps to resolve, including, usually a 30-day compliance date. If owner clears violation, proceed to 8a. If no response within 30 days, proceed to 7.

7. CCO sends *Compliance Order* to property owners(s) and occupant(s) per MC Section 1.19.160, with usually 30 days to respond.

8a. Compliance achieved. CCO prepares memo to file; contact property owner(s) via phone or email.

8b. Compliance not achieved. Hearing Officer (HO) schedules hearing per MC Section 1.19.180.

9. CCO sends *Notice of Compliance Hearing* to property owner(s) and occupant(s). CCO posts property and at City Hall display cabinet (10 days notice prior the hearing).

10. CCO prepares hearing report and supporting evidence.

11. HO conducts Hearing.

12. HO makes findings and determination in accordance with MC Section 1.19.180(e).

13a. If HO finds a violation, HO issues an Administrative Order (AO) per MC Section 1.19.190.

13b. If HO finds no violation or the violation is corrected within the time specified, the HO issues a finding as to those facts. Case closed.

14. HO sends notice of entry of the Administrative Order, copy of Order and findings to owner(s) and occupant(s).

15a. Property owner fails to comply. Case held for the 90 day appeal period pursuant to MC Section 1.16.

15b. Property owner submits evidence but City Manager disputes compliance, proceed to 17. Owner may dispute City Manager's decision by requesting a HO hearing.

15c. Property owner submits evidence of compliance in accordance with the schedule. If City Manager agrees *Compliance Report* submitted to Hearing Panel. Case closed.

⇨

16a. If Compliance Dispute, Compliance Hearing scheduled upon request per MC Section 1.19.250.

16b. If no hearing request, case referred to City Attorney for enforcement pursuant to MC Section 1.16.

⇨

17a. HO holds hearing and finds compliance.

17b. If non-compliance, staff requests City Council to impose lien on Property.

Post Hearing Process

1. If fines or cost imposed by HO are not paid within 90 days, a lien against the real property may be imposed.

⇨

2. Person subject to lien may protest to City Council.

⇨

3. Council's decision adopted by resolution.

⇨

4. If Council imposes lien, City Attorney files lien with County Recorder's office.

⇨

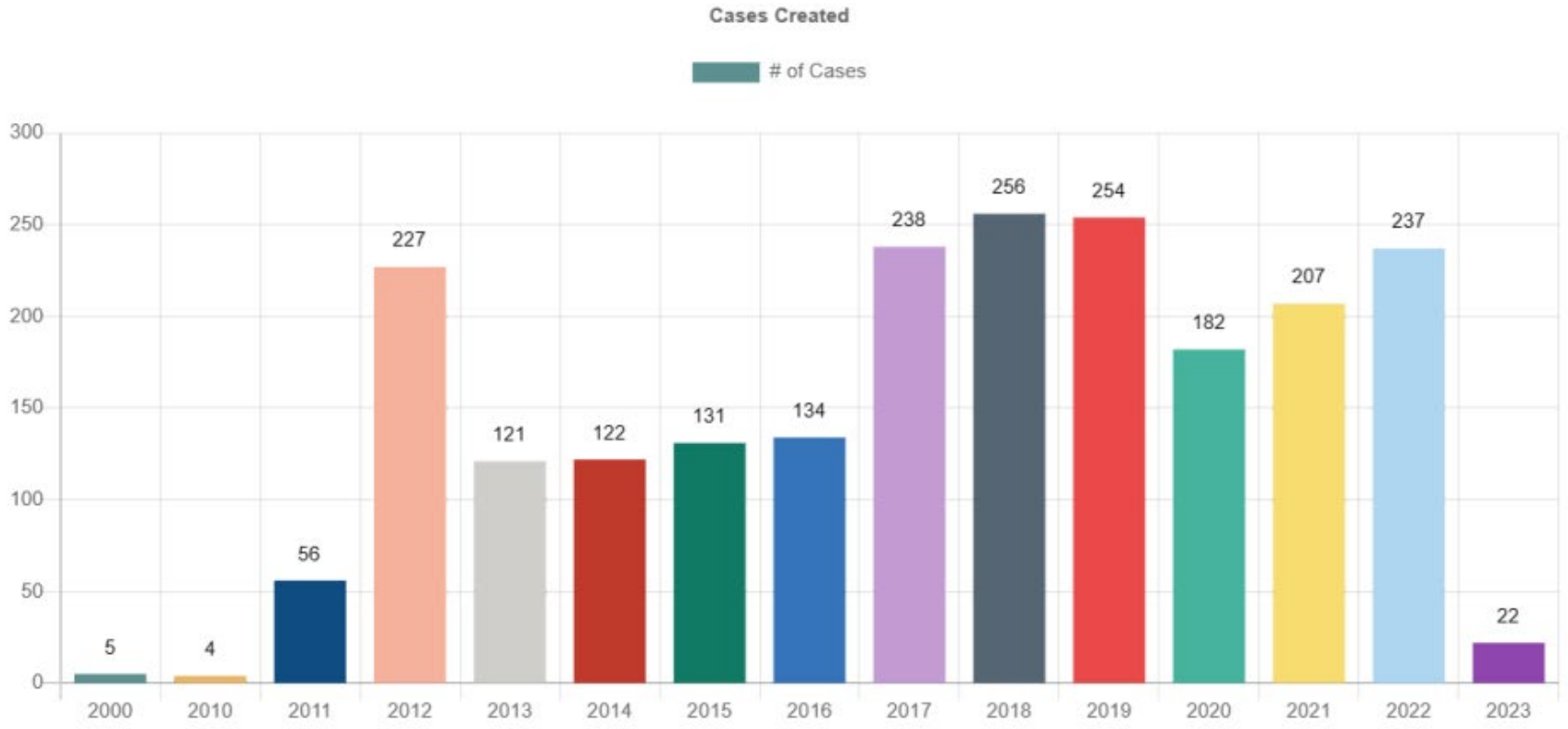
5. When lien is satisfied, City will produce Notice of Satisfaction for lienee to record.

Update on Code Compliance Program

City Council

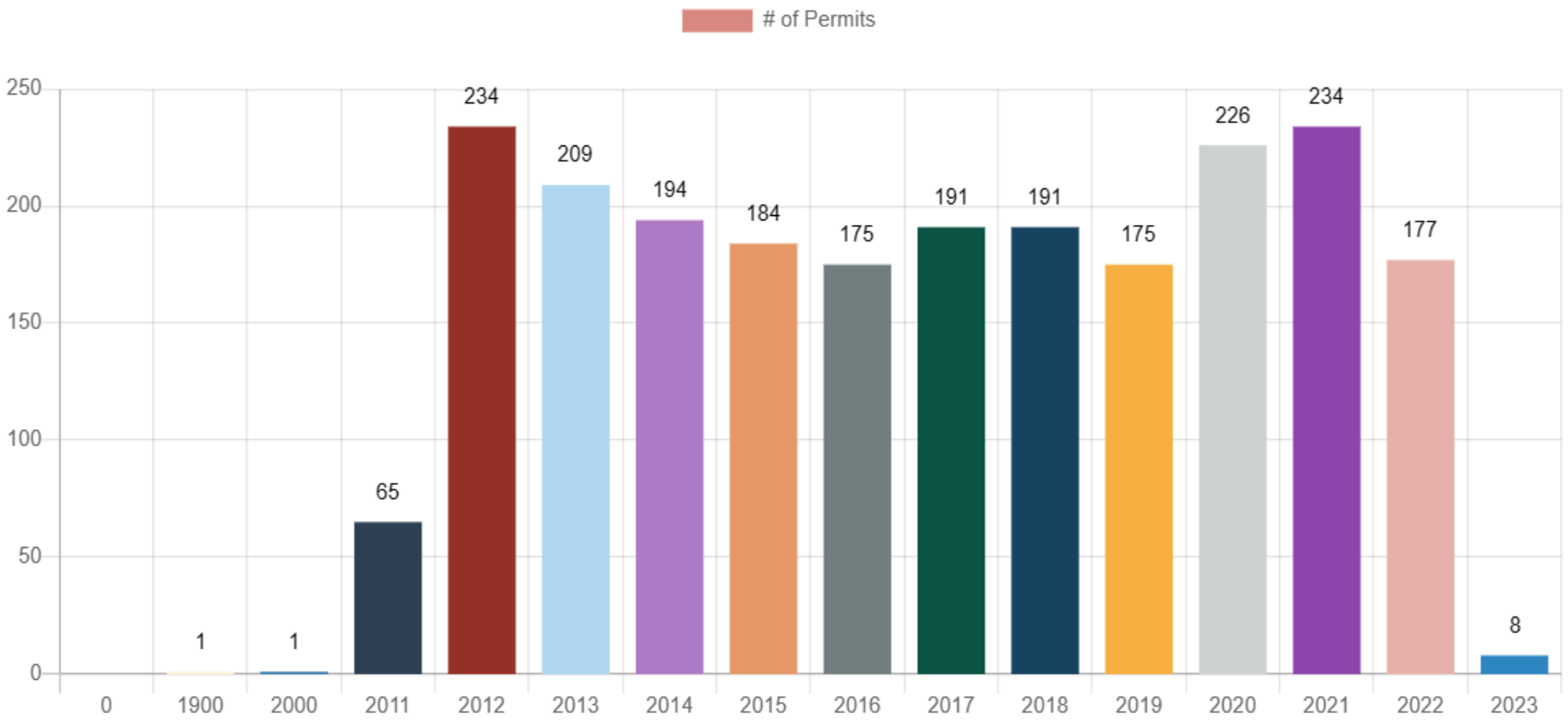
City of Pacific Grove

Annual Code Cases

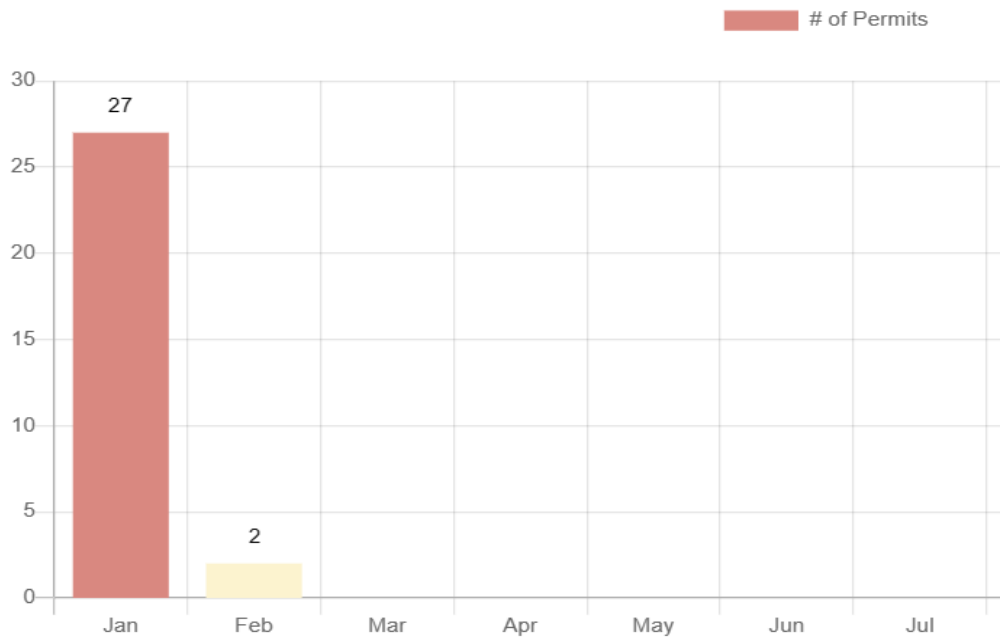


Display: Year

Residential Zoning Records Reports



Tree Replant Reminders



City Council

City of Pacific Grove

Short Term Rental Enforcement

Zone	Live	Title	First Seen	Rental Type	Minimum Night Stay	Advertised	Future Activity	Nights Booked To Date (Year-to-date)	Booking Frequency (AVG last 12	Average Price/Day (Year-to-date)
R-1	airbnb	Quaint Pacific Grove/Pebble Beach	2016-07-03	Current STR (28 nights or less)	3	2	Has Bookings	20	33	$156
R-1	airbnb	Asilomar Beach Redwood Retreat	2017-03-20	Current STR (28 nights or less)	14	3	Has Availability	0	0	$325
R-1	airbnb	Private Room in Pacific Grove	2021-12-29	Previously an STR		1	Has Bookings	0	2	
R-1-H	vrbo	5 MINUTE STROLL TO OCEAN BEACH THIS UPSCALE RETREAT PERFECT FOR FAMILIES/FRIENDS	2014-04-26	Current STR (28 nights or less)	27	3	Has Availability	0	0	$799
R-1-H	airbnb	Cheerful 3-bedroom home 2 blocks from the beach	2022-04-14	Current STR (28 nights or less)	27	3	Has Availability	0	1	$389
Coastal Zone,R-3-PGR	airbnb	Jewell Cottage 2 Bedroom Suite - Seven Gables Inn	2018-06-27	Current STR (28 nights or less)	1	2	Has Bookings	11	51	$731
R-1	vrbo	Spectacular Lover's Point And Ocean Views	2015-04-16	Current STR (28 nights or less)	28	3	Has Availability	0	0	$425
Coastal Zone,R-3-PGR	airbnb	3263 Nightly Rental ~ Almost Oceanfront! Walk to A	2017-08-07	Current STR (28 nights or less)	2	3	Has Bookings	21	56	$503
Coastal Zone,R-1-B-	vrbo	Asilomar 1/2 Acre Retreat!	2008-05-01	Current STR (28 nights or less)	2	2	Has Availability	0	33	$616
R-1	airbnb	CA Dreaming w/Ocean View, Fire pit and Gardens	2010-05-26	Current STR (28 nights or less)	1	1	Has Bookings	10	4	$135
Coastal Zone,R-3-PGR	airbnb	Historic Victorian Cottage Steps to Ocean!	2019-12-28	Current STR (28 nights or less)	5	4	Has Availability	0	5	$675

Questions?

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Brian A. Pierik, City Attorney
MEETING DATE:	February 1, 2023
SUBJECT:	Teleconference Rules For Attendance at Meetings of Legislative Bodies
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Motion to receive and file Agenda Report on Teleconference Rules for attendance at meetings of legislative bodies.

DISCUSSION

This Agenda Report will address the teleconferencing rules for attendance at meetings of legislative bodies. Teleconferencing is sometimes referred to as virtual or remote attendance.

AB 2449 amended Government Code Section 54953 of the Brown Act and became effective on January 1, 2023. AB 2449 provides an additional procedure for members of legislative bodies to attend public meetings remotely. With the adoption of AB 2449, there are currently the following three methods for attending a meeting of a legislative body by teleconferencing:

1. The "traditional" teleconferencing rules in Government Code Section 54953 (b) effective now and in the future unless amended by the Legislature.

2. AB 361 which is codified in Government Code Section 54953 (e) and has special rules for teleconferencing that are different than the "traditional" teleconferencing rules. Note that AB 361 will expire on January 1, 2024 and will also apply only so long as the State's declaration of emergency remains in effect. According to a press release issued on October 2022, Governor Newsom is expected to end the Declaration of Emergency on February 28, 2023.

3. AB 2449 rules as described below effective January 1, 2023. AB 2449 does not prevent legislative bodies from continuing to have hybrid meetings to allow the public to attend meetings remotely, it only impacts when a member of a legislative body may attend a meeting remotely.

TRADITIONAL TELECONFERENCING RULES

The "traditional" teleconferencing rules are found in Government Code Section 54953(b) and are set forth in Attachment 1 to this Agenda Report.

AB 361 TELECONFERENCING RULES
The "AB 361" rules are found in Government Code Section 54953(e) and are set forth in Attachment 2 to this Agenda Report.

AB 2449 TELECONFERENCING RULES
The "AB 2449" rules are found in Government Code Section 54953(f) and are set forth in Attachment 3 to this Agenda Report.

Under AB 2449, members of a legislative body may attend public meetings remotely without identifying their teleconference site on the agency's agenda or ensuring it is accessible to the public if the procedures below are followed.

As long as a quorum of the legislative body participates in person from a physical location open to the public, the remaining agency members can participate remotely in two situations:

1. Just Cause

Just cause is defined as any one of the following:

- childcare or caregiving of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires a member to participate remotely;
- a contagious illness that prevents a member from attending in person;
- a need related to a physical or mental disability; or
- travel while on business of the legislative body or another state or local agency.

In order to participate remotely under the just cause provisions, the member must notify the legislative body at the earliest possible opportunity, including at the start of a meeting, of their need to participate remotely and provide a general description of the circumstances related to one of the four items above.

A member may only participate remotely under the just cause provisions up to two meetings per calendar year.

2. Emergency Circumstances

Emergency circumstances means a physical or family medical emergency that prevents a member from attending in person.

In order to participate remotely under the emergency circumstances provisions, the member must request that the legislative body allow them to participate in the meeting remotely because of emergency circumstances and the legislative body must take action to approve the request.

A member must make a request to participate remotely under the emergency circumstances provisions as soon as possible. The legislative body may take action on this request at the earliest opportunity. If the request does not allow sufficient time to place it on the agenda for the meeting for which the request is made, the legislative body may take action on the request at the beginning of the meeting by majority vote.

The legislative body must request a general description of the circumstances relating to the member's need to appear remotely. This description does not have to be more than 20 words and the member does not have to disclose any personal medical information.

Additional Rules if Members Participate Remotely
If agency members participate remotely under this new law for either the just cause or emergency circumstances situations described above then the following rules apply:

1. The legislative body must provide a way for the public to remotely hear, visually observe, and remotely address the legislative body, either by a two-way audiovisual platform or a two-way telephonic service and a live webcasting of the meeting.
2. The legislative body must provide notice of how the public can access the meeting and offer comments.
3. The agenda must identify and include an opportunity for the public to attend and directly address the legislative body through a call-in option, an internet-based service option, and in-person at the location of the meeting.
4. The body cannot require comments to be submitted before the start of the meeting. The public must be allowed to make "real time" public comment.
5. If there is a disruption to the meeting broadcast or in the ability to take call-in or internet-based public comment, no further action can be taken on agenda items until the issue is resolved.
6. The legislative body must implement a procedure for receiving and resolving requests for reasonable accommodations for individuals with disabilities, and must give notice of these procedures.
7. Members participating remotely must participate through both audio and visual technology.
8. Members participating remotely must publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member's relationship with the individual.
9. A member may not participate in meetings solely by teleconference under this law for more than three consecutive months or 20% of the regular meetings for the public agency within a calendar year. If the legislative body regularly meets less than 10 times a year, a member may not participate remotely for more than two meetings.

CONCLUSION
In addition to teleconferencing under the rules set forth in AB 2449 as described above, legislative bodies may still meet via teleconference by following the traditional Brown Act rules of identifying the teleconference site on the agency's agenda and ensuring it is accessible for the public to attend.

Further, legislative bodies may meet by teleconference under AB 361 until January 1, 2024 or until the Governor ends the Declaration of Emergency which is expected to occur on February 28, 2023. The City may continue to allow the public to attend meetings of the legislative bodies virtually (remotely).

OPTIONS
Do not receive and file agenda report.

FINANCIAL IMPACT:
None.

GOAL ALIGNMENT: Not Applicable.

Attachments

1 - Government Code Section 54953(b) - "Traditional teleconference rules
2 - Government Code Section 54953 (d) - AB 361 rules
3 - Government Code Section 54953 (f) - AB2449 Rules

ATTACHMENT 1

“TRADITIONAL” TELECONFERENCING RULES OF GOVERNMENT CODE SECTION 54953(b).

(b)(1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

ATTACHMENT 2

"AB 361" TELECONFERENCING RULES OF GOVERNMENT CODE SECTION 54953(e).

(e)(1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which

prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G)(i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

AB-2449 Open meetings: local agencies: teleconferences. (2021-2022)

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Date Published: 09/14/2022 09:00 PM

Assembly Bill No. 2449

CHAPTER 285

An act to amend, repeal, and add Sections 54953 and 54954.2 of the Government Code, relating to local government.

[Approved by Governor September 13, 2022. Filed with Secretary of State September 13, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2449, Blanca Rubio. Open meetings: local agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act generally requires posting an agenda at least 72 hours before a regular meeting that contains a brief general description of each item of business to be transacted or discussed at the meeting, and prohibits any action or discussion from being undertaken on any item not appearing on the posted agenda. The act authorizes a legislative body to take action on items of business not appearing on the posted agenda under specified conditions. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency’s jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health.

This bill would revise and recast those teleconferencing provisions and, until January 1, 2026, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency’s jurisdiction. Under this exception, the bill would authorize a member to participate remotely under specified circumstances, including participating remotely for just cause or due to emergency circumstances. The emergency circumstances basis for remote participation would be contingent on a request to, and action by, the legislative body, as prescribed. The bill, until January 1, 2026, would authorize a legislative body to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made. The bill would define terms for purposes of these teleconferencing provisions.

This bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 54953 of the Government Code, as amended by Section 3 of Chapter 165 of the Statutes of 2021, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises

jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under

existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 2. Section 54953 of the Government Code, as added by Section 4 of Chapter 165 of the Statutes of 2021, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the

meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(f) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(g) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(h) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(i) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (f).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (e), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(6) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(7) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(8) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(j) This section shall become operative January 1, 2024, shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 3. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2026.

SEC. 4. Section 54954.2 of the Government Code is amended to read:

54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's Internet Web site, if the local agency has one. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an Internet Web site with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) For the purposes of this paragraph, both of the following definitions shall apply:

(i) "Integrated agenda management platform" means an Internet Web site of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(ii) "Legislative body" has the same meaning as that term is used in subdivision (a) of Section 54952.

(E) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their

public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(4) To consider action on a request from a member to participate in a meeting remotely due to emergency circumstances, pursuant to Section 54953, if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made. The legislative body may approve such a request by a majority vote of the legislative body.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(e) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 5. Section 54954.2 is added to the Government Code, to read:

54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's Internet Web site, if the local agency has one. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an Internet Web site with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) For the purposes of this paragraph, both of the following definitions shall apply:

(i) "Integrated agenda management platform" means an Internet Web site of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(ii) "Legislative body" has the same meaning as that term is used in subdivision (a) of Section 54952.

(E) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(e) This section shall become operative January 1, 2026.

SEC. 6. The Legislature finds and declares that Sections 1 and 2 of this act, which amend Section 54953 of the Government Code, impose a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hospital room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 7. The Legislature finds and declares that Sections 1 and 2 of this act, which amend Section 54953 of the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings.

Agenda No. 8 G

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Joseph Sidor, Contract Planner

MEETING DATE: February 1, 2023

SUBJECT: 2022 Planning Commission Annual Report

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive the 2022 Planning Commission Annual Report.

Attachments

2022 Planning Commission Annual Report

ANNUAL REPORT
PACIFIC GROVE PLANNING COMMISSION
JANUARY – DECEMBER 2022

A. Introduction

The Planning Commission held 15 meetings in 2022, including 12 regular monthly and three special sessions. The total number of meetings was 16 in 2021 and 11 in 2020. All meetings were virtual and made use of the Zoom format from January thru July. Hybrid meetings, involving in-person attendance at the City Council chambers and use of Zoom, began in August for the rest of the year.

There were several personnel changes in 2022, as noted below:

- In February, at the start of the 2022-23 term, the Commission welcomed three new members, Debby Beck, William Fredrickson, and Peter Nodzenski. They replaced Bill Bluhm, Jeannie Byrne, and Mark Chakwin.
- Steven Lilley was elected chair at the first meeting of the new term in February. Don Murphy was named vice-chair and Claudia Sawyer, secretary. Secretary Sawyer later resigned her position in early December.
- The Commission also welcomed a new Community Development Department (CDD) director, Anastacia Wyatt. She replaced Alyson Hunter, who left in April, and John Kuehl, who served as interim director. A new deputy counsel, Gregory Rubens, was appointed to replace Michael Laredo in July. Joe Sidor served as the CDD liaison to the Planning Commission.

B. Public Hearings/Quasi-Judicial Reviews

The Commission made decisions on 10 reviews as noted below. An additional review was continued to January 2023.

Project Name	***Permit Type***	***Decision***
1. Appeal of historic determination of 227 Grand Avenue (21-0350).	HRI Determination.	Approve appeal; remove property from HRI.
2. 135 18th Street (21-0391).	AP and CDP.	Approved.
3. 342 Asilomar Avenue (21-0045).	AP and CDP.	Approved.
4. 128 18th Street (21-0401).	AP/CDP Waiver.	Approved as CDP.
5. 183 Ocean View Boulevard (22-0072).	CDP.	Approved.
6. 321 Asilomar Avenue (22-0039).	AP and CDP.	Approved.
7. 120 17th Street (22-0125).	CDP.	Approved.
8. 829 Ocean View Boulevard (22-0092).	AP/VAR/CDP.	Approved.
9. Appeal of 1166 Presidio Boulevard (22-0108).	AP and TPD.	Deny appeal; approve AP and TPD.
10. Call-up of historic determination of 1352 Lighthouse Avenue (22-0255).	HRI Determination/ Phase I Report.	Recommend Phase I Report.
11. 176 Central Avenue (22-0080).	AP and CDP.	Continued until January 2023.

Permit Type Key: AP is architectural permit; UP is use permit; CDP is coastal development permit; HRI is historic resources inventory; VAR is variance from requirements of Pacific Grove Municipal Code; and TPD is tree permit with development.

C. Legislative Recommendations

The Commission made several recommendations to the City Council, including amendments to the Pacific Grove Municipal Code (PGMC), as described below:

- Recommended six projects for the capital improvement project program (CIP): 1) extend the reclaimed water irrigation line to other City properties, specifically Perkins Park and Lover's Point; 2) restore and repair the large mural showing the history of Pacific Grove on the City's recreation trail; 3) improve maintenance in City parks; 4) improve and maintain the Forest Avenue entrance to City Hall; 5) repaint parking space striping on downtown streets; and 6) reconfigure the intersection at Eardley and Central Avenues to facilitate traffic flow, including possibly removing a traffic calming device. (February)
- Recommended that City staff be directed to initiate a focused General Plan Update to the Land Use, Safety, and Transportation Elements of the City's General Plan, to meet the minimum requirements triggered by the 2023-2031 Housing Element Update. The Commission also recommended that the City form a committee with at least one City Council member, one Planning Commissioner, and staff to make a recommendation through the city manager to the City Council, on the selection of a consultant for the focused General Plan Update. (May)
- Recommended that the City Council appeal the RHNA numbers adopted by AMBAG (Association of Monterey Bay Area Governments) through the established process. (May)
- Recommended that the City Council authorize the Planning Commission to move to a hybrid meeting format as soon as possible. A second motion was to have the chair designate a Planning Commission member to appear before the City Council to convey the Commission's meeting format recommendation and answer questions. (June)
- Recommended amending PGMC 23.45.020 to better effectuate the City's prohibition of timeshares, including fractional ownership or similar models of ownership, and for staff to return with a draft zoning ordinance amendment for Planning Commission consideration at its July 14, 2022, meeting. Recommendation dropped as result of consultation with legal counsel. (June-September)
- Recommended that the Parklet Program Subcommittee Report with its recommendations be forwarded to the City Council. (December)
- Directed staff to prepare a proposed ordinance with change/additions to PGMC Title 23, Zoning. (December)
- Directed staff to prepare a proposed ordinance amending PGMC 23.64.190(d) to require proposals for hotels and motels to provide one parking space per one guest room. (December)

D. Presentations

Most Commission meetings had at least one presentation PGMC in 2022. Many of the presentations were devoted to housing and subcommittee reports, as listed below:

- Planning Commission Annual Report for 2022. (January)
- Planning Commission Work Plan/Training Calendar, 2022. (January)
- Serial meeting and ex parte communication procedures. (February)
- Community Development Department's 2022 Annual Workplan. (March)

- Review of Land Use Element of the General Plan. (March)
- CCD Planning Division bulletins on acronyms, accessory structures, areas of special biological significance, development in the coastal zone, privacy design guidelines, environmentally sensitive habitat areas, floor area vs. coverage, non-conforming, and site plan. (March)
- 2021 Housing Element Annual Performance Report. (April)
- Housing Element Update: Introduction and Schedule and Regional Housing Needs Assessment (RHNA) numbers for 2023-2031. (April/May)
- Annual Progress Report for General Plan Implementation for 2021. (April)
- Near and Long-Term Actions to Increase Housing Capacity and Meet State Law. (May)
- Report on Other Cities Updates to Their General Plans. (June)
- City Council Goals and Tactics. (July)
- Review of fact sheet for the housing survey. (September)
- Parklet Program Subcommittee Report (December)
- Periodic reports of the Planning Subcommittee
- Periodic reports of the Policy and Ordinance Subcommittee.
- Periodic reports of the Education and Training Subcommittee.
- Periodic General Plan and Housing Element Updates.

E. Organization

The Commission made use of four subcommittees in order to provide in-depth study and analysis of issues in support of its public hearing and legislative responsibilities. Actions are listed below:

- Appointed Debby Beck to the Education and Training Subcommittee. (February)
- Appointed Peter Nodzenski to the Education and Training Subcommittee. (February)
- Renewed the Policy and Ordinance Subcommittee for six (6) months. (March)
- Appointed Don Murphy and Robin Aeschliman to the Policy and Ordinance Subcommittee. (March)
- William Fredrickson was appointed to the Planning Subcommittee. (March)
- Renewed Planning Subcommittee for six (6) months. (June).
- Voted that a special meeting be called to address forming a parklet subcommittee. (August)
- Voted to form a Parklet Program Subcommittee with three members and that the Planning Commission provide direction to the subcommittee. Appointed Debby Beck, Claudia Sawyer, and Steven Lilley to the subcommittee. (September)

F. Work Plan Compliance

In January, the Commission reviewed the draft Work Plan/Training Calendar for 2022. The Work Plan was divided by month into three categories: legislative, quasi-judicial (permits) and training/educational.

A review of the Work Plan shows that quasi-judicial, including public hearings, was addressed and met. Training/educational items also were met, as illustrated under "Presentations," above. Housing was the primary focus of legislative items in the Work Plan; however, this category included many other initiatives, as shown under "Legislative Recommendations," above. Note that the City and Planning Commission will need to focus extensively on housing and General Plan update issues in 2023.

Agenda No. 9 A

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Ben Harvey, City Manager
MEETING DATE:	February 1, 2023
SUBJECT:	Ratification of New Local Emergency Actions
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Receive report of emergency directives/modifications.

DISCUSSION
The City Manager during this Local Emergency is authorized to directly mitigate effects of the Local Emergency to protect life or property.

This report apprises the City Council of emergency directives taken under the continuing local emergency proclaimed by Resolution 20-007. This report fulfills the City Council's review obligation under that Resolution and Government Code 8630. This agenda item also enables ratification of select actions taken since the City Council's last review.

City expenditures for legal services related to COVID-19 issues (specifically to related to COVID 19-COM (Communications); COVID 19-TRN (Training); COVID 19-LAW (Legal Support); and COVID-19 (Other)) are eligible for State and Federal Emergency Service reimbursement, including but not limited to FEMA or other emergency grant funding.

Actions not subject to Ratification. Since the time of the revised Monterey County Shelter in Place Order issued Friday, April 3, 2020, the City Manager has taken the following new or modified actions pursuant to the Emergency Proclamation:

- None to report at this time.

No action is necessary with respect to the above new or modified measures, as each is responsive to requirements of the revised Monterey County Shelter in Place Order falling within the regular management discretion of the City Manager.

Actions subject to Ratification. Certain mitigation measures that have been enacted by the City Manager in response to the Monterey County Shelter in Place Order issued Friday, May 8, 2020, and in accord with Council's Local Emergency under Article 19, subparagraph l, of the Pacific Grove City Charter, and Chapter 3.20 of the Pacific Grove Municipal Code (PGMC), are subject to ratification. Any mitigation measures that qualify are subject to ratification as required by Government Code 8630

and City Council Resolution 20-007, and are listed below:

1. None to report at this time.

Discussion of Circumstances Needing Emergency Response. The discussion part of this item allows comment on circumstances which may benefit from further or different emergency responses. Matters identified will be referred to the City Manager for appropriate consideration in accord with the Emergency Management System protocols set by PGMC Chapter 3.20. These delegate exclusive emergency management response authority to the City Manager.

CEQA Exemption. Actions taken to prevent or mitigate an emergency are exempt from CEQA pursuant to section 15260 of the CEQA Guidelines.

OPTIONS

Actions not subject to ratification are reported for information only.

FINANCIAL IMPACT:

There is no financial impact in receiving the report.

GOAL ALIGNMENT: Not Applicable.

Agenda No. 9 B

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Joyce Halabi, Deputy Public Works Director

MEETING DATE: February 1, 2023

SUBJECT: Authorize Agreement for the Del Monte Blvd. Storm Drain Project.

CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities

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RECOMMENDATION

Authorize an agreement with Monterey Peninsula Engineering for the Del Monte Blvd Storm Drain Improvements Project in an amount not to exceed $227,125 plus a 15% contingency.

DISCUSSION

At the November 3, 2021, City Council meeting, the Del Monte Blvd Storm Drain Project was approved for inclusion in the FY21/22 Capital Improvement Plan (CIP) with a budget of $150,000 derived from American Rescue Plan Act (ARPA) funds. The purpose of the project is to replace the failed stormwater infrastructure on Del Monte Blvd from Coral St to Esplanade St that was deferred for several years due to lack of available funding.

These improvements are essential in helping ensure surface flow is properly channeled into the stormwater collection network, protecting the bay and the Area of Special Biological Significance (ASBS), and allowing proper access to service the line for maintenance. Moreover, these improvements are essential to pavement health. The existing roadway is in a “failed” state with a PCI of 16 (out of 100). The improvements will prevent continued rapid degradation of the roadway, due to pooling surface water, and will allow the city to schedule future pavement rehabilitation, which has been deferred until underground infrastructure repairs can be made.

The project was engineered in FY21/22. The scope of work includes:

- Replacement of 390LF of failed stormwater pipe
- Installation of 60LF of new stormwater pipe
- Construction of 3 storm drain access point manholes
- Reconstruction of 1 catch basin, and
- Construction of 2 new catch basins

In March 2022, following the completion of engineering, a call for bids was issued. 4 bids were received:

COMPANY NAME	BID AMOUNT
Monterey Peninsula Engineering	$197,700

Don Chapin	$258,755
Anderson Pacific	$263,500
Moka	$398,720

Due to insufficient funds to allow for construction, the project was deferred and a request for additional funding was made via the FY22/23 CIP process. Additional funding was requested based on the project bid results and in anticipation that the project would need to be rebid, as the contractor is only required to honor bid pricing for a period of 60 days. If rebid, it was anticipated that proposals would come in higher than the original bid process.

As part of the FY22/23 CIP, the City Council approved an additional $125,524 allocation to the project; $75,000 from ARPA funding and $75,524 from the Strong Disbursement Fund. This brings the total project budget up to $305,524.

Following approval of the FY22/23 Budget, which included the additional project funding, the lowest bidder, from the March 2022 proposals, was contacted to gauge willingness to honor the original bid proposal. Due to increased material costs and inflation, the contractor was not able to honor the original bid.

As a result, the project was re-bid, as originally engineered. On January 5, 2023, the bid period closed. The city received 6 bids:

COMPANY NAME	**BID AMOUNT**
Monterey Peninsula Engineering	$227,125
Precision Grade	$244,215
Coastal Paving & Excavating	$245,650
Don Chapin Company	$269,000
Rehak General Engineering	$285,350
Pacific Underground Construction, Inc.	$297,019

Monterey Peninsula Engineering has been qualified as the lowest responsible bidder. They are well positioned to perform this work and have successfully completed several sewer and stormwater projects for the city.

Staff recommends authorization of this contract to promptly address the failed stormwater infrastructure.

OPTIONS

1. Authorize the agreement.
2. Do not authorize the agreement. Failure to authorize the agreement will result in failed stormwater infrastructure to remain in disrepair and allow for continued road degradation.
3. Provide alternate direction.

FINANCIAL IMPACT:

This project was approved as part of the FY22/23 CIP with a budget of $305,524, derived from the Strong Disbursement Fund and ARPA funding. There is sufficient project funding to allow for construction.

GOAL ALIGNMENT: Not Applicable.

Attachments

Public Comment

Agenda Item 9B, Del Monte Blvd. Storm Drain Project

Lisa Ciani <lisa.ciani@gmail.com>
Wed 2/1/2023 3:17 PM

To: **City Council Members <citycouncil@cityofpacificgrove.org>**;Pierik, Brian A. <bpierik@bwslaw.com>;Rubens, Gregory J. <grubens@bwslaw.com>

[**NOTICE:** This message originated outside of the City of Pacific Grove email system -- **DO NOT CLICK** on **links** or open **attachments** unless you are sure the content is safe.]

Dear Mayor Peak and Council Members,

I hope you will pull Item 9B, Del Monte Blvd. Storm Drain Project (between Coral and Esplanade) from the Consent Agenda in order to ask staff why there is no mention of Tribal Monitoring and whether that monitoring will be provided. I don't expect to be able to attend tonight's meeting to be able to pull the item.

The project is in the City's Archaeological Zone (part of PG's original Coastal Zone). (See attached map below.) Prior disturbance is not a justification for dispensing with Tribal Monitoring. In Monterey a few years ago, remains of three ancestors were uncovered in the course of a manhole replacement project near the Presidio, and reburied in the municipal cemetery by OCEN members.

The City of PG hired a consultant (Rincon, I believe) over two years ago to prepare a Cultural Resource and Tribal Monitoring Compliance Protocol, but there's been no sign of it in all this time. In response to the most recent inquiries at ARB last fall, staff said that the matter is in the Deputy Public Works Director's hands. This matter should be handled by planning staff because Public Works has a conflict of interest. Please ask for monthly updates until document is completed and approved.

In 2020, when the City was facing an appeal of their first Coastal Development Permit, they wrote the following message in the City Manager's Weekly Report—I would like to see the City live up to this:

Community Development Department

Ohlone-Costanoan Esselen Nation. Many areas of Pacific Grove are sensitive in terms of Tribal, cultural, and archaeological resources. Because of this sensitivity, Planning and Public Works staff

work closely with the Ohlone-Costanoan Esselen Nation (OCEN) to ensure that public and private projects that have the potential to disturb the remains or artifacts of the ancestors are properly reviewed and monitored. City staff has worked hard over the last several years to develop a very good relationship with the OCEN and meet monthly with OCEN Chair Miranda-Ramirez to discuss projects large and small.

Planning staff encourages private property owners to obtain Tribal monitors on a voluntary basis whenever it is not required by law. You may see Tribal monitors at several Public Works sewer replacement and stormwater projects throughout the City ensuring that ground disturbing activities are carefully observed and that any found artifacts or remains are handled respectfully and according to local and State laws. It is important for the City to continue to grow its relationship with the OCEN and other local Tribes in an effort to keep the stories of the indigenous people alive and not forgotten.

Sincerely,

Lisa Ciani

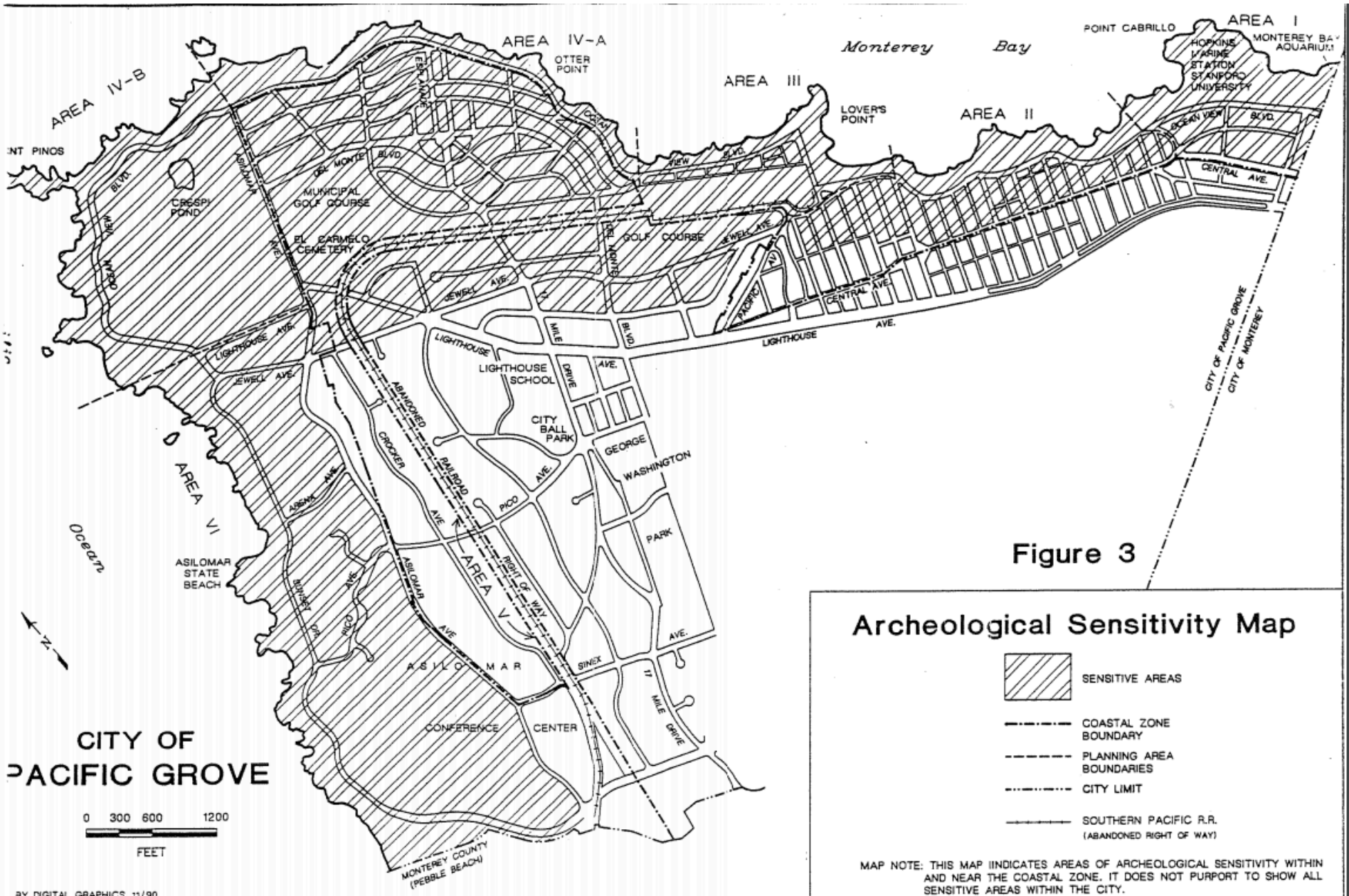


Figure 3

Archeological Sensitivity Map

- SENSITIVE AREAS
- COASTAL ZONE BOUNDARY
- PLANNING AREA BOUNDARIES
- CITY LIMIT
- SOUTHERN PACIFIC R.R. (ABANDONED RIGHT OF WAY)

MAP NOTE: THIS MAP IINDICATES AREAS OF ARCHEOLOGICAL SENSITIVITY WITHIN AND NEAR THE COASTAL ZONE. IT DOES NOT PURPORT TO SHOW ALL SENSITIVE AREAS WITHIN THE CITY.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Lori Frati, Management Analyst
MEETING DATE:	February 1, 2023
SUBJECT:	Agreement for Comprehensive Fee Study, Development Impact Fees, and/or a Cost Allocation Plan
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Motion to Authorize the Mayor to sign an agreement with the Matrix Consulting Group for a comprehensive fee study, development impact fee report, and/or a cost allocation plan, in an amount not to exceed $67,890.

DISCUSSION

The Fiscal Year 21/22 City Council Goals include the following tactics to assist in achieving the Financial Stability Goal:

- Tactic 5A: Developing an impact fee assessment to determine the feasibility of implementing new fees associated with development
- Tactic 5E: Develop a fee study for Community Development building fees, as well as update fees to reflect the reduction in short-term rentals for rental licensing and permits.

While the comprehensive fee study is not directly mentioned in Tactics 5A and 5E, it will also assist with Tactic 5C, which includes identifying additional or missing City revenue opportunities. This could include developing fees for parklet licensing and land leases; preparing formal cost recovery rates for electric vehicle charging stations; and revisiting tree permit fees, in conjunction with the forthcoming revisions to the municipal code. This comprehensive fee study will also assist in assuring compliance with the relevant government codes, which include the stipulation that a local agency's user fees may not exceed the reasonable cost of providing the services for which the fee is charged. The cost allocation plan will also assist in maximizing grant reimbursements, as well as determining the indirect charges that are applicable to the City's enterprise funds.

To facilitate this goal, City Staff published the Request for Proposals (RFP) on September 1, 2022 with a closing date of September 30, 2022. The City received and reviewed four proposals. The RFPs were evaluated through a rating and ranking system, by a selection panel of City Staff comprised of Tori Hannah, Administrative Service Director/Assistant City Manager, Lori Frati, Management Analyst and Anastacia Wyatt, Community Development Director. The panel reviewed the proposals and ranked them based on their clarity in understanding the project and the following criteria:

- Company: Qualifications, Information, Background and Financial Stability
- Methodology Used to Meet the City's Need
- References for Each Service Proposed
- Quality, Clarity, Completeness and Responsiveness to Proposal
- Demonstrated Ability to Work in Cooperative Collaborative Manner with Clients
- Reasonableness of Any Proposed Adjustment to Contract
- Implementation Approach & Training
- Pricing and Timeline.

Based on the evaluation of the written proposals, references and samples of past work projects and presentations, one firm, Matrix Consulting Group (MCG) was the most responsive in terms of meeting the City's objectives and criteria, along with providing the most cost-effective approach. In addition, MCG has worked with the City on the comprehensive user fee study and cost allocation plan in 2018, as well as Fire and Library Service Studies.

The desired outcome of this project is to receive a report that will be used to establish fees and allocate percentages/rates that support the full cost recovery of services; and a Development Impact Fee Report that assists in mitigating city-wide impacts on public improvements, public services, and community amenities.

MCG's goals when building a user fee study/cost allocation plan and development impact study, are to document direct and indirect costs associated with fee-based services, identify the appropriate portion of costs shared between existing residents and new development; and present cost recovery data. The results will provide the City with the knowledge and tools to ensure that current practices are compliant, and to develop cost recovery policies that balance the needs of the General Fund with any subsidies. Examples of fees that may be partially subsidized with General Fund revenues, could include senior fees, fees that encourage compliance, and recreation programs. These studies, along with Council Policy 400-4, Fees, Charges, and Cost Recovery, will be referenced when updating the Master Fee Schedule.

In a brief meeting with MCG, the development impact fee (DIF) study component of the proposal was discussed. The consultant indicated that due to the size and development growth factors of Pacific Grove, there may not be a need to go forward with the complete DIF portion of the project. This would be evaluated in the first phase of the DIF scope of work. If it is determined that there isn't sufficient development to warrant a complete impact fee study, the DIF costs will only reflect the time spent in making the initial assessment.

A copy of the proposed agreement is included as an attachment to this staff report. The language does not deviate from the City's standard agreement that has been approved by the City Attorney and the City's Risk Management Joint Powers Authority. On September 21, 2022, the Council reviewed the standard agreements, which included the attached Professional Services Agreement. A motion was made to direct the City Attorney to prepare a resolution authorizing the standard contracts.

The proposed scope of work, cost proposal, original City Request for Proposal, and the vendor proposal has been incorporated as exhibits to the agreement.

OPTIONS

Provide alternative action

FINANCIAL IMPACT:

The City's adopted budget includes $48,000 for these services. An additional appropriation of $19,890 will be needed to fund the Comprehensive Fee Study, Development Impact Fee Report, and the Cost Allocation Plan. It is anticipated that there should be sufficient funds in the unassigned General Fund balance to support this contract, without exceeding reserve policy levels. If this contract is approved, staff will request a budget amendment as part of the mid-year budget process; or prepare a separate ordinance.

GOAL ALIGNMENT: Not Applicable.

Attachments

Draft Professional Services Agreement - Matrix Consulting Group

CITY OF PACIFIC GROVE
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICE AGREEMENT ("PSA") FOR NON-CONSTRUCTION PROJECTS ("Agreement"), is made and effective as of February 1, 2023, between the City of Pacific Grove ("City"), a municipal corporation and Matrix Consulting Group, a corporation ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   This Agreement shall commence on February 1, 2023 and shall remain and continue in effect until the tasks described herein are completed, but in no event later than February 1, 2024, unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

   CONSULTANT shall perform the tasks and services ("Services") described and set forth in Exhibit A, Scope of Services, attached hereto and incorporated herein as though set forth in full. CONSULTANT shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. To the extent that Exhibit A is a proposal from CONSULTANT, such proposal is incorporated only for the description of the Scope of Services and no other terms and conditions from any such proposal shall apply to this Agreement unless specifically agreed to in writing.

3. PERFORMANCE

   CONSULTANT shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all Services described herein. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONSULTANT hereunder in meeting their obligations under this Agreement.

   CONSULTANT is bound by the contents of City's Request for Proposal on file hereto and incorporated herein as Exhibit D, and the contents of the proposal submitted by CONSULTANT, available on file at City Finance Department at 300 Forest Avenue, hereto and incorporated herein as Exhibit E. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in CONSULTANT's proposals.

4. CITY MANAGEMENT

   The City Manager, or their designee, shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by CONSULTANT, but not including the authority to enlarge the Scope of Work or change the compensation due to CONSULTANT. The City Manager shall be authorized to act on City's

behalf and to execute all necessary documents that enlarge the Scope of Work or change CONSULTANT's compensation, subject to Section 6 hereof.

5. PAYMENT

a. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed sixty seven thousand eight hundred and ninety dollars ($67,890.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

b. The City Manager's contract authority is limited to $39,999.99, which includes all costs. Contracts, including any contract amendments that exceed the total threshold, require City Council approval. Any contracts, including contract amendments that exceed the total threshold, which do not have City Council approval, shall be void.

c. CONSULTANT shall not be compensated for any Services rendered in connection with its performance of this Agreement that are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager or the City Council. CONSULTANT shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and CONSULTANT at the time City's written authorization is given to CONSULTANT for the performance of said services.

d. CONSULTANT shall submit invoices monthly for actual Services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for Services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of CONSULTANT's fees it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice therefore.

6. INSPECTION

City shall at all times have the right to inspect the work and materials. CONSULTANT shall furnish all reasonable aid and assistance required by City for the proper examination of the work and all parts thereof. Such inspection shall not relieve CONSULTANT from any obligation to perform said work strictly in accordance with the specifications or any modifications thereof and in compliance with the law.

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. The City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon CONSULTANT at least thirty (30) days prior written notice. Upon receipt of said notice, CONSULTANT shall immediately cease all Services under this Agreement, unless the notice provides otherwise. If the City

suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to CONSULTANT the actual value of the Services performed up to the time of termination, provided that the Services performed are of value to the City. Upon termination of the Agreement pursuant to this Section, CONSULTANT will submit an invoice to the City pursuant to Section 6.

8. DEFAULT OF CONSULTANT

a. CONSULTANT's failure to comply with the provisions of this Agreement shall constitute a default. In the event that CONSULTANT is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating CONSULTANT for any Services performed after the date of default and can terminate this Agreement immediately by written notice to the CONSULTANT. If such failure by the CONSULTANT to make progress in the performance of Services hereunder arises out causes beyond the CONSULTANT's control, and without fault or negligence of the CONSULTANT, it shall not be considered a default.

b. If the City Manager or designee determines CONSULTANT is in default in the performance of any of the terms or conditions of this Agreement, they shall cause to be served upon CONSULTANT a written notice of the default. The CONSULTANT shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event CONSULTANT fails to cure its default within such period of time or fails to present City with a written plan for the cure of the default, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. OWNERSHIP OF DOCUMENTS

a. CONSULTANT shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of Services under this Agreement. CONSULTANT shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. If there is a substantial billing deviation adverse to City, then the cost of an audit shall be borne by CONSULTANT. Such records, together with supporting documents, shall be maintained for a period of five (5) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of CONSULTANT. With respect to computer files, CONSULTANT shall make available to City, at CONSULTANT's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. CONSULTANT hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by CONSULTANT in the course of providing the Services under this Agreement.

10. RECORD AUDIT

In accordance with Government Code, Section 8546.7, for expenditures of greater than $10,000, records of both City and CONSULTANT shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

11. INDEMNIFICATION AND DEFENSE

Indemnity

To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless City and any and all of its officers, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by the negligent or wrongful act, error or omission of CONSULTANT, its officers, agents, employees or subconsultants (or any City or individual that CONSULTANT shall bear the legal liability thereof) in the performance of Services under this Agreement. CONSULTANT's duty to indemnify and hold harmless City shall not extend to the City's sole or active negligence.

Duty to defend

In the event City, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the Services encompassed by this Agreement, and upon demand by City, CONSULTANT shall defend City at CONSULTANT's cost or at City's option, to reimburse City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters to the extent the matters arise from, relate to or are caused by CONSULTANT's negligent acts, errors or omissions. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and City, as to whether liability arises from the sole or active negligence of the City or its officers, employees, or agents, CONSULTANT will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely or actively negligent. CONSULTANT will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

12. INSURANCE

CONSULTANT shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this Agreement.

13. INDEPENDENT CONSULTANT

a. CONSULTANT is and shall at all times remain as to City a wholly independent consultant and/or independent contractor. The personnel performing the Services under this Agreement on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, or agents, except as set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to CONSULTANT in connection with the performance of this Agreement. Except for the fees paid to CONSULTANT as provided in the Agreement, City shall not pay salaries, wages, or other compensation to CONSULTANT for performing Services hereunder for City. City shall not be liable for compensation or indemnification to CONSULTANT for injury or sickness arising out of performing Services hereunder.

14. LEGAL RESPONSIBILITIES

CONSULTANT shall keep itself informed of State and Federal laws and regulations that in any manner affect those employed by it or in any way affect the performance of its Services pursuant to this Agreement. CONSULTANT shall at all times observe and comply with all such laws and regulations. City, and its officers, employees, and agents shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this Section.

15. UNDUE INFLUENCE

CONSULTANT declares and warrants that no undue influence or pressure was used against or in concert with any officer, employee or agent of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer, employee or agent of City has or will receive compensation, directly or indirectly, from CONSULTANT, or from any officer, employee or agent of CONSULTANT, in connection with the award of this Agreement or any Services to be performed as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

16. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

No officer, employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Services performed under the Agreement

during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Services performed under this Agreement.

17. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

a. All information gained by CONSULTANT in performance of this Agreement shall be considered confidential and shall not be released by CONSULTANT without City's prior written authorization. CONSULTANT, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives City notice of such court order or subpoena.

b. CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless City is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless CONSULTANT is prohibited by law from informing City of such Discovery. City retains the right, but has no obligation, to represent CONSULTANT and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to CONSULTANT in such proceeding, CONSULTANT agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by CONSULTANT. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

c. If City determines CONSULTANT comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.), CONSULTANT shall complete and file and shall require any other person doing Work under this Agreement to complete and file a "Statement of Economic Interest" with CITY disclosing CONSULTANT's and/or such other person's financial interests.

18. DISCRIMINATION

CONSULTANT agrees that in the performance of this Agreement, neither CONSULTANT nor any person acting on CONSULTANT's behalf shall discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, genetic information, marital status, sexual orientation, sex, gender identity, gender expression, military or veteran status or age.

19. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, by first class mail, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:	Lori Frati City of Pacific Grove 300 Forest Avenue Pacific Grove, CA 93950 Attention: City Clerk
To CONSULTANT:	Richard Brady, President, and Courtney Ramos, Vice President rbrady@matrixcg.net and cramos@matrixcg.net Matrix Consulting Group, Ltd. 1650 S. Amphlett Blvd., Suite 213 San Mateo, CA 94402 650-858-0507

Notice is effective on the date of personal service, or 5 days following deposit in a United States mailbox, or date of postmark. The parties may agree to service by email.

20. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

21. ASSIGNMENT

CONSULTANT shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of CITY. Because of the personal nature of the Services to be rendered pursuant to this Agreement, only CONSULTANT shall perform the Services described in this Agreement. CONSULTANT may use assistants, under their direct supervision, to perform some of the Services under this Agreement.

22. LICENSES

At all times during the term of this Agreement, CONSULTANT shall have in full force and effect, all licenses required of it by law for the performance of the Services described in this

Agreement. CONSULTANT shall obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions.

23. GOVERNING LAW

City and CONSULTANT understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or federal district court with jurisdiction over City. CONSULTANT agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive personal jurisdiction and venue of the aforementioned courts.

24. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to their obligations described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. No amendment shall be valid unless in writing, executed by both parties.

25. DISPUTE RESOLUTION; ATTORNEY'S FEES

CONSULTANT shall continue to perform under this Agreement during any dispute. CONSULTANT and City hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

26. WORK SCHEDULED/TIME OF COMPLETION

City and CONSULTANT agree that time is of the essence in this Agreement.

27. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of CONSULTANT warrants and represents that they have the authority to execute this Agreement on behalf of the CONSULTANT and have the authority to bind CONSULTANT to the performance of its obligations hereunder.

28. INTERPRETATION OF CONFLICTING PROVISIONS

In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

29. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF PACIFIC GROVE	CONSULTANT
By: Department Director	By:_____ Consultant
Date: _____	Date: _____
By: _____ City Manager or Mayor	By: _____ City Administrative Services Department
Date: _____	Date: _____

Approved As To Form: _____
City Attorney

_____
Date

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Payment Schedule
	Exhibit C	Insurance Requirements
	Exhibit D	Request for Proposal
	Exhibit E	Consultant’s Proposal

EXHIBIT A

Additional details regarding the Scope of Services are included in Exhibit D.

Project Scope and Deliverables

This project is anticipated to take between 3-6 months to complete. All studies can be conducted concurrently. For each task included, we have identified the time frame during the 6 (six) month period in which the analysis will be completed. It is anticipated the Cost Plan will take 3 months, User Fee Study 5 months, and Impact Fee study 6 months.

Task	Project Week(s)	Deliverable
PROJECT WIDE TASKS		
Data Collection	Weeks 1 – 2	Data Collection and Project Schedule Memo
Study Objectives	Weeks 1 – 2	Initial meeting with key City staff
Presentation of Results	Weeks 24+	Council Presentation
Excel Models and Training	Weeks 24+	Model, Backup Documentation, User Guide
COST ALLOCATION PLAN		
Interview Staff and Gather Data	Weeks 2-5	Review allocation metrics.
Review Allocation Metrics	Weeks 4-8	Review of allocation workbooks
Structure Draft Full Cost Plan	Weeks 6-10	Draft Cost Allocation Model
Compare to Previous Plan	Weeks 9-11	Comparison Results (Excel)
Finalize Full Cost Plan	Weeks 10-14	Final Cost Plan Report
Structure Draft OMB Plan	Weeks 10-12	Draft OMB Cost Plan
Finalize OMB Cost Plan	Weeks 12-14	Final OMB Cost Plan Report
USER FEE STUDY		
Current & Potential Fees	Weeks 2-6	Provision of proposed fees
Data Workshops	Weeks 4-8	Time Estimate Workbooks
Fully Burdened Hourly Rates	Weeks 5-10	Fully burdened hourly rates by position
Total Cost Analysis	Weeks 8-11	Draft Per Unit and Annual Cost Analysis Results
Comparative Survey	Weeks 4-14	Survey Results
Review/Revise Results	Weeks 10-14	Draft Results Workbooks / Recommended Fees
Draft Fee Study Report	Weeks 10-16	Draft Fee Study Report
Prepare Final Report	Weeks 15-20	Final Fee Study Report
Develop Master Fee Schedule	Weeks 18-20	Consolidated Master Fee Schedule
DEVELOPMENT IMPACT FEE STUDY		
Phase 1: Nexus Consideration		
Review of Impact Fees	Weeks 6-10	Current Impact Fee Memo
Projected Growth and Needs	Weeks 8-14	Spreadsheet summarizing infrastructure needs
Phase 2: Impact Fee Analysis		
Draft Fees Analysis	Weeks 13-17	Draft Impact Fee Per Unit Results
Comparative Survey	Weeks 15-20	Survey Results
Draft Report	Weeks 18-22	Draft Impact Fee Report
Final report	Weeks 22-24	Final Impact Fee Report
Backup Documentation	Weeks 24+	Delivery of Impact Fee Backup Documentation

EXHIBIT B

matrix consulting group

September 30, 2022

Lori Frati, Management Analyst
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

Dear Ms. Frati:

The following chart provides a breakdown of hours by team member and costs for each task area to conduct a User Fees, Development Impact Fee, and Cost Allocation Plan Studies.

	Project Executive	Project Manager	Lead Analyst	Analyst	Total Cost
PROJECT WIDE TASKS					
Data Collection	0	2	2	2	$850
Study Objectives	2	2	0	0	$820
Presentation of Results	6	6	0	0	$2,460
Excel Models and Training	0	4	4	8	$2,140
Subtotal Project Wide	**8**	**14**	**6**	**10**	**$6,270**
FULL COST ALLOCATION PLAN					
Interview Staff & Gather Allocation Metrics	0	4	4	4	$1,700
Review Draft Allocation Metrics	0	2	4	4	$1,330
Structure Cost Model	0	0	6	6	$1,440
Draft Full Cost Plan	0	2	4	6	$1,550
Final Full Cost Plan	2	2	4	6	$2,000
Structure Draft OMB Plan	0	2	4	4	$1,330
Finalize OMB Cost Plan	2	2	2	4	$1,520
Subtotal CAP	**4**	**14**	**28**	**34**	**$10,870**
COMPREHENSIVE FEE STUDY					
Current & Potential Fees	0	4	6	6	$2,180
Time Data Workshops	2	6	8	8	$3,480
Fully Burdened Hourly Rates	0	2	4	6	$1,550
Total Cost Analysis	2	6	8	12	$3,920
Comparative Survey	0	0	4	14	$2,060
Review / Revise Results	2	8	8	8	$3,850
Draft Fee Study Report	0	4	8	12	$3,100
Final Fee Study Report	2	4	6	8	$2,850
Develop Master Fee Schedule	0	2	2	8	$1,510
Subtotal Fee Study	**8**	**36**	**54**	**82**	**$24,500**

	Project Executive	Project Manager	Lead Analyst	Analyst	Total Cost
DEVELOPMENT IMPACT FEE STUDY					
Phase 1: Growth Evaluation					
Review of Impact Fees	4	4	6	8	$3,300
Growth and Facility Assessment	2	10	8	14	$4,880
Subtotal Phase I Study	**6**	**14**	**14**	**22**	**$8,180**
Phase 2: Impact Fee Analysis					
Draft Analysis	2	8	10	10	$4,330
Comparative Survey	0	2	8	12	$2,730
Draft Report	4	8	10	10	$4,780
Final Report	2	6	8	8	$3,480
Impact Fee Presentation	4	10	0	0	$2,750
Subtotal Phase II Study	**12**	**34**	**36**	**40**	**$18,070**
Subtotal Development Impact Fee Study	**18**	**48**	**50**	**62**	**$26,250**
Total Hours	**38**	**112**	**138**	**188**	
Hourly Rate	$225	$185	$130	$110	
Total Professional Fees	**$8,550**	**$20,720**	**$17,940**	**$20,680**	**$67,890**
Total Project Cost					**$67,890**

The Matrix Consulting Group proposes to perform the tasks and services associated with conducting a User Fee, Impact Fee, and Cost Allocation study for a fixed-price not-to-exceed fee of **$67,890**. This amount accounts for either virtual or in-person interviews and presentations.

Our typical practice is to bill for hours worked on a monthly basis, with our contracts set up as fixed not-to-exceed price contracts. We are open to billing on a task or deliverable basis as well.

Again, we appreciate this opportunity.



Richard Brady, President
Matrix Consulting Group

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting CONSULTANT's indemnification of City, and prior to commencement of Work, CONSULTANT shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

General liability insurance. CONSULTANT shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. CONSULTANT shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Professional liability (errors & omissions) insurance. CONSULTANT shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and CONSULTANT agrees to maintain continuous coverage through a period no less than three (3) years after completion of the Services required by this Agreement.

Note: May need to delete workers' compensation and employer's liability insurance requirements for certain sole proprietorships, partnerships, or corporations without employees.

Workers' compensation insurance. CONSULTANT shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

CONSULTANT shall submit to CITY, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of CITY, its officers, agents, employees and volunteers.

Umbrella or excess liability insurance. [Optional depending on limits required]. CONSULTANT shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;

- Concurrency of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

Proof of insurance. CONSULTANT shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONSULTANT, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by CONSULTANT shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by CONSULTANT or City will withhold amounts sufficient to pay premium from CONSULTANT payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against CITY, its elected or appointed officers, agents, employees and volunteers or shall specifically allow CONSULTANT or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONSULTANT hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). CONSULTANT acknowledges and agrees that any actual or alleged failure on the part of the City to inform CONSULTANT of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to CITY with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, employees, agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. CONSULTANT agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by CONSULTANT, provide the same minimum insurance coverage and endorsements required of CONSULTANT. CONSULTANT agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONSULTANT agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONSULTANT ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the CONSULTANT, the City and CONSULTANT may renegotiate CONSULTANT's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

Timely notice of claims. CONSULTANT shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from CONSULTANT's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. CONSULTANT shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

EXHIBIT D

City of Pacific Grove
Request for Proposal (RFP)

for

A Comprehensive Fee Study, Development Impact Fees, and/or a Cost Allocation Plan

Issue Date: September 1, 2022

Proposal Due Date: September 30, 2022

Submit responses to:

City of Pacific Grove
Attn: Lori Frati, Management Analyst
300 Forest Avenue
Pacific Grove, California 93950
Email address: lfrati@cityofpacificgrove.org

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1. RFP Overview

1.1 Introduction and Background

The City of Pacific Grove is a Charter City known for small-town hospitality and friendliness. It is run by a council-manager form of government. The major operating departments of the City are: City Manager, Administrative Services, Community Development, Public Works, Police, Fire, Recreation and the Library. The City population is 15,545 and it is approximately 2.86 square miles. The City shares borders with the City of Monterey, the Pacific Ocean, and the Del Monte Forest.

1.2 Purpose of RFP

The purpose for the City of Pacific Grove's request for proposal is to identify and select a vendor with a proven record of accomplishment in developing Comprehensive Fee Schedules, Development Impact Fees, and Cost Allocation Plans. In 2018, the City worked with a consultant to develop a Comprehensive Fee Study and a Cost Allocation Plan. While all City fees were evaluated, the Building Department Fees were only partially reviewed due to a shared-agreement with another City. The City would like to review all existing fees, as well as evaluate the Building Department Fees as part of this study. All City fees have been updated annually based on the CPI.

The City has not undertaken a Development Impact Fee Study; or the current City staff is not aware of a previous study. The Study would be used to assess a variety of development impact fees on new development to assist in mitigating City-wide impacts on public improvements, public services, and community amenities. The City's impact fee program must comply with all relevant sections of the Government Code.

The City Council has made the Comprehensive Fee Study and the Development Impact Fee portion of this proposal a City Council Priority. Depending on costs and perceived benefit, the City may award a contract in this fiscal year for one or all three of the studies. An emphasis will be placed on the Comprehensive Fee Study and the Development Impact Fees.

1.3 Schedule of Events

The RFP schedule of events identifies the City's best estimate of the schedule that will be followed.

RFP Event	Date/Time
RFP Issued	September 1, 2022
Deadline for Written Questions	September 15,2022 at 4:30 pm
Deadline for Letter of Intent to Respond	September 15,2022 at 4:30 pm
City Issues Response to Written Questions	September 22, 2022
Deadline for Submitting a Proposal	September 30,2022 at 4:30 pm
City Evaluation of Proposals	October 3 -7, 2022
Estimated time when City Determines Finalist	October 10, 2022
Contract Awarded	October 19, 2022

The City reserves the right to adjust this schedule as it deems necessary.

1.4 RFP Coordinator

All communications concerning this RFP must be submitted in an e-mail to the RFP Coordinator, Lori Frati, Management Analyst. The RFP Coordinator will be the sole point of contact for this RFP. The coordinator can be reached via email at lfrati@cityofpacificgrove.org.

1.5 RFP Amendment and Cancellation

The City reserves the unilateral right to amend this RFP in writing at any time. The City also reserves the right to cancel or reissue all or any part of the RFP at its sole discretion. This information will be posted to the City's website. If an amendment is issued, it will also be provided to all vendors who have submitted a Letter of Intent to Respond.

1.6 Letter of Intent to Respond

Vendors who anticipate submitting a proposal should submit an email indicating a vendor's intent to respond to this RFP. The letter of intent should be emailed to the RFP Coordinator. The subject line should read, "Company Name – Letter of Intent to Respond". The following information should be included in the Letter of Intent to Respond:

- Name of Vendor
- Vendor's Address
- Vendor's Contact Person
- Contact Person's Telephone Number & E-mail Address
- Name and version of system to be proposed

Submittal of a Letter of Intent to respond, by the specified deadline, is highly desirable for submitting a proposal, and is necessary to ensure a vendor's receipt of RFP amendments and other communications regarding the RFP. The Letter of Intent does not bind vendors to submitting a proposal. Not submitting a Letter of Intent does not preclude a vendor from submitting a proposal by the required deadline.

1.7 Questions Pertaining to the RFP

All questions pertaining to this RFP must be submitted by e-mail to the RFP contact: Lori Frati, Management Analyst at lfrati@cityofpacificgrove.org. All vendors who have notified the City of their intent to respond to the RFP will be provided, via e-mail, a copy of all questions submitted as well as the City's response.

1.8 Public Records Law

Pursuant to the California Public Records Act, Government Code Section 6250 and following, public records may be inspected and examined by anyone desiring to do so, at a reasonable time, under reasonable conditions, and under supervision by the custodian of the public record. All submitted proposals are subject to the California Public Records Act, and may be determined to be public records subject to disclosure, even if the vendor claims confidential treatment. The City will disclose public records as required under the California Public Records Act.

1.9 Rights to Submitted Materials

All Proposals and related correspondence, reports, charges, schedules, exhibits and other documentation submitted with this RFP will become property of the City and a matter of public record. All documents submitted in response to this request will be subject to disclosure if requested by a member of the public. There are a very limited number of narrow exceptions to these disclosure requirements.

1.10 City Agreements and Insurance Requirements

The successful proposer(s) will be required to sign a contract with the City relating to the work to be performed. Once selected, the proposer must procure and maintain insurance in accordance with the City's insurance requirements for the duration of the contract. The cost of this insurance is the proposer's responsibility.

2. Scope of Work and Specifications

2.1 Overview of the Project

The City of Pacific Grove is interested in engaging a consultant to work with staff to prepare a Comprehensive Fee Study, Development Impact Fee Study, and a Cost Allocation Plan (Projects). The contract may be awarded for one or all of the studies.

The consultant will ensure that all project documents are both accurate and appropriate for the City's current needs, and work with City staff on strategies to maximize cost recovery. General steps for each individual Project would include:

2.1.1 Work with staff to define the purpose, uses, and goals of each Study or Plan.

2.1.2 Meet with staff and conduct interviews to gain an understanding of the City's practices and operations.

2.1.3 Review any existing documentation related to fees or the cost allocation plan

2.1.4 Provide any suggestions or strategies to improve cost recovery levels, and recommend any new fees, if necessary

2.1.5 Offer assisting in developing fee modification strategies that incentivize local policy goals

2.1.6 Develop and present draft a final report for City staff to review

2.1.7 Provide staff will worksheets to support the components in the final plan in an excel or editable format, as well as any training on how to update any schedules that need to be revisited annually or until the next study

2.1.8 Produce a final written report based on specific project needs, which could include comparison with similar organizations

2.1.9 Present the information related to the User Fee Study and/or the Development Impact Fee to the City Council at a City Council Meeting.

Additional specifics related to individual plans will be listed in the Performance Specifications of this document.

2.2 Desired Outcome

The desired outcome would be to receive a report that will be used to establish fees and allocate percentages/rates that support the full cost recovery of services; and a Development Impact Fee study that assists in mitigating city-wide impacts on public improvements, public services, and community amenities. Individual Performance requirements for each study are listed below:

2.3 Performance Requirements

2.3.1 User Fee Study

Project tasks shall include, but are not necessarily limited to, the following. If the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal.

2.3.1.1 Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's User Fee Study to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the Study.

2.3.1.2 Conduct a comprehensive review of the City's existing fees. For a list of City fees, see the attached "Exhibit A" Adopted Master Fee Schedule Fiscal Year 2022-23", which is adopted annually and is effective July 1. Identify the total cost of providing each City service and in a manner that is consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates and charges by public entities.

2.3.1.3 Compare service costs with existing recovery levels. This should include any service areas where the City is currently charging for services as well as areas where the City, perhaps, should charge in light of the City's practices, or the practices of similar or neighboring cities. Include (as allowed by statutes/laws/rules/regulations) practices for deferral and/or forgiveness of fees and/or substitution of public services/facilities in lieu of fees for privately funded and City projects with public benefit. Include a comparison of current City practices and similar practices of similar or neighboring cities.

2.3.1.4 Recommend appropriate fees and charges based on your analysis together with the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic (e.g. senior services). Consider the cost of pre-application and post-application meetings to mitigate project problems, assist project proponents to prepare the application, emergency response cost recovery such as inspection costs after fires

and/or acts of god and how those costs can be recovered, either on a permit specific basis or as an overall percentage applied to permit fees.

2.3.1.5 Prepare a report that identifies each service, its full cost, recommended and current cost recovery levels. The report should also identify the direct cost, the indirect cost, and the overhead cost for each service; and provide a model for adjusting these fees for the City's current and future needs.

2.3.1.6 Prepare a report that identifies the present scope performed under the fee, the proposed scope performed under the recommended fee, present fees, recommended fees, percentage change, cost recovery percentage, revenue impact; and fee comparison with other Monterey County cities or other California cities that are comparable to Pacific Grove. A survey comparison of fees with similar cities is for information only.

2.3.1.7 Report on other matters that come to your attention in the course of your evaluation that in your professional opinion the City should consider.

2.3.1.8 Present your study to the City's management group and make necessary adjustments as requested.

2.3.1.9 Prepare and participate in presenting the plan to interested external parties (public meetings).

2.3.1.10 Assist the Administrative Services Department in presenting the plan to the City Council.

2.3.1.11 Provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs. Develop a model for adjusting fees to include the addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (Scenario and "what if" analyses).

2.3.1.12 Provide on-site training to enable staff to update fee

2.3.1.13 Prepare a final fee study report in a single PDF file of the plan that can be made available to City staff. Any master fee schedule revisions developed shall be made available to the City electronically, providing the ability to add or delete and/or update information as needed.

2.3.1.14 Consult with City staff should it become necessary to defend the City's User Fees as a result of any legal or other challenge.

2.3.2 Development Impact Fee Study

The City assesses a variety of cost recovery-based fees. The consultant (or consultants) will conduct a comprehensive update of the nexus analysis for these fees and explore adding development impact fees as appropriate. The City's fees must comply with any applicable state and federal law including but not limited to the Mitigation Fee Act (California Government Code Section 66000 et seq., also known as Assembly Bill 1600).

Project tasks shall include, but are not necessarily limited to, the following. If the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal.

2.3.2.1 Develop a comprehensive impact fee study in alignment with broad policies to adequately facilitate desired development within the City while supporting the City's Capital Improvement Program.

2.3.2.2 Conduct a comprehensive Development Impact Study in alignment with updated long-range planning policies to complement development within the City and meet policy objectives.

2.3.2.3 The consultant (or consultants) will be responsible for preparing background reports as well as technical reports documenting the study results for each fee.

2.3.2.4 Provide an overview of development impact fees and in-lieu fees in neighboring and/or similar-sized cities as a means of comparison.

2.3.2.5 Provide City staff with an interactive tool that will ensure predictable and intuitive fees that are easily accessible and understandable to customers interested in calculating fees on their own for a particular type of project

2.3.2.6 Prepare and participate in presenting the plan to interested external parties (public meetings).

2.3.3 Cost Allocation Plan

Develop a Full Cost Allocation Model for calculating the full costs of providing each city service. The requirements of the model shall allow for the following:

2.3.3.1 Allow for Additions, revisions or removal of direct and overhead costs so that the cost allocation plan can be easily adapted to a range of activities both simple and complex.

2.3.3.2 Identify overhead rates that can be used in the calculation of billable hourly rates for user fees, and reimbursements from other governmental agencies.

2.3.3.3 Provide the ability of the City to continuously update the model and overhead cost allocation plan easily from year to year as the organization changes.

2.3.3.4 Identify hypothetical service area information for future service enhancements, and the ability to calculate the estimated cost of providing the service under consideration.

2.3.3.5 Comply with Title 2, Code of Federal Regulations, Part 225, Cost Principles for State, Local, and Indian Tribal Governments; as part of the cost allocation plan proposal, please provide the following:

a) Provide a Methodology appropriate for the calculation and allocation of an overhead cost rate complying with Title 2, Code of Federal Regulations, Part 225, Cost Principles for State, Local, and Indian Tribal Governments.

b) Prepare a study of each program with overhead costs that are borne in whole or in part by the General Fund that can receive overhead cost for reimbursement from State and Federal governments and/or other sources.

2.3.3.6 Present the cost allocation plan to the City's management group and make necessary adjustments as requested.

2.3.3.7 Provide the City with an electronic copy of the final comprehensive review, including related schedules and cost determination in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.

2.3.3.8 Consult with the City staff should the need arise to defend the cost allocation plan as a result of audits or other challenges.

3 Proposal Submission Requirements

3.1 General Instructions

Proposals should provide a straightforward, concise description of the vendor's company, qualifications, proposed solution, and capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content.

Proposals should be organized consistent with the outline provided in this section of the RFP. Vendors must follow all formats and address all portions of the RFP set forth herein providing all information requested.

Submittals must be received no later than September 30, 2022. Proposals received after this date and time will not be considered.

3.2 Proposal Format

Proposals must be structured, presented, and labeled in the following manner:

- Transmittal Letter
- Table of Contents

- Executive Summary
- Company Information
- Company Background
- Statement of Qualifications
- Implementation and Development Approach
- Training
- Ongoing Support
- References
- Pricing for each study or any discounts associated with conducting all three studies/plans. All pricing must be placed in a sealed envelope.
- Proposed Legal Agreement(s)
- Additional Information

Details of information that shall be included in each response are listed in Sections 3.2.1 – 3.2.13.

Failure to follow the specified format, to label the responses correctly, or to address all the subsections may result in the rejection of the Proposal.

3.2.1 Transmittal Letter

The proposal must provide a written transmittal of the proposal in the form of a standard business letter. The Transmittal Letter will reference and respond to each of the following bulleted items.

- Signature of a company officer empowered to bind the vendor to the provisions of this RFP and any contract awarded pursuant to it.
- A high-level statement of the vendor's credentials to deliver the services sought under the RFP.
- A statement indicating the proposal remains valid for at least 90 days.
- A statement that the vendor or any individual who will perform work for the vendor is free of any conflict of interest (e.g., employment by the City.)

3.2.2 Table of Contents

All pages are to be numbered and the table of contents should identify each major section.

3.2.3 Executive Summary

This section of the proposal should provide a concise synopsis of vendor's proposal and credentials to deliver the services sought under the RFP. In addition, it should explain how the vendor's proposal will differentiate itself from other consultant solutions and the reasons the City should select the vendor's proposal. This may include a list of the unique attributes or experience that gives the vendor a competitive edge.

3.2.4 Company Information

This section of the proposal must include the following company information:

- Provide the legal entity name, Federal Employer Identification Number (EIN), and form of business (i.e. Corporation, LLC, etc.).
- Identify if the vendor is a subsidiary of a larger company. If so, whom?
- Provide a primary contact name, address, phone number, and email address.
- Identify the location of company headquarters and offices, which will support the implementation.
- Identify the location, hours of operation, and contact information of ongoing maintenance and support staff.
- Provide the current number of employees at the company.
- Provide the current number of employees dedicated to the solution you are proposing.
- Identify all subcontractors and associated scope of work.
- List the company's Pacific Grove business license number, or statement of understanding that a business license must be purchased prior to doing business with City.
- Identify any pending litigation against the vendor.
- Identify if vendor has filed any bankruptcy or insolvency processing in the last 10 years.
- Identify any mergers, acquisitions, or sales of the vendor company within the last five years (if so, an explanation providing relevant details).

3.2.5 Company Background

This section should identify the following:

- A description of the Vendor's background, nature of business and organizational history.
- A statement of how long the Vendor has been providing the services that are being proposed and required by this RFP.
- Disclose the Vendor's annual company revenues and profit for the last three company fiscal years. It is acceptable to include this information as an appendix in the proposal.

3.2.6 Company Qualifications

In this section of proposal, the Vendor should identify company and staff qualifications and experience in implementing the proposed studies or plans. More specifically, this section should identify the following:

- Describe your experience in providing comprehensive fee studies, development impact fee studies, and cost allocation plans; especially for municipalities similar in size to Pacific Grove.
- Identify some examples of your existing client base including the number of clients you provided the services being proposed here.

3.2.7 Key Staffing, Development, and Implementation Approach

In this section the vendor should address the following:

- Provide a project organization chart highlighting the key staff who will be assigned to accomplish the work and any related bios for the project manager and key personnel
- Describe your implementation methodology and approach that is relevant to one or all studies. This includes the tools and techniques that will be used and methodologies that the firm will employ.
- Outline strategies and options that will result in the development and recommendations that are practical to the City of Pacific Grove, meaning that the recommendations must not exceed the City's ability to implement and properly utilize them.
- Describe the roles and responsibilities of both the City and vendor staff during each phase of implementation. In addition, provide an estimated level of effort and skillset required for the City staff during implementation.
- Provide a project schedule that includes all tasks, deliverables, milestones, and resources required. The City seeks a detailed understanding of the work plan that will be followed to ensure success.

  Please also indicate any lead time that is needed before a company representative can begin working on the study.
- Describe your validation process for ensuring all information is accurate and your criteria for success. Also, outline the responsibilities of City staff during the final validation and acceptance process.

3.2.8 Training

- Provide an overview of any training that would be needed to understand the methodology related to the studies. The goal would be to allow City staff to understand the how any fees or allocations were derived.

- If applicable, describe your training strategy/plan that includes current and future employees of City in any updates to the underlying calculations with the plans or studies during periods when formal studies are not conducted.

3.2.9 Ongoing Support

Please provide an overview of any support that you firm will offer in relation to follow-up questions regarding the completed studies.

3.2.10 References

The vendor must provide at least five references. At least three of the references should be for comprehensive fee studies, development impact fees, and cost allocation plans in the last three years. The City prefers references from local government agencies with similar demographics. For each reference, vendor should provide the following information:

- Entity name
- Customer contact information (name, title, phone, and email)
- Scope of work performed identifying the services provided and solutions implemented
- Project start and end dates

3.2.11 Pricing

The City is seeking a clear and comprehensive understanding of all costs associated with the project. This would include development of the studies, on-going training, and travel. The City may entertain remote meetings, however an on-site presentation may be required by the City Council.

All pricing shall be submitted in a separate sealed envelope.

Each individual study or plan shall be priced separately, along with any discounts identified if the City moves forward with all three studies.

3.2.12 Proposed Legal Agreement

It is recognized that the formal basis of any agreement between the City and the vendor is a contract rather than a proposal. The City's standard contract is included in Exhibit B. While the City does not typically modify the contract terms, the Vendor may include a draft of any proposed modifications to the City's standard contract. If the Vendor requires an alternate contract, that information must be included with the RFP response.

The proposed legal agreement(s) may serve as the basis for contract negotiations between the City and the selected vendor(s) or the City may elect to use its own agreement as the basis.

3.2.13 Additional Information

In this section, the vendors are required to provide the following materials:

- Example of a development impact fee study for similar City
- Any training material for on-going support. The City is typically planning to update all studies on five-year intervals; however this could be subject to change.
- If the company offers a complimentary service to enhance the requested studies, please include any informational material, as well as the costs. Please note that these documents are not required for this proposal; however it is requested for potential consideration and future studies.

4 Proposal Evaluations

After the proposals are received, the City shall review and evaluate them for responsiveness to the RFP in order to determine whether the proposer possesses the qualifications necessary for the satisfactory performance of the services required. The City may also investigate qualifications of all proposers to whom the award is contemplated, and the City may request clarifications of proposals directly from one or more proposers.

In reviewing the proposals, the City will consider the following:

- The qualifications (including education, training, licenses, experience and past performance) of the proposer and its agents, employees and sub-consultants in completing projects of a similar type, size and complexity.
- The feasibility of the proposal based upon the methodology of the proposed scope of services to meet the City's needs, the quality of services proposed, and the reasonableness of the total project costs and of the proposed time period over which the work will be completed.
- Understanding of the work to be completed based upon the clarity of the proposal and responsiveness to this RFP.
- Quality, clarity, completeness, and responsiveness of proposal.
- Demonstrated ability to work in a cooperative and collaborative manner with clients.
- Proposed timeline.
- Anticipated value and price.
- Perceived risk or lack of risk
- Company financial stability.
- References for each of the primary product(s) and service(s) proposed
- Reasonableness of any proposed adjustments to the City's contracts)
- Ability to negotiate and execute a contract in a timely manner.

The City reserves the right, at its sole discretion, to request clarifications of proposals or to conduct discussions for the purpose of clarification with any or all vendors. The purpose of any such discussions shall be to ensure full understanding of the proposal. Discussions shall be limited to specific sections of the proposal identified by the City and, if held, shall be after initial evaluation of proposals are complete. If clarifications are made as a result of such discussion, the vendor shall put such clarifications in writing.

5 General Terms and Conditions

5.1 General Conditions

- The City reserves the right to reject any and all proposals, to waive any informality, to request interviews of Contractor(s) prior to award and to select and negotiate the Contract services in the best interest of the City.

- The City reserves the right to accept all or part of any proposal, and to negotiate a contract for services and cost with the selected Contractor.

- The Contractor shall provide all necessary personnel, materials and equipment to perform and complete all work under this proposal.

- The Contractor shall be unbiased and vendor neutral.

- Unless otherwise stated, invoices are to be submitted to the Administrative Services Department upon delivery of service to the City. The invoice must include an itemization of all services provided, including unit list price, net price, extensions total amount(s) due, and amounts previously paid.

- Unless otherwise stated, payment will be made within thirty (30) days of the completion of the service, in an acceptable fashion, to the City, and receipt of invoice, whichever is later.

- The contract for the services described in the RFP should not be considered exclusive. As deemed necessary, the City reserves the right to obtain these services from any other vendor.

- Neither party shall be liable for any inability to perform its obligations under any subsequent agreement due to war, riot, insurrection, civil commotion, fire, flood, earthquake, storm or other act of nature.

- Notification of the parties shall be considered to have been constructively received when it is mailed via the United States Postal Service, e-mailed, or delivered in hand to the parties as stated in the contract.

- Proposal shall also mean quotation, bid, offer, qualification/experience statement, and services. Proposers shall also mean vendors, proposer's, bidders, or any person or firm responding to a Request for Information.

- The City reserves the right to retain all proposals for a period of 60 days for exam and comparison.

- All contracts entered into by the City of Pacific Grove shall be governed by the Laws of the State of California. Any disputes shall be resolved within the venue of the State of California.

- The proposer may submit an alternative proposal or proposals that it believes will also meet the City's project objectives, but in a different way. In this case, the proposed must provide an analysis of the advantages and disadvantages of each of the alternatives, and discuss under that circumstances the City would prefer one alternative to the other(s).

5.2 Reference Checks

The City of Pacific Grove reserves the right to contact any reference, or any client listed in the documents for information which may be helpful to the City in evaluating the Contractor's performance on previous assignments.

5.3 Changes to RFP

Changes to the RFP will be e-mailed to all vendors that submitted a letter of intent to respond. Such changes become an integral part of the RFP for incorporation into any contract awarded pursuant to the RFP.

5.4 Submittal Address

Send proposals to Lori Frati, Management Analyst at lfrati@cityofpacificgrove.org
or mail to:

City of Pacific Grove
Administrative Services Department
Attn: Lori Frati, Management Analyst
300 Forest Avenue
Pacific Grove, CA 93950

If submitting by mail, please ensure "title of RFP" is written in the lower left-hand corner of the envelope. Three bound copies, plus one electronic file shall be submitted.

Proposals must be complete and submitted by the due date. Late submissions or delivery via facsimile will not be considered. The City assumes no responsibility for delays caused by delivery service. Postmarking by the due date will not substitute for actual receipt.

EXHIBIT E

Proposal to Develop a Comprehensive User Fee Study, Development Impact Fee Study, and Cost Allocation Plan

PACIFIC GROVE, CALIFORNIA

September 30, 2022

matrix consulting group

September 30, 2022

Lori Frati, Management Analyst
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

Dear Ms. Frati:

The Matrix Consulting Group is pleased to have this opportunity to submit a proposal to develop a Comprehensive User Fee Study, Development Impact Fee Study, and Cost Allocation Plan for the City of Pacific Grove. The Matrix Consulting Group stands out from other firms for the following reasons:

- **Experience in cost allocation and cost of service studies**: Our firm and team have conducted 250+ cost of service studies for municipalities over the last 20 years across the United States, with recent Northern California clients including Cupertino, Los Altos Hills, Mill Valley, San Mateo, Palo Alto, Santa Clara, Sonoma, Sunnyvale, and South San Francisco.
- **Experience with the City of Pacific Grove**: In 2018, our firm worked with the City to develop a Comprehensive User Fee Study and Cost Allocation Plan. Our proposed project executive and project manager were both members of that project team.
- **Timeliness of products and transfer of knowledge:** We are committed to ensuring that all client deadlines are met and that along with providing defensible work products, there is a transfer of the intangible knowledge and recommendations associated with enhancing revenue recovery.

I am the firm's president, authorized to negotiate on the firm's behalf and bind it contractually. Courtney Ramos, a vice president and project executive, can provide clarifications on this proposal. I confirm our proposal is valid for 90 days and that the Matrix Consulting Group is free of any conflict of interest regarding this engagement. Ms. Ramos and I can be reached at the address and phone number listed below, or via email at rbrady@matrixcg.net and cramos@matrixcg.net.

Richard Brady, President
Matrix Consulting Group

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1 Executive Summary

The Matrix Consulting Group appreciates this opportunity to submit a proposal to conduct User Fees, Development Impact Fee, and Cost Allocation Plan Studies. The following points provide an overview of the desired scope of work.

- A **User Fee Study** will document direct and indirect costs associated with fee-based services.
- A **Development Impact Fee Study** will serve to identify the appropriate portion of costs that should be shared between existing residents and new development within the community.
- The development of **Cost Allocation Plans** will identify indirect costs associated with all City funds, Departments, and Services.

The results of this engagement will enable the City to develop an understanding of the full cost incurred to the General Fund in support of funds and departments, establish the full cost of providing fee-related services, and provide options for increased cost recovery.

Our project team will work with City staff to complete the requested analysis within a six (6) month timeframe and provide Excel-based models that will allow for future updates.

No other firm has a better understanding of how public organizations operate, or how to help them thrive. The following table provides a sampling of jurisdictions to which we have provided similar services:

Jurisdiction	Cost Allocation	User Fee	Impact Fees
Adelanto, CA	X	X	X
Asheville, NC		X	
Austin, TX		X	
Cape Coral, FL		X	
Champaign, IL	X	X	
Citrus Heights, CA	X	X	
Cupertino, CA	**X**	**X**	
Dallas, TX	X	X	
Daly City, CA	**X**	**X**	
Denton, TX		X	X
Dixon, CA	X	X	
Downey, CA	X	X	X
Elk Grove, CA	X	X	
Fairfield, CA	X		
Fort Lauderdale, FL	X	X	
Garland, TX			

Jurisdiction	Cost Allocation	User Fee	Impact Fees
Hercules, CA	X		
Juneau, AK	X		
Livermore, CA	X	X	
Long Beach, CA	X		
Los Altos Hills, CA	**X**	**X**	**X**
Manhattan Beach, CA	X	X	
Maui County, HI	X	X	
Menifee, CA	X	X	X
Miami Beach, FL	X		
Millbrae, CA	**X**	**X**	
Orange, CA		X	X
Redwood City, CA	**X**	**X**	
Richland, WA			
San Bernardino County, CA		X	
San Mateo, CA	**X**	**X**	**X**
Santa Clara, CA	**X**	**X**	
South San Francisco, CA	**X**	**X**	**X**
Stockton, CA		X	
Sunnyvale, CA	**X**		
Vacaville, CA	X	X	
Walnut, CA		X	X

As evidenced by the table, the Matrix Consulting Group has worked with a variety of municipalities across the U.S. for these services, especially in California and the Bay Area (bolded).

Our firm has assigned our Financial Services Vice President and Principal as the Project Executive (Courtney Ramos). Ms. Ramos has led all financial services over the past 15 years conducted by the firm. Additionally, our proposed Project Manager (Khushboo Ingle) is trained in Cost Allocation Principles and Revenue Enhancement Best Practices. This team worked with the City on the previous cost allocation plan and user fee study and will ensure that all reports are developed based upon best practices, industry trends, and are legally defensible.

2 Company Information

This section of our proposal includes information requested by the City of Pacific Grove in RFP Section 3.2.4.

1. **Provide the legal entity name, Federal Employer Identification Number (EIN), and form of business (i.e. Corporation, LLC, etc.).**

   The Matrix Consulting Group, Ltd. is a C-Corporation registered in California. Our FEIN is 05-0545979.

2. **Identify if the vendor is a subsidiary of a larger company. If so, whom?**

   We are not a subsidiary of a larger company.

3. **Provide a primary contact name, address, phone number, and email address.**

   Richard Brady, President, and Courtney Ramos, Vice President and Project Executive, can be reached via email at rbrady@matrixcg.net and cramos@matrixcg.net or at the address and telephone number below.

   Matrix Consulting Group, Ltd.
   1650 S. Amphlett Blvd., Suite 213
   San Mateo, CA 94402
   650-858-0507

4. **Identify the location of company headquarters and offices, which will support the implementation.**

   Our project executive is in our headquarters office in San Mateo, while our project manager is in our Irvine office.

5. **Identify the location, hours of operation, and contact information of ongoing maintenance and support staff.**

   For ongoing support, the City can contact Richard Brady and/or Courtney Ramos Monday – Friday, 8am – 5pm, at the emails, address, and telephone number listed above.

6. **Provide the current number of employees at the company.**

   Our firm currently has 24 full-time and three part-time employees.

7. **Provide the current number of employees dedicated to the solution you are proposing.**

   The solution we are proposing will be supported by four full-time staff, introduced in the Staffing, Development, and Implementation Approach section of this proposal.

8. **Identify all subcontractors and associated scope of work.**

   We will not be using subcontractors for any of the requested scopes of work.

9. **List the company's Pacific Grove business license number, or statement of understanding that a business license must be purchased prior to doing business with City.**

   We do not have an active business license with the City, but should we be the successful vendor, we will obtain one during contract execution. It should be noted that we have had one in the past associated with prior projects.

10. **Identify any pending litigation against the vendor.**

    Neither the firm nor any member of the proposed project team is involved in any pending litigation.

11. **Identify if vendor has filed any bankruptcy or insolvency processing in the last 10 years.**

    The Matrix Consulting Group has been financially sound since its inception in 2003. We are not currently, nor have we ever been, involved in any bankruptcy or insolvency process.

12. **Identify any mergers, acquisitions, or sales of the vendor company within the last five years (if so, an explanation providing relevant details).**

    The Matrix Consulting Group has not been a party to any mergers, acquisitions, or sales of our firm within the last five years.

3 Company Background

This section of our proposal includes a description of our background and history, including how long we have been providing services that are being proposed by the City and relevant financial information.

1 Introduction to the Matrix Consulting Group

The Matrix Consulting Group specializes in providing analytical services to local governments to assist them in providing highly responsive, efficient, and effective services to their residents. Our firm's history and composition are summarized below:

- Since our founding in 2002, we have worked with over 1,500 government agencies, conducting cost of service and management studies providing recommendations relating to operations, improvements, and cost recovery.
- Incorporated in California, with headquarters in San Mateo, and offices in 11 other states, we now have 24 full-time and three-part time highly experienced management consultants who specialize in the analysis of local government functions encompassing the entire spectrum of critical operational areas.
- The market and service focus of the Matrix Consulting Group has always been financial, management, staffing and operations analysis of local government. The following outlines the core services provided by our firm:

Administrative (HR, Finance, IT)	**Fire and EMS**
Community Development	Fleet Management
Corrections and Justice	**Law Enforcement**
Emergency Communications	**Parks, Recreation, and Libraries**
Financial Services	**Public Works and Utilities**

No other firm has a better understanding of how public organizations operate, or how to help them thrive.

2 Financial Information

The Matrix Consulting Group has been financially sound since its inception. As a small firm we are not required to have audited financials, however, we do use a local certified public accounting firm to review our books and help in filing annual tax documents. We have included a table in the Appendices section that provides our profit and loss statement for the last three calendar years.

4 Company Qualifications

This section of our proposal identifies company and staff qualifications and experience in implementing the studies or plans requested by the City.

1 Cost Allocation Plan Experience

Our firm has extensive experience developing Full Cost and OMB compliant Cost Allocation Plans, as well as Indirect Cost Rate Proposals for various municipal organizations across the United States. Whether we are working with large cities, small towns, special districts, or individual departments, our goal is to document and define the services being provided, and accurately allocate costs to all beneficiaries. The following points highlight our experience with developing cost allocation processes and metrics:

- **Administrative Functions:** Our firm has extensive experience in evaluating processes and functions associated with City Clerk, Finance, Human Resources, and Purchasing. From basic tasks and responsibilities to process improvement and oversight controls, our project teams can:
  - Identify core service functions, such as payroll, employee benefits, budget preparation, agenda and commission support.
  - Review current data metrics, and work with staff to ensure resulting allocations are appropriate, fair, and equitable.
  - Recognize services that are not in direct support of departments, including business licenses and elections, and ensure they are accurately identified, but not further allocated.

  Our project teams understand the core services associated with administrative functions, as well as the time associated with process completion, and are adept at helping staff determine daily, weekly, monthly, or annual time spent on a task. These assumptions form the core basis of a cost allocation plan, and should be defensible not only through documentation, but also by City staff.
- **Governmental Functions:** The Matrix Consulting Group has worked with and been a part of managerial studies relating to City Manager and Legal services. Additionally, we have extensive experience working with, and presenting to various boards, councils, and subcommittees. Our understanding of the various types of services provided allow our project teams to assess what services are best for allocation, including:

- Categorizing services and support that benefit the City as an organization, such as contract negotiation, and approval of internal policies.
- Identifying services that benefit the City economically, such as lobbying, and economic development, which should not be allocated.

Our team understands how these costs can and should be treated in both a Full Cost Plan and OMB compliant plan, including making staff aware of common practices, as well as aggressive allocation options.

- **Internal Services:** The Matrix Consulting Group has significant experience evaluating services and functions associated with Facilities Maintenance, Fleet Services, and Information Technology. While these services can be part of the general fund or internal services, their allocation is important when trying to understand the indirect costs associated with any Fund, Department, or Program. Our project teams work with these departments to:
  - Review existing allocation processes and metrics to ensure compliance with state and federal regulations.
  - Determine if newer metrics, or metric alterations could provide more accurate allocations.

Our project team is committed to ensuring that all cost centers being allocated by our clients comply with state and local laws, use fair and equitable allocation metrics, and are documented and defensible. The following table provides a sampling of California jurisdictions for whom we have provided similar services within the last five years, including the types of services provided to each jurisdiction, relevant to the requested scope of services:

Jurisdiction	Full Cost	OMB	ISF	Indirect Rates	Ann. Plan
Adelanto, CA	X				
Citrus Heights, CA	X	X	X		
Cupertino, CA	X	X			
Dixon, CA	X	X	X		
Downey, CA	X	X	X		
Elk Grove, CA	X	X	X		X
Fairfield, CA	X	X			
Hercules, CA	X	X	X		
Los Altos Hills, CA	X				
Livermore, CA	X	X	X		X
Manhattan Beach, CA	X	X	X		X
Millbrae, CA	X	X	X		
Pacific Grove, CA	X	X			
Port of Long Beach, CA	X			X	
Redwood City, CA	X	X	X		
Resource Cons. Dist. of Santa Cruz County	X	X		X	X
Sacramento Regional Transit, CA		X		X	X

Jurisdiction	Full Cost	OMB	ISF	Indirect Rates	Ann. Plan
San Mateo, CA	X	X	X		X
San Mateo Resource Cons. District	X	X		X	
Santa Clara, CA	X	X	X	X	
South San Francisco, CA	X	X	X		
Sunnyvale, CA		X		X	X

Services provided to the above listed clients were delivered by our proposed project executive and project manager out of our San Mateo (headquarters) Irvine, CA offices.

2 Comprehensive User Fee Study Experience

Our firm has extensive experience conducting comprehensive user fee studies for a variety of municipal organizations and departments. When conducting comprehensive user fee studies, the focus is often on Community Development (building, planning, and engineering) and Parks and Recreation services. The following points highlight our experience in these areas:

- **Community Development:** Our firm has extensive experience in evaluating development review permitting functions for Building, Planning, Engineering, and Fire Prevention. From the basic process steps for submitting, reviewing, inspecting, and approving applications and permits to development of processes, procedures, and cost recovery goals, our project teams can address topics as:
  - The best metric for assessing fees, such as building valuation, square footage, construction estimate, or number of fixtures.
  - Appropriate deposit amounts, guidelines, and processes to ensure actual cost recovery is achieved.
  - Setting fees at levels that both recover costs but are not prohibitive to the community.
  - Cost recovery and implementation options for support services including General Plan Updates, Technology Fees, GIS, etc.

  Beyond understanding processes and assessing time estimates provided, our project teams are aware of the cross-departmental support associated with application and permit services. These costs are included in the full cost calculation and can be expressed as part of the established fee or pulled out as a separate fee.
- **Parks and Recreation:** The Matrix Consulting Group has worked with every type of recreation function, including traditional parks and recreation, libraries, and open space preserves. Our experience spans master and strategic planning, park

condition assessments, and program staffing and cost recovery. Our project teams are well versed in the areas that most impact cost recovery, including:

- The best use of a tiered recovery approach, such as resident versus non-resident, or profit versus non-profit.
- Setting fees according to the cost recovery pyramid to ensure that premium services have a higher cost recovery.

The goal in reviewing parks and recreation costs for service, is to ensure that fees and rates are set at a level that allows the City to continue to serve the community in a manner consistent with current goals and commitments.

Our firm also has extensive experience in calculating cost of services for administrative functions such as Finance and City Clerk, as well as public safety services relating to Police, Fire Prevention, and EMS. The following table includes a sampling of California clients over the last five (5) years for whom we have provided similar scopes of service:

Jurisdiction	Planning Fees	Building Fees	Engineering Fees	Fire Prev. Fees	Admin Fees	Utility Fees	Police Fees	Recreation Fees
Adelanto, CA	X	X	X		X	X		
Capitola, CA	X	X	X					X
Citrus Heights, CA	X	X	X		X		X	X
Commerce, CA			X					
Cosumnes CSD, CA				X				
Cupertino, CA	X	X	X					X
Dixon, CA	X	X	X	X	X		X	
Downey, CA	X	X	X	X	X	X	X	X
Elk Grove, CA	X	X	X					
Livermore, CA	X	X	X	X				
Los Altos Hills, CA	X	X	X		X			
Manhattan Beach, CA	X	X	X	X	X	X	X	X
Millbrae, CA	X	X	X		X	X		X
Mill Valley, CA	X	X	X		X	X		X
Montebello, CA	X	X	X	X	X	X	X	X
Orange, CA	X	X	X	X	X	X	X	X
Pacific Grove, CA	X	X	X	X	X	X		
Redwood City, CA	X	X	X	X	X	X	X	X
San Bernardino, CA	X	X						
SB County FPD, CA				X				
San Mateo, CA	X	X	X					
Santa Clara, CA	X	X	X	X	X	X	X	X
South Pasadena, CA	X	X	X	X	X	X	X	
So. San Francisco, CA	X	X	X	X	X	X	X	X
Stockton, CA	X	X	X	X				
Vacaville, CA	X	X	X	X	X	X	X	
Winters, CA	X	X	X	X	X	X	X	

Services provided to the above listed clients were delivered by our proposed project executive and project manager out of our San Mateo (headquarters) Irvine, CA offices.

3 DIF Study Experience

The Matrix Consulting Group has experience conducting a variety of cost of service and nexus-based analyses. The primary focus of a Development Impact Fee Study is to ensure that there is a nexus between the fee being assessed and the impact being observed. Additionally, the fee must comply with AB1600, the Mitigation Fee Act, and the newly enacted AB602. The following points highlight some of our key qualifications as it relates to Development Impact Fee Studies:

- **AB 1600 / AB 602 Technical Expertise:** The proposed project team has received training from Government Finance Officers Association (GFOA) as it relates to Best Management Practices for Development Impact Fees. Additionally, the project team has conducted police, fire, public works, parks, libraries, and community center specific and citywide comprehensive Impact Fee studies to ensure compliance with AB1600 and now AB602 requirements.
- **Industry Standards:** The Matrix Consulting Group is aware of the industry standards as it relates to development and implementation of impact fees, including the creation of two separate fee components (cost + admin) as well as utilization of different cost factors (Sq. Ft. vs. Equivalent Dwelling Units).
- **Policy Development and Reporting Requirements:** The project team has worked with clients to develop specific policies as it relates to Development Impact Fees including the option to annually update the fees utilizing the Construction Cost Index (CCI). These policies also include the reporting requirements as it relates to collection of impact fees in a separate fund and disbursement of impact fee funds.

As the points above highlight, the Matrix Consulting Group is very familiar with public sector and local government impact fee programs. Our familiarity ranges from conducting the cost analysis to developing and evaluating the policies and procedures behind the impact fee program. This makes us uniquely qualified to provide the best product to the City. The following table includes a sampling of California clients over the last five (5) years for whom we have provided similar scopes of service:

Jurisdiction	Gen. Govt.	Fire DIF	Police DIF	Parks & Rec DIF	TIF DIF	Library DIF	Other DIFs
Blythe, CA	X						
Downey, CA	X						
Orange, CA		X	X	X		X	
Los Altos Hills, CA							X
Menifee, CA	X	X	X	X	X	X	X
Novato FPD, CA		X					
San Mateo, CA				X	X		X
So. San Francisco, CA		X	X		X	X	X
Walnut, CA		X					

Services provided to the above listed clients were delivered by our proposed project executive and project manager out of our San Mateo (headquarters) Irvine, CA offices.

4 Project Team Experience

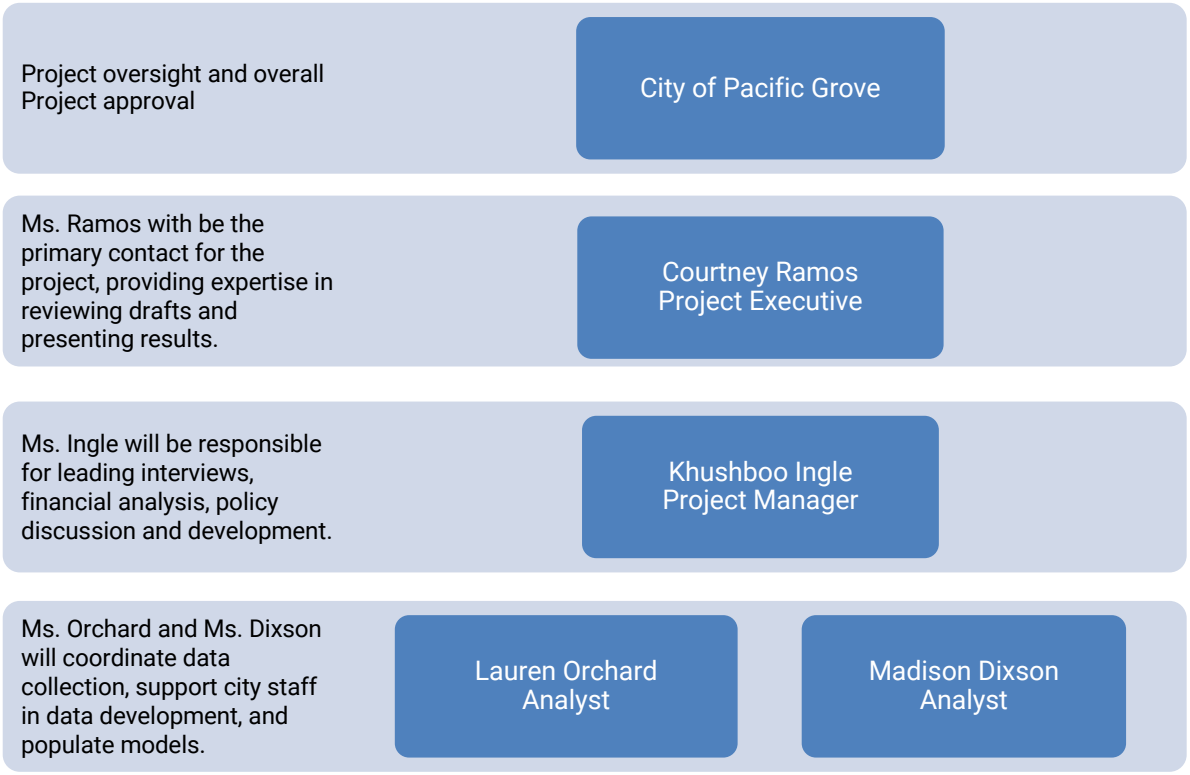
The Matrix Consulting Group uses a core project team to conduct cost allocation and cost of services studies. This structure ensures that each project has the technical expertise required to adhere to state and federal guidelines regarding cost allocation, as well as generally accepted accounting principles relating to cost accounting. The core team is involved in all meetings and interviews, allowing for information to be disseminated simultaneously. A project organizational chart and summaries of experience of our proposed project team are provided in the Staffing, Development, and Implementation Approach section of this proposal.

5 Staffing, Development, and Implementation Approach

This section of our proposal provides details about the project team, our methodology and approach relevant to all studies requested by the City, and a task-by-task plan to complete the work.

1 Project Team Organization and Experience

The following chart outlines the project team, their specific roles, and reporting structure.



The project team being proposed by the Matrix Consulting Group are all full-time employees of our firm. The following table provides a summary of experience of our proposed project team and their roles through the course of this project. Detailed resumes for the Project Executive and Project Manager can be found in the Appendices section.

Courtney Ramos Vice President, Project Executive **Experience:** 17 years	Ms. Ramos is our Financial Services Practice Leader, who oversees cost allocation plan, user fee, development impact fee, and cost of service engagements. Her tenure has also included participation in operational audits focusing on organizational / staffing structure enhancements. Courtney has completed over 250 cost of service studies. Recent clients include Daly City, Redwood City, Hercules, Millbrae, San Mateo, Milpitas, Mill Valley, Sunnyvale, South San Francisco, and Los Altos Hills. Her role on this project would be to serve as the Project Executive involved in reviewing and presenting results.
Khushboo Ingle Senior Manager, Project Manager **Experience:** 11 years	Ms. Ingle is a Senior Manager who manages cost allocation plan, user fee, development impact fee, and cost of service engagements. Her experience with the firm also includes participation in operational audit engagements focusing on organization, staffing, and internal processes. Khushboo has completed over 150 cost of service studies. Recent clients include Daly City, Redwood City, Millbrae, San Mateo, Milpitas, Sunnyvale, South San Francisco, Hercules, Los Altos Hills, Livermore, Bay Area Air Quality District, and San Mateo County Resource Conservation District. Her role on this project would be to serve as the Project Manager, involved in leading meetings, developing draft results, and reviewing results.
Lauren Orchard Sr. Consultant, Analyst **Experience:** 6 years	Ms. Orchard is an analyst who has recently joined our firm to assist our senior staff on cost allocation plan, user fee, development impact fee, and cost of service engagements. Prior to joining Matrix Consulting Group, Ms. Orchard has had extensive experience in local government. Most recently she served in the position of Economic Development Director for the City of West Fargo, ND. Her role on this project would be to serve as an Analyst, involved in attending meetings, data input, developing models, and providing support on revenue forecasting.
Madison Dixson Consultant, Data Analyst **Experience:** 1 year	Ms. Dixson is an analyst who assists our senior staff on cost allocation plan, user fee, development impact fee, and cost of service engagements. Ms. Dixson has participated in over 15 cost of service studies. Recent Bay Area clients include Millbrae, Mountain View, and Sunnyvale. Her role on this project would be to serve as an Analyst, involved in attending meetings, data input, and developing models.

2 Approach

The Matrix Consulting Group works with a wide variety of clients ranging from small towns to major metropolitan cities in over 44 states across the U.S. and in Canada. Every project is unique, but it is managed according to the following essential project approach:



We believe very strongly in the science of our craft, especially as it relates to cost allocation and cost of service. Our firm utilizes quality control techniques including:

- **Project Management:** Ensuring our projects meet the needs and timelines of our clients are accomplished through the following:
  - The project manager and lead analyst develop general and project specific data collection plans and interview guides.
  - All project work activities are defined in advance and tied to each project team member, deliverables, the schedule and the budget.
  - We have frequent client review meetings to discuss the quality and direction of the project through interim deliverables and draft documents.
- **Numerical Results:** Financial analyses are used to develop budgets and projections, and often are subject to public oversight and review. For this reason, our firm ensures data determined quality control through the following:
  - Expenditure data used in cost models are tied to budget documents.
  - Revenue projections developed are based on existing workload and activities and can be reconciled based on quantitative assumptions.

These project management approaches have resulted in all projects being delivered at a high level of quality, on time and on budget.

3 Detailed Task Plan and Project Schedule

The City of Pacific Grove is requesting three scopes of work: 1) Cost Allocation Plan; 2) Comprehensive User Fee Study; 3) Development Impact Fee Study. These three scopes of work can be conducted concurrently as there are economies of scale that can be achieved by conducting them in this way. The following subsections outline the tasks broken out by Project-Wide Tasks, Cost Allocation Plan Tasks, Comprehensive User Fee Study Tasks, Development Impact Fee Study Tasks.

Project-Wide Tasks

There are four key tasks that would initiate this project and then the tasks would vary based upon each scope of work. The following tasks would be conducted for all scopes of work.

Task 1 | Data Collection

Prior to any initial meetings, the Matrix Consulting Group will provide the City with a list of initial data requirements for the study. This will allow our project team to review this information thoroughly in preparation for initial discussions with staff. A common list of data collection items include:

- Budgeted Expenditures per Fund and Department.
- Audited Actual Expenditures per Fund and Department.
- Current organizational chart outlining City Departments.
- Staffing per Fund and Department.
- List of current fees to be included in the scope.
- List of all current city owned infrastructure and equipment
- Copy of City's most recent General Plan, Land Use and Housing Elements.
- Copy of any previous studies / analyses.

The provision of these items will allow our project team to familiarize themselves with the City's structure and its current cost allocation plans and practices.

Deliverable	List of basic data requirements for the Study
Meetings	None
Estimated City Support	4-8 hours for staff to collect and distribute information
Project Timeline	Weeks 1-2

Task 2 | Study Objectives and Project Schedule

Once the data has been collected, the project team will then meet with designated City staff to discuss any issues identified by the project team, as well as to clarify any existing issues or concerns held by the City regarding the current cost allocation plan or user fee study methodology. Discussions will include:

- Review of the City's specific needs and critical issues surrounding development and implementation of the full cost plan and user fee study.
- Opportunities for improvement and restructuring of previous plans and fee analyses, and/or review and discussion of existing cost allocation methodologies and indirect support.
- Discussion of cost recovery goals and targets for the user fee analysis.

At the culmination of the meeting, the project team and the designated City staff will leave with a greater understanding of the overall approach and methodology that will be taken by the project team to conduct the Cost Allocation and user fee studies for the City.

Deliverable	Project Schedule
Meetings	Kickoff
Estimated City Support	1 hour for all involved City Departments
Project Timeline	Weeks 1-2

Task 3 | Present the Final Report to Key Stakeholders

The presentation of results to City officials and/or stakeholders is critical to the success of the overall engagement. Because the product from the study is often controversial, the objective of this final step is to present a succinct summary that provides decision makers with key information. The Matrix Consulting Group will attend and present the Study at up to three (3) Committee or Council Meetings, including any fee adoption hearings. We believe that these number of meetings is typically sufficient to ensure that there is buy-in from the stakeholders.

Deliverable	Presentation
Meetings	1-3 City Committee / Commission / Council Meetings
Estimated City Support	1-2 hours for Presentation Review
Project Timeline	Weeks 24+

Task 4 | Excel-Based Models and Training

The City of Pacific Grove has requested models and training facilitating their ability to update the final versions of the Studies. Our Excel-based models would provide the ability for the City to adapt and continuously update results from year to year as the organization changes.

After the final drafts are approved, at the discretion of City staff, the project team would meet with and train designated City employees on use of the models. Staff will be provided with training that includes: a step-by-step PowerPoint presentation; a User's Manual which explains key concepts, defines basic terms, includes a customized updated checklist of data that needs to be entered, and discusses different scenario options (e.g., adding staff or new fees, adjusting time estimates, etc.).

Deliverable	Study Model, Backup Documentation, User Guide
Meetings	Model Training
Estimated City Support	2 hours for Training Attendance
Project Timeline	Weeks 20+

Cost Allocation Plan

Through this scope of service, the Matrix Consulting Group will work with City staff to define the purpose and goals for the overhead cost allocation plan, developing a plan that is both accurate and reflective of the City's current organizational structure. The following tasks outline our approach for developing a Full Cost Plan, OMB Compliant Cost Allocation Plan, and establishes Indirect Cost Rates.

Task 1 | Interview Staff and Gather Allocation Metrics

The project team would review the City's budget and financial structure to identify City departments and services to be allocated. To structure a custom cost allocation model, our project team would perform the following:

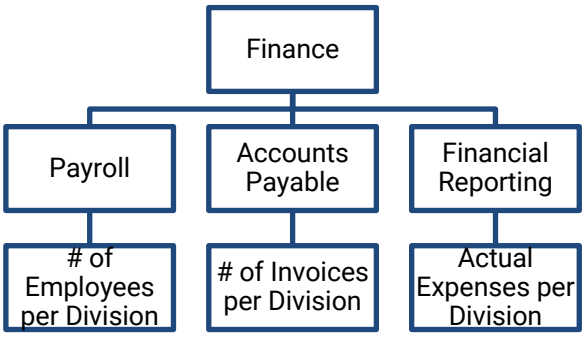
- Review and discuss the accounting (fund and organizational levels) structure of the City based upon the budgeted expenditures to identify any anomalies from previous years.

- Identify and meet specific central services departments to develop allocation bases and ensure that the plan reflects the following aspects:

- All current services provided by the Department are identified and documented within the Cost Allocation Plan.

- Allocation bases discussed to be utilized are reflective of the current level of effort and most relatable to the service being performed.

The following is a sample flowchart visually representing discussion outcome, the first level is the central services department, the second level is the identified service category, and the third level is the basis by which costs will be allocated:



- Discuss alternative allocations, including outcomes and potential impacts.

The points above provide examples of the types of detailed and in-depth discussions that the project team will have with City Departments involved in the cost allocation process. At this point in the process, the project team would reach out to each department and ask for specific allocation metrics such as purchase orders, invoices, sq. ft. per facility, etc.

Deliverable	Allocation Metric Requests from Support Departments
Meetings	1 Departmental Support Meeting per Department
Estimated City Support	1 hour per City Support Department
Project Timeline	Weeks 2-5

Task 2 | Review of Draft Cost Allocation Metrics

Based upon units of service identified in Task 1 and the allocation metrics collected, the project team would put together allocation statistic workbooks for review with specific Central Service Departments. The purpose of these workbooks is to review the initial results of the allocation metrics gathered by the project team. The following graphic shows an example of the allocation workbook:

Fund	Dept	Desc	# of AR Transactions per Fund/Dept	Allocation %
1	10	City Manager	3	0.87%
1	16	Human Resources	30	8.75%
1	20	City Attorney	30	8.75%
1	30	Police	68	19.83%
1	35	Fire	1	0.29%
1	40	Development Services	7	2.04%
1	50	Public Works Streets	5	1.46%
1	50	Public Works Facilities	1	0.29%
1	50	Public Works Community Services	185	53.94%
10		Water	1	0.29%
14		Sewer	8	2.33%
29		Self-Insured Liability Fund	4	1.17%
		TOTAL	**343**	**100.00%**

In the sample graphic provided, based upon the number of AR Transactions per Fund/Department, the primary support is for Public Works Community Services (54%) for all the Parks and Recreation transactions, followed by Police (20%). Based upon the results of this sample, the project team would verify with Finance that the statistics were allocated to the appropriate fund/department and that the resulting percentage is reflective of the support being provided by the Accounts Receivable staff and function.

This type of detailed review is critical for the development of a defensible cost allocation plan. It also ensures that departmental staff and city staff are comfortable with the use of the allocation metrics and the support that those metrics represent.

Deliverable	Draft Allocation Workbooks
Meetings	1 Draft Allocation Meeting per Department
Estimated City Support	1 hour per City Support Department
Project Timeline	Weeks 4-8

Task 3 | Structure and Prepare Draft Full Cost Allocation Model

Once the Central Service departments and administrative functional areas have agreed upon the appropriate allocation metrics for their services; allowable administrative or other indirect costs are allocated to each benefiting City department, operating unit, or fund. At this point the project team would begin customizing the Cost Plan model to meet the City's specified needs, including:

- Ensuring methodologies and assumptions comply with Federal regulations and general accounting principles.
- Providing the ability to add or remove direct or indirect costs as future needs and programs change.

During the development of the cost allocation plan, the project team will ensure that any expenses included in the plan are vetted and reviewed with Budget staff as well as incorporate any direct reimbursements. The results of the draft custom cost allocation model will be provided to City staff in numerical format in excel prior to the development of a draft report.

Deliverable	Draft Cost Allocation (Excel Results)
Meetings	Virtual Draft Results Meeting with Finance
Estimated City Support	1 hour for Finance
Project Timeline	Weeks 6-10

Task 4 | Comparison to Previous Cost Allocation Plan

The results of Task 3 will allow the project team to compare the results of the initial draft Cost Allocation Plan to the results of the 2018 cost plan. The comparison workbook typically includes the following components:

- **Comparison of total costs included:** This tab compares all the central service expenditures that were included previously compared to the current year. Any significant changes are highlighted, and notes are provided for the difference.
- **Comparison of total costs allocated:** This tab compares by central service the costs that got allocated out to receivers, as depending upon allocated or unallowable costs these can vary from the total costs included. It also provides insight into any potential structural changes and their impact on the plan's results.
- **Comparison of receivers:** This tab compares by receiving department and / or fund the total cost allocated to them in the prior year's cost plan compared to this the proposed costs being allocated. Any changes of more than 5% are explained in a notes section including providing numerical references where appropriate.
- **Detailed summary results:** This tab shows in excel format the detailed summary schedule produced by the cost allocation plan, so by central service the total cost allocated to each receiving department for the current year.

This flux analysis workbook is an efficient way in which we can review the results of the cost plan with the City. This type of review also minimizes the number of draft reports that are reviewed by staff.

Deliverable	Comparison of Cost Allocation Results (Excel)
Meetings	None
Estimated Co. Support	1 hour for Finance
Project Timeline	Weeks 9-11

Task 5 | Finalize the Cost Allocation Plan

Upon review and approval of the draft cost plan by central service departments and the Finance Department, the project team will finalize the Cost Allocation Plan and report. The final deliverables associated with the Cost Allocation Plan will be:

- **Cost allocation plan report:** including all detailed allocation schedules, cost schedules, summary schedules, and narrative information regarding the central services included.
- **Excel summary schedule:** the results of the full cost allocation plan in Excel format for ease of calculations, incorporation into City documents, and review by staff.
- **Flux analysis:** the excel workbook comparison between the City's current plan and proposed cost plan.
- **Comparison results memo:** a memo summarizing the differences between the current and proposed plan, as well as recommendations for future updates.

This type of final work product ensures that information is available in a variety of formats for City staff to use. The detailed report serves as backup documentation; whereas the excel results can be input into budget documents. The flux analysis and comparison memo provide insight into major differences between current and proposed plan.

Deliverable	Final Cost Allocation Report
Meetings	None
Estimated City Support	None
Project Timeline	Weeks 10-14

Task 6 | Structure Draft OMB Cost Allocation Plan

Along with development of a Full Cost Allocation Plan, the City is also looking at developing an OMB Compliant Cost Plan. There are two key differences between a Full Cost and OMB Plan:

1. **Expenditures Allocated:** The OMB 2 CFR Part 200 must be based upon the most recent fiscal year's audited actual expenditures.

2. **Types of Services Included:** Services such as lobbying, legislative costs (City Council), certain Treasurer costs, and one-time costs cannot be included in the OMB 2 CFR Part 200 plan.

While the Full Cost Plan is used internally for Citywide indirect reimbursements, the OMB Plan can be used for grant reimbursements for both State and Federal projects and awards. Many of the tasks noted in the Full Cost Plan are necessary for the development of the OMB 2 CFR Part 200 Cost Plan. Based upon units of service identified in the Plan, allowable administrative or other indirect costs are allocated to each benefiting fund, department, and division. At this point the project team would begin customizing the OMB Cost Plan model to meet the City's specified needs, including:

- Ensuring methodologies and assumptions comply with Federal regulations and general accounting principles.
- Customizing cost allocation summary schedules and narratives in a format that will best allow the City to update and use them for future needs.
- Develop justifiable internal and external overhead rates for reimbursement purposes for federal and state grants.

The draft OMB Cost Allocation Plan will provide clear documentation regarding the basis for allocations, and the methodologies applied to achieve the plan's final result. The Draft OMB Plan will be discussed and reviewed with each participating department as well as Executive staff.

Deliverable	Draft OMB Cost Plan (Excel Results)
Meetings	Draft Results Meeting
Estimated Support	1 hour per meeting participant
Project Timeline	Weeks 10-12

Task 7 | Finalize OMB Cost Allocation Plan

Once the finance department has approved the draft analysis results of the OMB Cost Plan, the project team would develop a draft narrative report including all the relevant OMB compliant documentation as well as the detailed results of the analysis.

As with the full cost plan this report would be delivered to the Finance Department for review to ensure that there are no major concerns regarding any of the metrics as well as verbiage utilized in the report. Upon review and approval by the City's Finance and Grant Staff, the project team would finalize the OMB 2 CFR Part 200 Cost Allocation Plan and

prepare the final report. The report and deliverables will include a detailed report outlining the metrics, narratives, and numerical results of the analysis; summary schedule in excel; and comparative analysis in excel.

Deliverable	Final OMB Cost Allocation Report
Meetings	None
Estimated Support	None
Project Timeline	Weeks 12-14

Comprehensive User Fee Study

This study aims to calculate the full (direct and indirect) cost associated with providing all citywide fee-related services and ensure that current fees comply with state (Prop 26 & 218) and local guidelines. The following tasks provide our workplan for conducting the Comprehensive User Fee Study.

Task 1 | Develop a Schedule of Current and Potential Fees for Service

The scope of this effort will be all user fees charged by the City of Pacific Grove. Current as well as potential fees and charges will be identified and documented. The project team will work with staff to go through their current fee schedules in line-item by line-item detail. This meeting is critical in ensuring that staff can incorporate any updates or changes to the fee study based upon code, regulation, staffing, process, or technological changes. The focus of this meeting will be the following:

- **Renaming fees:** Rewording or renaming fees to identify services more clearly.
- **Eliminating fees:** Removing any outdated services or fees.
- **Adding new fees:** Capturing any new services or breaking out existing fee categories to more clearly identify all the services being provided by city staff as well as identifying potential fees for service that the city would like to provide.
- **Recategorization of fees:** Collapsing or expanding multiple fee ranges to better capture the services being provided. For example, eliminating lot ranges or acreages if those do not impact review amount, but adding in categories based upon approval body (i.e., Commission vs. Director level).
- **Building permit fee basis:** Discussing options for charging building fees based upon project valuation or sq. ft. and occupancy type, and / or different types of fees for different types of projects.

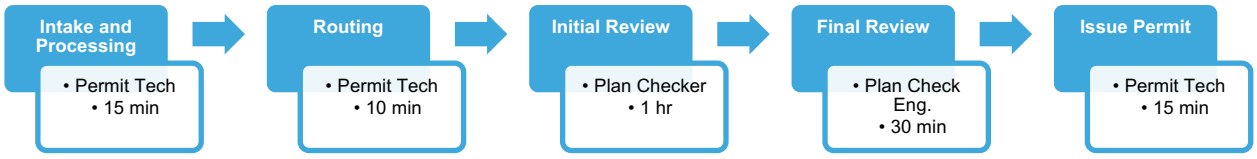
- **Cross-departmental support:** Identifying other city divisions / departments that work on fees, to ensure that the final fee calculated reflects the full cost to the City.
- **City and State surcharges:** Capturing any city surcharges such as a Technology or General Plan Maintenance Fee as well as any state surcharges on the fee schedule to more transparently show all fees.

It is important to note that this meeting occurs first, as to ensure that any major proposed structural changes are captured prior to collecting time estimate information or developing draft fee results. However, there is the ability to make any adjustments throughout the study.

Deliverable	Proposed Fee Structure(s)
Meetings	Fee Structure Meeting with Each Department
Estimated City Support	1 hour per involved City Departments
Project Timeline	Weeks 2-6

Task 2 | Conduct Time Data Gathering Workshops

The project team will conduct workshops to gather time estimates for each service included in the study, interviewing key personnel from each department and analyzing the various activities being performed. The flowchart shows an example of the steps involved in permit processing and time associated with each step.



As the flowchart shows, basic process steps in application/permit processing will be documented and provided in detail for each department / division represented in the study. Where possible, the project team will try to minimize impact on staff by incorporating any baseline assumptions from prior city studies. Staff will be provided time to provide any edits or comments on time estimate information.

Deliverable	Time Estimate Workbook(s)
Meetings	2-3 Time Estimate Workshops with Each Department
Estimated City Support	1-4 hours per involved City Departments
Project Timeline	Weeks 4-8

Task 3 | Develop Fully Burdened Hourly Rates

Based on the City's staffing and budget information, the project team will calculate fully burdened hourly rates inclusive of direct and indirect costs. The following points highlight the cost components and factors included in fully burdened rates:

- **Direct costs:** This component accounts for salary and benefits associated with each employee or position and is reflective of City staffing and salary reports.

- **Indirect costs - departmental:** This component accounts for administrative and management support provided to line level staff, as well as operational services and supplies which are used in the execution of job duties. This cost component is developed through interviews with staff, as well as an analysis of services and supply budgets.
- **Indirect costs - citywide:** This component accounts for citywide support such as Finance, HR, and Solicitor support provided by other city departments. This cost component is derived from the City's Cost Allocation Plan.

Once the cost components have been documented and developed, the project team will review MOU's, and talk with departmental staff to determine appropriate productive hour calculations. This reduction in available hours will ensure that fully burdened hourly rates account for leave accruals (holiday, vacation, and sick), as well as any meetings or trainings. The project team will utilize the results of this task along with Task 2 to calculate the full cost of services.

The results of this analysis will be fully burdened hourly rates by position. The project team will utilize the results of this task along with Task 2 to calculate the full cost of services.

Deliverable	Fully Burdened Hourly Rates
Meetings	Meeting with Finance
Estimated City Support	1 hour for Finance
Project Timeline	Weeks 5-10

Task 4 | Perform a Total Cost Analysis

The Matrix Consulting Group's costing model is built based on the City's operations, budget detail and intended uses for the results. This method is a customized approach specific to each jurisdiction for cost analysis of user fee services. It is a "bottom-up" approach, which is the most defensible methodology for calculating user fees. The

methodology incorporates the time estimate information (Task 2) and fully burdened hourly rate information (Task 3). The following graphic shows the cost calculation:



This costing method uses time and annual activity level data to establish the cost of providing services on both a unit and annual level. Once the time spent for a fee activity is determined for each individual or position, the team uses its fee and rate software to apply the fully burdened hourly rates calculated in the previous task.

Resulting costs are presented on a unit and annual level and are compared to the existing fee schedule and revenue reports. The following graphic shows a sample presentation:

Per Unit

Fee Title	Current Fee	Total Cost Per Unit	Surplus/(Deficit) Per Unit	Cost Recovery %
Lot Line Adjustment	$900	$1,557	($657)	58%
Temporary Use Permit	$40	$325	($285)	12%
		AVERAGE COST RECOVERY PER UNIT		**35%**

Annual

Fee Title	Workload	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus/ (Deficit)
Lot Line Adjustment	4	$3600	$6,228	($2,628)
Temporary Use Permit	60	$2400	$19,500	($17,100)
	TOTAL	**$6,000**	**$25,728**	**($19,728)**

As the example in the graphic indicates, the per unit subsidy for the Lot Line Adjustment at $657 is more than double the per unit subsidy for the Temporary Use Permit. However, the annual results help provide Department management with some additional context, as due to the volume of activity, the larger impact to the Department is felt by the smaller subsidy for the Temporary Use Permit.

The City will obtain detailed information like that presented in the previous graphic regarding cost recovery surpluses and deficits on both a detailed (per unit) and global (annualized) level, as well as an understanding of cost components for each service.

Deliverable	Per Unit and Annual Fee Study Results
Meetings	1-2 Draft Results Meetings per Department
Estimated City Support	1-3 hours per City Department
Project Timeline	Weeks 8-11

Task 5 | Conduct a Market Rate Survey to Similar Jurisdictions

The project team will work with the City to identify jurisdictions within Monterey County or other coastal communities for the fee comparison survey. This comparative survey activity will be conducted utilizing the following steps:

- Developing fee scenarios for each department included in the study to be compared to other jurisdictions (i.e., Single Family Home 2,500 sq. ft. $325,000).
- Graphing the results of the fee analysis for easy visual comparison purposes.
- Collecting contextual information such as population size, budget, staffing, last time fee study was done, and last fee schedule update.

As market surveys do not provide adequate or objective information about the relationship of a jurisdiction's costs to its fees, these steps ensure we provide the City with the most amount of information as possible.

Deliverable	Comparative Graphs (included in Draft Report)
Meetings	None
Estimated City Support	None
Project Timeline	Weeks 4-14

Task 6 | Review / Revise Fee Study Results

Because the analysis of fees for service is based on estimates and information provided by City staff, it is extremely important that all participants are comfortable with our methodology and with the data they have provided. Once the departments agree that the analysis reflects the reasonable costs of providing services, City management will have an opportunity to review the results.

At this point in the process, the project team will provide Departments with Recommended Fee Workbooks. The Recommended Fee Workbooks will provide departments / divisions the results of the fee study in an excel based format. The following table shows an example of the Recommended Fee Workbook:

Current - Per Unit Results

Fee Title	Current Fee	Total Cost	Surplus/(Deficit) Per Unit	Cost Recovery %
Lot Line Adjustment	$900	$1,557	($657)	58%
Temporary Use Permit	$40	$325	($285)	12%

Recommended Fee

Fee Title	Recommended Fee	$ Change to Recommended Fee	% Change to Recommended Fee	Recommended Fee Cost Recovery %
Lot Line Adjustment	$1,200	$300	33%	77%
Temporary Use Permit	$100	$60	150%	31%

Recommended Fee Annual

Fee Title	Workload	Revenue at Current Fee	Revenue at Recommended Fee	Potential Change in Revenue
Lot Line Adjustment	4	$3,600	$4,800	$1,200
Temporary Use Permit	60	$2,400	$6,000	$3,600
	TOTAL	**$6,000**	**$10,800**	**$4,800**

As the table above indicates, the recommended fee workbook allows the Departments to input information into the Recommended Fee column and then see its impacts such as the dollar increase, percentage increase, and what percentage of their current costs they are going to recover. Additionally, the workbook allows the Department to calculate potential increases or declines to revenue as a result of the recommended fees.

Deliverable	Recommended Fee Workbooks
Meetings	None
Estimated City Support	None
Project Timeline	Weeks 10-14

Task 7 | Prepare a Draft User Fee Study Report

Upon conclusion of the fee study, we will prepare a detailed report that summarizes the results of each of the previous work tasks described above. This report will include:

- A succinct executive summary discussing the study, methodology, and the results.
- A narrative describing the services included in the study.
- A section on proposed modifications to the current fee schedule, including removal or addition of new fees for service.
- A section on per unit and annual results for each fee included in the analysis and where workload data is available.

- A comparative survey section outlining key fees and their comparison to other local jurisdictions, as well as contextual information regarding budget, staffing, and when they last conducted fee studies.

The draft report will be provided to user fee departments and city staff for any edits, comments, or revisions.

Deliverable	Draft Fee Study Report
Meetings	None
Estimated City Support	1-2 Hours per City Department to Review Report
Project Timeline	Weeks 10-16

Task 8 | Finalize Fee Study Report

Any edits or revisions to the draft user fee study report will be incorporated into the finalized fee study report. This finalized fee study report will not only include all elements of the draft fee study report (Task 7), but also include any additional cost recovery considerations and policy considerations for council's review.

Deliverable	Final Fee Study Report
Meetings	None
Estimated City Support	None
Project Timeline	Weeks 15-20

Task 9 | Master Fee Schedule

Once the final user fee study report is approved, the project team will develop a master fee schedule, consolidating all fees in a singular location. The master fee schedule will include a numbering system, the department name, the fee title, the unit of application, the current fee, the total cost per unit calculated through the study, the difference, the cost recovery, the relevant rule / regulation that applies to the fee type, the staff recommended fee, and staff recommended cost recovery level. This type of attachment is extremely helpful for staff as part of the staff report provided to Council upon adoption.

Deliverable	Master Fee Schedule
Meetings	None
Estimated City Support	None
Project Timeline	Weeks 18-20

Development Impact Fee Study

Any Development Impact Fees established by the City will need to follow AB1600, Government Section Code 66000 of the Mitigation Fee Act, and the newly implemented AB602. Conducting a Development Impact Fee Study will help the City calculate the appropriate nexus and maximum allowable impact fees for the City. To better assist the City in accomplishing this study, effectively and cost efficiently, the project team is proposing a two-phased approach to conducting this study.

Phase 1 would evaluate if there is a nexus that exists between projected development and the need for additional infrastructure to meet *existing* service levels. Impact fees cannot be used to burden the share of augmented service levels on new development. If Phase 1 results in there being a nexus, then the project team will transition to **Phase 2**, which will be the calculation and implementation of the impact fees. The following tasks provide our workplan for both phases of the Development Impact Fee Study.

Phase 1 – Nexus Consideration

Task 1 | Review of Impact Fees

The purpose of this task is to develop an initial understanding of the City's proposed impact fee structure, projected growth levels, and any future developments that will impact that population growth. During this phase, the project team will document the following:

- Name of Proposed Impact Fee
- Municipal Ordinance / Resolution authorizing the fee
- Capital or Master Plan to support the fee
- Purpose of the fee

This documentation will be critical to ensuring that any updates to the Impact fee program comply with AB1600 and AB602. This documentation will serve as the basis for the project team's discussion with city staff on next steps for evaluating impact fees.

Deliverable	Current Impact Fees Memo
Meetings	Impact Fee Current State Discussion
Estimated City Support	1-2 hours for Meeting Attendance
Project Timeline	Weeks 6-10

Task 2 | Projected Population Growth and Facility Needs

The key component of any impact fee analysis is determining the proportionality and nexus that exists based upon projected development. During this task, the project team will conduct research based upon regional forecasted growth as well as internal City staff (Planning staff) expected growth to determine future population projection.

Based upon that future population projection, the project team would review the City's current infrastructure inventory and determine if there is any need for additional equipment or new facilities. The project team will also meet with staff to identify any master plans in existence at the time of the creation / development of impact fees. This will require meeting with relevant city Department staff to review all equipment and identifying the quantity and cost estimates for these items.

Impact fees cannot be used to enhance existing service levels, only maintain current service levels. During this task, the project team will ensure that for defensibility purposes any new facilities or equipment identified are directly correlated to population increases.

Deliverable	Infrastructure Spreadsheet by Service Area
Meetings	1-2 Meetings for Infrastructure Needs
Estimated City Support	1-3 hours for Population Projection Discussions
Project Timeline	Weeks 8-14

If Phase 1 results in a nexus finding, the project team will move to Phase 2. If there are no nexus findings, the project team will provide the City with documentation outlining the reasons why Development Impact Fees cannot be created, and any future scenarios that could occur that would allow the City to implement Impact Fees.

Phase 2 – Impact Fee Analysis

Task 3 | Draft Impact Fee Analysis

The largest proportion of the impact fee analysis is the growth and facilities projection. Once that task is completed and a nexus can be established that is based upon city adopted master plans the project team will work on calculating the draft impact fees. There are two components to the calculation of impact fees: the total cost of facilities and their cost basis. The following points describe these components:

- **Total Cost of the Facilities/Infrastructure:** There are three different sub-components that comprise the maximum cost of the facilities that can be used for

the calculation of impact fees: Cost of Facilities/Infrastructure, Administrative Cost, and Offsetting Credits/Revenues.

- **Cost Basis:** There are several different cost bases that can be used for the calculation of impact fees, such as population, housing units, workload, etc.

Based on data provided by the City, as well as appropriate and preferred cost bases, and State law, the project team will calculate the draft Impact Fees. The project team will meet with City staff to review these draft impact fees based upon land use type.

Deliverable	Draft Impact Fee Per Unit Results
Meetings	1-2 Draft Meeting Results
Estimated City Support	1-2 hours per Impact Fee Department
Project Timeline	Weeks 13-17

Task 4 | Comparative Impact Fee Survey

Utilizing the comparative jurisdictions identified by the City, the project team will conduct a comparison of the full cost of Impact Fees and the recommended Impact Fee to other surrounding jurisdictions in Monterey County. This comparison will be conducted based upon construction project types, (i.e., New Single Family Home, New Hotel, New Multi-Family, etc.). The use of construction scenarios provides City staff with a clearer comparison of the impact of the fee upon future development.

Deliverable	Impact Fee Comparative Survey Results
Meetings	Fee Comparison Meeting with City Department(s)
Estimated City Support	1-2 hours for City Departments
Project Timeline	Weeks 15-20

Task 5 | Draft Impact Fee Report

The draft impact fee results and comparative survey will be incorporated into a draft impact fee report. The draft impact fee report will have the following components:

- **Executive Summary:** Providing a brief overview of the background of the scope, the overall methodology, the results of the analysis, and the implementation guidelines (including future fee increases).
- **Legal Framework:** This will outline the current legal requirements for impact fees, and how the proposed impact fee will meet these requirements.
- **Growth Projections:** This section of the report outlines the growth projections.

- **Impact Fee Analysis:** This section demonstrates the calculation used to derive the full cost of the impact fees, as well as the recommended fees by the City.
- **Comparative Survey:** This section outlines how the City's calculated and recommended fees compare to other jurisdictions.

These components will result in a consolidated draft report that will be distributed City staff for review. It will be required to be reviewed by all the different departments to ensure that assumptions are presented accurately.

Deliverable	Draft Impact Fee Report
Meetings	None
Estimated City Support	1-2 hours for Report Review
Project Timeline	Weeks 18-22

Task 6 | Final Report

Based upon City staff comments, the project team will revise the Final Report to ensure all comments and concerns are captured. This final report will serve as the basis for presentations to internal and external stakeholders.

Deliverable	Final Impact Fee Report
Meetings	None
Estimated City Support	None
Project Timeline	Weeks 22-24

Task 7 | Delivery of Impact Fee Backup Documentation

Unlike other cost of services analyses, the components of an impact fee should not be updated annually, as it is primarily based upon population projections and timeframes associated with replacement of existing facility and equipment inventory and / or acquiring new facilities or inventory.

When discussing the draft impact fee results with City staff, the project team will share the initial Excel workbook showing calculations, and at the conclusion of the study, the project team will provide the City with the backup workbook showing all calculations. In this workbook, the project team would also set up a template allowing the City to update its impact fees based upon a cost factor. The industry standard for updating impact fees is based upon the construction cost index (CCI). This standard is used as the costs for impact fees are based upon infrastructure rather than labor or material costs.

Deliverable	Final Backup Documentation
Meetings	None
Estimated City Support	None
Project Timeline	Weeks 24+

4 Project Timeline

This project is anticipated to take between 3-6 months to complete. All studies can be conducted concurrently. For each task included, we have identified the time frame during the 6 (six) month period in which the analysis will be completed. It is anticipated the Cost Plan will take 3 months, User Fee Study 5 months, and Impact Fee study 6 months.

Task	Project Week(s)	Deliverable
PROJECT WIDE TASKS		
Data Collection	Weeks 1 – 2	Data Collection and Project Schedule Memo
Study Objectives	Weeks 1 – 2	Initial meeting with key City staff
Presentation of Results	Weeks 24+	Council Presentation
Excel Models and Training	Weeks 24+	Model, Backup Documentation, User Guide
COST ALLOCATION PLAN		
Interview Staff and Gather Data	Weeks 2-5	Review allocation metrics.
Review Allocation Metrics	Weeks 4-8	Review of allocation workbooks
Structure Draft Full Cost Plan	Weeks 6-10	Draft Cost Allocation Model
Compare to Previous Plan	Weeks 9-11	Comparison Results (Excel)
Finalize Full Cost Plan	Weeks 10-14	Final Cost Plan Report
Structure Draft OMB Plan	Weeks 10-12	Draft OMB Cost Plan
Finalize OMB Cost Plan	Weeks 12-14	Final OMB Cost Plan Report
USER FEE STUDY		
Current & Potential Fees	Weeks 2-6	Provision of proposed fees
Data Workshops	Weeks 4-8	Time Estimate Workbooks
Fully Burdened Hourly Rates	Weeks 5-10	Fully burdened hourly rates by position
Total Cost Analysis	Weeks 8-11	Draft Per Unit and Annual Cost Analysis Results
Comparative Survey	Weeks 4-14	Survey Results
Review/Revise Results	Weeks 10-14	Draft Results Workbooks / Recommended Fees
Draft Fee Study Report	Weeks 10-16	Draft Fee Study Report
Prepare Final Report	Weeks 15-20	Final Fee Study Report
Develop Master Fee Schedule	Weeks 18-20	Consolidated Master Fee Schedule
DEVELOPMENT IMPACT FEE STUDY		
Phase 1: Nexus Consideration		
Review of Impact Fees	Weeks 6-10	Current Impact Fee Memo
Projected Growth and Needs	Weeks 8-14	Spreadsheet summarizing infrastructure needs
Phase 2: Impact Fee Analysis		
Draft Fees Analysis	Weeks 13-17	Draft Impact Fee Per Unit Results
Comparative Survey	Weeks 15-20	Survey Results
Draft Report	Weeks 18-22	Draft Impact Fee Report
Final report	Weeks 22-24	Final Impact Fee Report
Backup Documentation	Weeks 24+	Delivery of Impact Fee Backup Documentation

6 Training

The Matrix Consulting Group believes in a hands-on approach to working with our clients related to cost allocation and cost of service studies. Our goal is to educate our clients during the study regarding methodologies used, and applications of results. This transfer of knowledge during the study allows for staff to be prepared for presentations to and questions from both internal City stakeholders (i.e., City Council) as well as members of the community.

In addition to working with City staff during the study to facilitate understanding of methods and methodologies, the project team will also work with City staff at the completion of each scope to ensure that results can be implemented immediately or phased in as necessary. Finally, when delivering models to staff for future updates, our project team will work closely with City staff to ensure understanding of each model, as well as the various options for updating results.

7 Ongoing Support

The Matrix Consulting Group is committed to ensuring that City staff have access to the resources needed to understand the studies and outcomes developed through the course of engagement. Should City staff have questions about a study, study component, or update options, our project team and staff will be available to answer questions as needed. Our staff can provide support via phone or email, depending on the nature of the issue, and will work with staff to explain concepts, or provide historical knowledge regarding how or why an assumption was made.

Our ongoing support to City staff is provided at no additional charge.

8 References

The Matrix Consulting Group has worked with a variety of municipalities across the U.S. conducting and cost allocation plans and user and development impact fee studies. The following table provides references for four current and previous clients for whom similar services were provided.

Client	Client Contact	Project Type
Manhattan Beach, CA 1400 Highland Ave. Manhattan Beach, CA 90266	Steve Charelian Finance Director (310) 802-5555 scharelian@citymb.info	Cost Allocation Plan Comprehensive Fee Study FY14-15, FY19-20
Menifee, CA 29844 Haun Road Menifee, CA 92586	Margarita Cornejo Financial Services Manager (951) 723-3716 mcornejo@cityofmenifee.us	Cost Allocation Plan Citywide User Fee Study Development Impact Fee Study July 2021 – Current (Expected completion 9/22)
Redwood City, CA 1017 Middlefield Rd. Redwood City, CA 94063	Jun Nguyen Revenue Services Manager (650) 780-7213 jnguyen@redwoodcity.org	Cost Allocation Plan Citywide Fee Study FY16-19
San Mateo, CA 330 W. 20th Ave. San Mateo, CA 94403	Brian Alexander Management Fellow (650) 522-7209 balexander@cityofsanmateo.org	Cost Allocation Plan Development Services Fee Study Development Impact Fee Study FY12-13, FY14-15, FY18-19, FY20-21
Daly City, CA 333 90th Street Daly City, CA 94015	Abby Veeser Deputy Dir. of Finance & Admin Svcs (650) 991-8049 aveeser@dalycity.org	Full Cost Allocation Plan User Fee Study FY 21-22

We are happy to provide additional information or references for any other projects referenced in our proposal.

9 Pricing

Pursuant to the RFP, our Price Proposal has been submitted as a separate document.

10 Proposed Legal Agreement

We are not proposing any modifications to the City's standard contract (RFP Exhibit B).

11 Additional Information

The City has requested samples of both a Development Impact Fee report and training materials developed for our Cost Allocation Plan and User Fee models. The following points summarize the examples we have chosen to provide:

- **Development Impact Fee Report:** We are providing the final report provided to the City of San Mateo, CA outlining calculation of impact fees. This report was adopted in the spring of 2021.

- **Cost Allocation Plan:** We are providing two training documents, including our user guide that outlines key concepts and methodologies, as well as an explainer on the "double step down" methodology required by OMB.

- **User Fee Study:** We are providing a copy of a typical instruction tab included in each of our User Fee models, that details each tab within the model, as well as the tasks to be completed on each tab.

The sample items outlined above can be found at the following link:

https://drive.google.com/drive/folders/1Y7rXz-2k2ZiCWqCZCwJ1tW8fbaJNoSrU?usp=sharing

We would be happy to provide further samples upon request by the City.

COURTNEY RAMOS

FINANCIAL SERVICES VICE PRESIDENT, MATRIX CONSULTING GROUP

Ms. Ramos is our Financial Services Practice Leader, who oversees cost allocation plan, user fee, development impact fee, and cost of service engagements. Her tenure with the firm has also included participation in operational audit engagements focusing on reviewing organizational and staffing structures to enhance services.

Courtney's relevant experience include:

- Completed over 250 cost of service studies for clients across the United States.
- Analysis focuses on development and documentation of direct and indirect costs, fair and equitable allocation methodologies, and defensible results.
- Expertise also includes development of fiscal policies and procedures relating to cost of service and cost recovery.

Experience Highlights

Daly City, CA: Courtney served as the project executive and project manager on this engagement which determined the overhead allocation and full cost of providing city fee-based services. Key analysis included:

- Identifying services provided by City staff, including documenting services, and service levels.
- Ensuring fair and equitable allocations of support services.
- Determining appropriate time estimates and cost calculations for fee-based services.
- Worked with staff to ensure understanding of methodologies, and how to implement results.

Milpitas, CA: This study looked at determining the full cost associated with Development Services functions including Planning, Building, Engineering, and Fire Services. Key analysis included:

- Developing fully burdened hourly rates that accounted for divisional and citywide overhead.
- Documenting appropriate time estimates for permit and application services.
- Presenting results to key internal and external stakeholders to ensure understanding of results.

Role on This Engagement:

Courtney will serve as the Project Executive on this engagement, ensuring timely project deliverables, quality control, and presentation support to stakeholders.

Relevant CA Clients:

Citrus Heights
Cupertino
Daly City
Dixon
Elk Grove
Fairfield
Humboldt County
Livermore
Long Beach
Manhattan Beach
Orange
Pacific Grove
Redwood City
San Bernardino County
San Pablo
San Mateo
Santa Clara
Santa Clara County
Sonoma County
South San Francisco
Stanislaus County
Sunnyvale
Vacaville
Winters
Willits

Years of Experience: 17

Education:

A.A. Administration of Justice, A.A. Sociology Santa Barbara City College (CA).

Professional Association / Certification:

Government Finance Officers Association

California Society of Municipal Finance Officers

OMB Cost Plan Best Practices

KHUSHBOO INGLE

SENIOR MANAGER, MATRIX CONSULTING GROUP

Ms. Ingle is a Senior Manager who manages cost allocation plan, user fee, development impact fee, and cost of service engagements. Her experience with the firm also includes participation in operational audit engagements focusing on reviewing organizational, staffing, and internal processes to enhance services.

Khushboo's relevant experience include:

- Completed over 150 cost of service studies for clients across the United States.
- Analysis focuses on development and documentation of direct and indirect costs, fair and equitable allocation methodologies, defensible results.
- Expertise also includes development of fiscal policies and procedures relating to cost of service and cost recovery.

Experience Highlights

Orange, CA: Khushboo served as the Project Manager on this engagement which looked and conducting a citywide fee study and development impact fee analysis. Key analysis includes:

- Streamlining land use categories for Fire impact fees to represent the current types of use (previous analysis was conducted 10 years prior).
- Identifying growth projections and appropriate nexus considerations for impact fees.

San Mateo, CA: Khushboo served as the Project Manager on this engagement for evaluating development fees and impact fees. Key analysis included:

- Identifying all impact fees that needed to be updated per AB1600 requirements.
- Documenting population and growth assumptions.
- Presentation to stakeholders to ensure understanding of results.

Role on This Engagement:

Khushboo will serve as the Project Manager on this engagement, leading interviews and coordinating necessary data collection for the financial analysis, policy discussions, and working with the Analysts to compile and analyze data.

Relevant CA Clients:

Berkeley
Citrus Heights
Cupertino
Dixon
Elk Grove
Fairfield
Humboldt County
Livermore
Long Beach
Manhattan Beach
Orange
Pacific Grove
Redwood City
Riverside
San Bernardino County
San Pablo
San Mateo
Santa Clara
Santa Clara County
Sonoma County
South San Francisco
Stanislaus County
Sunnyvale
Vacaville
Winters

Years of Experience: 11

Education:

B.A., University of California – San Diego, International Economics

M.A., University of California – San Diego, International Affairs

Professional Association / Certification:

California Society of Municipal Finance Officers

OMB Cost Allocation Best Practices

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Anastacia Wyatt, Community Development Director

MEETING DATE: February 1, 2023

SUBJECT: Contract Amendment with Rincon Consultants Inc.

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve the proposed contract amendment with Rincon Consultants, Inc. relating to a development project located at 1661 Sunset Drive based on a contract time extension.

DISCUSSION

On August 12, 2021, the Planning Commission approved an Architectural Permit, Coastal Development Permit, and Parcel Merger (AP/CDP/PM 19-0645) and adopted an Initial Study and Mitigated Negative Declaration (IS-MND) for a project located at 1661 Sunset Drive. The residence proposed and approved for demolition had previously been determined, through the City's Initial Historic Screening (IHS) process, to be ineligible for the City's Historic Resources Inventory (HRI) and, therefore, not a historic resource. A neighbor filed an appeal of the Planning Commission's decision and the appeal included an historic assessment prepared by a local architectural historian that contradicted the previous report utilized for the IHS process. Therefore, prior to bringing the appeal before the City Council for consideration, CDD staff decided to prepare a Focused Environmental Impact Report (Focused EIR). The City Council approved a contract and reimbursement agreement with Rincon Consultants, Inc. (Rincon) on November 17, 2021, with a contract term ending December 31, 2022.

After approval of the contract for a Focused EIR, the applicant (Elstob Family Investments LP) decided to retain rather than demolish the existing on-site structures. Due to this change of project scope, anticipated to eliminate a potential significant and unavoidable impact, CDD determined that a Focused EIR was no longer required and processed a contract amendment to revise the previously-prepared IS-MND. The City Council approved the contract amendment on March 2, 2022.

After approval of the first contract amendment, the applicant reconsidered and authorized CDD to amend the contract again to prepare a Focused EIR instead of a Revised IS-MND. CDD then prepared a second contract amendment to revert to the preparation of a Focused EIR based on work already completed by Rincon. The City Council approved the second amendment on May 11, 2022. However, due to negotiations between the appellant and the applicant, the initial agreement timeframe has expired and neither of the amendments extended the term of the contract beyond December 31, 2022. Therefore, additional time is required for completion of the full scope of the contract and a third

amendment is required to extend the contract term from December 31, 2022, to February 1, 2024. The other contract terms would remain the same. Enough funds remain in the contract to complete the work necessary to finalize the Focused EIR.

OPTIONS

The Council could provide alternative direction to Staff.

FINANCIAL IMPACT:

The costs associated with the preparation of the Focused EIR will be borne by the applicant and there is no financial impact to the City.

GOAL ALIGNMENT: Not Applicable.

Attachments

Rincon Agreement and Amendment #2

Reimbursement Agreement

Draft Amendment #3

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AMENDMENT # 2
AGREEMENT FOR PROFESSIONAL SERVICES WITH RINCON CONSULTANTS, INC.

WHEREAS, the City of Pacific Grove ("City") and Rincon Consultants, Inc. ("Contractor") entered into a Professional Services Agreement ("Agreement") dated December 3, 2021; and

WHEREAS, said Agreement was amended on March 3, 2022; and

WHEREAS, the City and Contractor desire to amend certain terms of the amended Agreement;

NOW, THEREFORE, the parties agree as follows:

A. The Agreement is amended as follows:

1. **SERVICES TO BE PROVIDED.** The City hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services are generally described as follows: Preparation of a focused Environmental Impact Report (EIR) (biological and cultural resources) for the 1661 Sunset Drive project, Pacific Grove, California.

2. **PAYMENTS BY CITY.** City shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by City to CONTRACTOR under this Agreement shall not exceed the sum of **$ 106,815.00**.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A: Scope Amendment Request for the 1661 Sunset Drive Project, Pacific Grove, California (dated April 5, 2022)

B. All other terms of the Agreement remain the same.

Dated: 6/9/2022

DocuSigned by:
Megan Jones
3D03745FE4A5460...

Megan Jones, Principal
Rincon Consultants, Inc.

Dated: 6/21/2022

DocuSigned by:
Ben Harvey
903326509B8F4CA...

Ben Harvey, City Manager
City of Pacific Grove

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Dated: 6/21/2022

DocuSigned by:
Tori Hannah
3B02FAB081E94DB...

Tori Hannah, Administrative Service Director, Finance & Risk Management
City of Pacific Grove

Dated: 6/21/2022

DocuSigned by:
Bill Peake
2E6F9DE48137414...

Bill Peake, Mayor
City of Pacific Grove

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Rincon Consultants, Inc.

2511 Garden Road, Suite C-250
Monterey, California 93940

831 333 0310

info@rinconconsultants.com
www.rinconconsultants.com

April 5, 2022
Project No: 21-11891

Joe Sidor, Contract Senior Planner
City of Pacific Grove
Community Development Department
300 Forest Avenue, 2nd Floor
Pacific Grove, California 93950
via email: jsidor@cityofpacificgrove.org

Subject: **Scope Amendment Request for the 1661 Sunset Drive Project, Pacific Grove, California**

Dear Ms. Hunter:

The purpose of this letter is to request an amendment to the January 14, 2022, contract scope of work and budget between Rincon Consultants, Inc. (Rincon) and the City of Pacific Grove (city) for the proposed 1661 Sunset Drive Project. The current scope of work includes the update of the existing IS-MND. Pursuant to City direction provided on March 29, 2022, by phone, a Focused Environmental Impact Report (FEIR) will be prepared instead of an IS-MND. Therefore, based on City direction, this amendment includes the preparation of a FEIR for the project. The tasks associated with preparation of a FEIR are outlined below, and are intended to replace the existing tasks associated with the update of the existing IS-MND scope of work.

Scope of Work

Rincon will prepare a Focused EIR for the 1661 Sunset Drive Project. The Focused EIR will, to the extent practicable, rely on existing environmental documentation and technical studies prepared for the site.

Our scope of work for preparation of the Focused EIR will include the following tasks.

Task 1: Project Update and Notice of Preparation

Task 1.1: Project Update Meeting

Rincon will prepare for and participate in a project update meeting with City staff, which is assumed to occur via a virtual platform. This meeting will allow an opportunity to thoroughly discuss the approach to environmental evaluation, existing conditions and baseline for the analysis, and additional community concerns regarding the project that have surfaced to date. We will also use this opportunity to collect any new relevant project or background information not already transmitted.

Task 1.2: Notice of Preparation

Rincon will prepare a draft Notice of Preparation (NOP) of a Draft EIR for City staff to review. The NOP alerts responsible agencies and the public about the upcoming CEQA document, so they can contribute their input on the scope of the study. The NOP will consist of a one- to two-page notice with a brief project description, a map of the project area, and instructions for submitting comments. Rincon

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assumes one round of review for the NOP. Rincon will file the NOP with the State Clearinghouse for local and state review. Rincon also assumes the City will file the NOP and alert applicable responsible agencies and the public. We have not included attendance at a scoping meeting because one is not required for this project; however, we can include one for an additional fee.

Task 2: Cultural Resources Evaluation Update

Rincon has completed peer reviews for the project applicant commissioned archaeological and historic resource studies. As a result of peer reviews and to support CEQA review, Rincon recommends the following actions related to archaeological resources. Rincon also proposes to prepare a supplemental cultural resources memorandum that addresses the following comments from Rincon's peer review:

- Clarification of the delineation of the project excavation area to confirm the analysis covered the entirety of the project footprint.
- Elaboration on the determination that the abalone concentration does not represent a discrete feature. The presence of discrete features or lack thereof may contribute to the resource's eligibility recommendation.
- Elaboration and clarification of the potential historic district, and whether P-27-002666 (CA-MNT-2148) may qualify as a contributor. Currently there is no such district recorded in the area. If P-27-002666 (CA-MNT-2148) does in fact qualify as a contributor to a significant district, that would make the resource a historical resource under CEQA, requiring mitigation to address impacts beyond archaeological monitoring.
- Further elaboration and clarification on whether P-27-002666 (CA-MNT-2148) is individually eligible for the CRHR, NRHP, or local significance.
- Providing examples of cultural resources, their relative location to the project site, and details on these resources such as integrity, date, species diversity, etc. Without this information, the argument that P-27-002666 (CA-MNT-2148) has no data potential is left unsupported. This will aid in the elaboration and clarification required to understand whether the resource qualifies as a historical resource under CEQA.
- Depending upon whether resource P-27-002666 (CA-MNT-2148) qualifies individually or as a contributor to an eligible historic district, additional and/or modified recommended measures, such as a Phase III data recovery, may be warranted.
- Identification of a recommended CEQA finding.

Our proposed scope of work for the revised reports is presented below.

Task 2.1: Historical Resources Evaluation Update

A Rincon qualified architectural historian will prepare an updated historical resources evaluation of all buildings on the proposed project site. Rincon will conduct supplemental archival research to identify information which suggests if the property has potential to be a historical resource. This will include a review of building permits for the property to confirm original owners and architects. Rincon will also review any available documentation and historic context statements for relevant themes, contexts and property type summaries. Additional research will include a review of newspaper articles, city directories, historic aerial photographs and maps, and other primary and secondary source materials as necessary. In accordance with guidance from the California Office of Historic Preservation, buildings will be recorded and evaluated on California Department of Parks and Recreation (DPR) 523 Series Forms;

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Rincon assumes that the buildings can be evaluated as a single property due to their associated history. The updated evaluation will provide a clear determination on the historical resources status of the property to support CEQA compliance and allow for a thorough assessment of potential impacts. The evaluation will also identify mitigation measures, if needed. Rincon will provide preliminary findings to the city prior to finalizing the study.

Task 2.2: Archaeological Resources Evaluation Update

A Rincon qualified archaeologist will prepare a supplemental cultural resources memorandum. Rincon will review the results of the California Historical Resources Information System (CHRIS) records search of the project site and the results of the archaeological fieldwork conducted for the project to provide a clear recommendation regarding the potential significance of P-27-002666 (CA-MNT-2148) individually and as a potential contributor to a historical district. Rincon will provide preliminary findings to the City prior to finalizing the study.

Task 3: Administrative Draft Focused EIR

The Administrative Draft Focused EIR will include the following key sections.

Executive Summary

The Focused EIR will contain a summary of the proposed project and associated environmental consequences. This information will be presented in tabular format to simplify review by decision-makers and the public. This section will identify each potential environmental impact, the level of significance of each impact, mitigation measures required and the residual impacts after mitigation. The summary will also note areas of known controversy and an assessment of the alternatives reviewed and their associated impacts. The summary will also include identification of the environmentally superior alternative and the rationale for its selection as such.

Introduction, Project Description, and Environmental Setting

The Focused EIR will provide introductory sections that lay the groundwork for and summarize the substantive analysis to follow. The Introduction will describe the purpose and legal authority of the study, the project objectives, and will provide a discussion of lead, responsible and trustee agencies, if any. The Project Description section will provide a detailed summary of the proposed project including text, tables, and graphics to facilitate a thorough understanding of the proposed project.

The Environmental Setting will provide a general description of the geographic character of the project vicinity at the time of NOP distribution. The setting will be based on existing data sources, including the City's General Plan, LCP, and ordinances, and other relevant environmental documents prepared during recent years, supplemented with information from existing technical studies.

Environmental Impact Analysis

The main body of the Focused EIR will consist of the assessment of potential environmental impacts of the proposed project. The setting portion of each impact section will describe the applicable environmental conditions of the project area.

If existing data does not allow definitive quantification, reasonable assumptions will be used to qualitatively forecast potential impacts. Cumulative impacts will be discussed within this analysis, but at a lesser level of detail than the project impacts. Mitigation measures may include a range of design

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measures and programs. All mitigation measures will be presented in wording that can be directly applied to the project and will include monitoring requirements.

The impact analysis section will include a statement of the significance thresholds that were used to determine if an impact would have the potential to result in a significant environmental effect. Impacts of the proposed project when compared to existing conditions in the area will be identified, as will cumulative impacts resulting from regional growth.

The impact analysis section will describe the level of significance after mitigation. Conditions where the proposed mitigation measures would not reduce the identified impacts to a less-than-significant level will be clearly identified. Secondary impacts of mitigation measures will also be discussed. This section will also note whether impacts related to each issue are significant and unavoidable, significant but mitigable, less than significant, or beneficial.

We assume the Focused EIR will contain two technical chapters (*Biological Resources* and *Cultural* Resources) and an *Effects Found Not to be Significant* chapter, as described below.

> Biological Resources. Rincon conducted a peer review of the Biological Evaluation prepared for the project site in June 2020 and concluded that additional evaluation of impacts to biological resources would be necessary to sufficiently support the CEQA analysis.
>
> Rincon completed a desktop analysis as part of the IS-MND update and will use the desktop analysis to recommend any additional species-specific or protocol level studies necessary. The biological resources analysis will rely on information in the existing studies in lieu of a reconnaissance site visit and will not include seasonally timed or protocol surveys for rare plants or wildlife and does not include a formal jurisdictional delineation. This scope of work assumes no project disturbance will occur within a stream channel and no permits from the California Department of Fish and Wildlife or the Regional Water Quality Control Board will be required. The impact analysis will be based on habitat assessment for species known to occur in the region. Rincon will summarize the findings of the literature review and desktop analysis in the focused EIR with an impacts analysis and recommended mitigation measures to reduce impacts to biological resources resulting from the proposed project to a less than significant level.
>
> Cultural Resources**.** Using the previous cultural resources documentation prepared for the project, the evaluation updates described above, as well as AB 52 consultation conducted by the City, Rincon will identify potential impacts to historical and archaeological resources and present mitigation measures that could reduce impacts to the extent feasible.
>
> Effects Found Not to be Significant. This section will address all other CEQA Appendix G resource topics, utilizing the analysis in the existing IS-MND and the bolstered analysis from the previous IS-MND scope of work, where appropriate. This scope of work does not include a site visit or technical modeling for air quality, greenhouse gas, noise, or transportation. Rather, the existing IS-MND discussion will be bolstered to sufficiently address the CEQA Appendix G threshold questions and to address concerns raised in comments from Wanger Jones Helsley PC on August 12, 2021.

We assume one round of review of City comments for the Administrative Draft Focused EIR.

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Alternatives

The Alternatives section will be prepared in accordance with the requirements of the CEQA Guidelines Section 15126.6 The purpose of this section will be to promote informed decision-making and to evaluate a reasonable range of project alternatives, with an emphasis on alternatives capable of reducing significant impacts identified in the environmental analysis. This section will identify the "environmentally superior alternative." If the No Project Alternative is determined to be environmentally superior, the EIR will identify the environmentally superior alternative among the remaining scenarios. Rincon assumes two "build" alternatives will be presented to reduce potential impacts to historical resources, potentially including construction of a new residence on the same footprint as the existing residence, and a preservation alternative. Analysis of these two alternatives will be supported by Rincon's qualified architectural history staff.

Other CEQA-Required Sections

Also included in the Focused EIR will be other sections required by CEQA, such as table of contents, references, persons contacted, list of preparers, and summary of potential growth-inducing and significant irreversible effects.

Task 4: Draft Focused EIR

After receiving City comments regarding the Administrative Draft EIR and meeting with City staff virtually to review the comments, Rincon will produce the Public Draft EIR. Rincon will respond to one round of City staff comments on the Administrative Draft EIR and prepare the Screencheck Draft EIR, with revisions shown in track changes. Upon receiving clearance from the City, Rincon will accept revisions and provide a clean digital (pdf) version of the Draft EIR suitable for posting on the City's website. Rincon will prepare all required notices for the Focused EIR, including the Notice of Completion and Notice of Availability. Rincon will submit the Focused EIR, Notice of Completion, Notice of Availability and applicable forms to the State Clearinghouse. We assume the City will handle all notification to responsible agencies and the public and will file the notices with the County Clerk. This scope assumes the City will mail the documents to relevant agencies and interested citizens.

Task 5: Final Focused EIR

The final stages of the Focused EIR process involve responding to comments, preparing the Administrative Final Focused EIR and Final Focused EIR, and holding public hearings and final editorial tasks. At this point, the discretionary permit applications and the Final Focused EIR will be brought together for final public and decision-maker scrutiny to render official decisions regarding the proposed project. Through this process, final changes and policy decisions concerning the project are made. Our work effort regarding this task is delineated below.

Task 5.1: Response to Comments/Administrative Final Focused EIR

Rincon staff, in coordination with City staff, will respond to public and agency review comments on the Draft EIR in accordance with CEQA Guidelines Section 15088. This scope of work assumes that one lengthy (over 20 pages) and substantive letter will be submitted by from Wanger Jones Helsley PC (or other law firm representing the neighbors), and that up to two additional short (under two pages) and non-substantive letters will be submitted, which can be adequately responded to in a maximum of 80 professional staff hours. The actual level of effort required to respond will depend on the length, detail, and

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sophistication of the comments, in addition to the number of letters received. We reserve the right to reevaluate the effort level and request a scope amendment upon close of the public comment period.

The Final EIR will consist of the body of the Draft EIR, as revised based on comments received, and an additional section including all comments and responses. We assume one round of review of City staff comments on the Response to Comments and Administrative Final Focused EIR. We will submit the Administrative Final Focused EIR digitally for City review.

Task 5.2: Mitigation Monitoring and Reporting Program (MMRP)

Concurrent with delivery of the Final Focused EIR, and in accordance with Public Resources Code Section 21081.6, Rincon will prepare an MMRP in a format that complies with City requirements, consistent with CEQA Guidelines requirements. The MMRP will include a table that lists each mitigation measure, the agency responsible for each measure, when monitoring must occur, the frequency of monitoring, and criteria to determine compliance with the condition. For some issues that may depend on the details of future development design, mitigation measures will identify specific performance standards to be achieved, typical approaches to meeting the applicable criteria, and the point in time when documentation must be provided to and approved by the City. Where necessary, the MMRP will include post-construction monitoring to confirm the effectiveness of the proposed measures. The MMRP will include mitigation measures identified in the Focused EIR and its accompanying Initial Study. We assume one round of review of City staff comments on the MMRP.

Task 5.3: Final Focused EIR and Notice of Determination

Rincon will respond to one round of City staff comments on the Administrative Final Focused EIR. Rincon will deliver a digital PDF copy of the Final Focused EIR to the City. Upon certification of the Final EIR and project approval, Rincon will prepare a Notice of Determination (NOD) for the City to file with the County Clerk's office. We assume the City will be responsible for payment of the County Clerk and California Department of Fish and Wildlife filing fees.

Task 6: Meetings and Public Hearings

During EIR preparation, key Rincon staff will attend up to two virtual meetings with staff (two hours in length each). These meetings would be scheduled at the discretion of the City. Rincon's Project Manager and/or Principal-in-Charge will also attend and present the conclusions of the Focused EIR at one virtual Planning Commission and one virtual City Council hearing.

Assumptions

Rincon assumes the following:

- The City will conduct appropriate notification to all responsible agencies and to the public
- One round of consolidated City comments will be provided on each deliverable
- The Focused EIR will contain two technical chapters (*Biological Resources* and *Cultural Resources*) and an *Effects Found Not to be Significant* chapter; any additional technical chapters will require an amendment
- No built resources beyond the property listed above will be recorded and evaluated

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- The results of the CHRIS search discussed in the three archaeological resources reports will be provided and a new CHRIS search will not be required
- There will be no public scoping meeting
- No project disturbance will occur within a stream channel and no permits from CDFW or RWQCB will be required
- The Focused EIR will rely on AB 52 consultation already completed by the City for the IS-MND
- In addition to the no project alternative, two build alternatives will be presented to reduce potential impacts to historical resources
- One lengthy (over 20 pages) and substantive letter will be submitted by from Wanger Jones Helsley PC (or other law firm representing the neighbors), and up to two additional short (under two pages) and non-substantive letters will be submitted, which can be adequately responded to in a maximum of 80 professional staff hours
- The City will be responsible for payment of the County Clerk and California Department of Fish and Wildlife filing fees
- Rincon will not provide hard copies of any deliverables
- Documents will not be formatted for ADA accessibility

Estimated Timeline

Rincon has an excellent reputation for adhering to schedules and meeting milestones. Based on our project understanding and the analysis required Rincon proposes to adhere to a schedule that allows for completion of the environmental review process in approximately six to eight months depending on timing of our receipt of a complete and stable project description and plan set, City review times, and number and complexity of public comments.

1. Project Update and NOP. Rincon will schedule a project update meeting within one week of notice to proceed, and will submit the NOP within two weeks of project restart and receipt of any new necessary background and project information
2. Administrative Draft Focused EIR. Rincon will submit the Administrative Draft EIR within six weeks of end of the 30-day public scoping period.
3. Draft Focused EIR. The Public Review Draft EIR will be completed within three weeks of receipt of City comments on the Administrative Draft EIR. If review of additional versions of the Administrative Draft EIR is required, Rincon will respond to comments on subsequent versions within one week, for an additional cost.
4. Final Focused EIR. The Administrative Draft Final EIR/Responses to Comments will be completed within three to six weeks after receipt of all written comments received during the review period, depending on the number and complexity of public comments received. We will submit the Final EIR/Responses to Comments and MMRP within two weeks of receipt of City comments on the draft responses.

Meetings and public hearings will be scheduled as needed during the process.

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Cost Proposal

Rincon can complete the proposed work program for a cost of **$76,115,** an increase of $24,740 from the proposed IS-MND cost of $51,375. The revised cost is in addition to the work already completed for this project, under both the previous FEIR and IS-MND proposals. When added to the budget already expended for the revised IS-MND of $21,000, the total revised budget would be $97,115. We also recommend including an approximately 10 percent contingency (or $9,700), only to be released upon City approval. A breakdown of our cost by task is summarized in the table on the next page. All services would be provided on a time and expense reimbursement basis and will be billed in accordance with our standard fee schedule for professional services.

Thank you for considering Rincon for this assignment. Please do not hesitate to contact us if you have questions about this proposal or need additional information.

Sincerely,
Rincon Consultants, Inc.

Leslie Trejo, MUP
Project Manager
Phone: 510-984-6155
Email: ltrejo@rinconconsultants.com

Megan Jones, MPP
Principal-in-Charge
Phone: 831-920-5424
Email: mjones@rinconconsultants.com

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RINCON CONSULTANTS, INC.
21-11891 1661 Sunset Focused EIR
Cost Estimate

	Rate	Hours	Labor Budget	Direct Expenses	Total Budget
Project Update and Notice of Preparation		16.00	2,792.00	0.00	2,792.00
Task 1.1: Project Update Meeting		4.00	828.00	0.00	828.00
Task 1.2: Notice of Preparation		12.00	1,964.00	0.00	1,964.00
Task 2: Cultural Resources Evaluation Update		54.00	10,128.00	0.00	10,128.00
Task 2.1: Historical Resources Evaluation Update		24.00	4,434.00	0.00	4,434.00
Task 2.2: Archaeological Resources Evaluation Update		28.00	5,424.00	0.00	5,424.00
Cultural GIS		2.00	270.00	0.00	270.00
Task 3: Administrative Draft Focused EIR		128.00	19,846.00	0.00	19,846.00
Biological Resources		27.00	4,440.00	0.00	4,440.00
Cultural Resources		23.00	4,488.00	0.00	4,488.00
Other CEQA Sections		40.00	5,456.00	0.00	5,456.00
Other CEQA Sections/GIS		2.00	270.00	0.00	270.00
Alternatives		36.00	5,192.00	0.00	5,192.00
Task 4: Public Review Draft Focused EIR		80.00	12,946.00	0.00	12,946.00
Public Review Draft Focused EIR		80.00	12,946.00	0.00	12,946.00
Task 5: Final Focused EIR		80.00	14,773.00	0.00	14,773.00
Task 5.1: Responses to Comments/Administrative Final Focused EIR		47.00	8,379.00	0.00	8,379.00
Task 5.2: MMRP		5.00	906.00	0.00	906.00
Task 5.3: Final Focused EIR and Notice of Determination		28.00	5,488.00	0.00	5,488.00
Task 6: Meetings and Public Hearings		42.00	8,694.00	0.00	8,694.00
		42.00	8,694.00	0.00	8,694.00
Project Management		36.00	6,936.00	0.00	6,936.00
		36.00	6,936.00	0.00	6,936.00
Project Total		**436.00**	**76,115.00**	**0.00**	**76,115.00**

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CITY OF PACIFIC GROVE AGREEMENT FOR PROFESSIONAL SERVICES (OVER $40,000)[1]

This Professional Services Agreement ("Agreement") is made by and between the City of Pacific Grove, a political subdivision of the State of California (hereinafter "City") and Rincon Consultants, Inc., (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** The City hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services are generally described as follows: Preparation of a revised (biological and cultural resources) initial study/mitigated negative declaration for the 1661 Sunset Drive project, Pacific Grove, California.

2. **PAYMENTS BY CITY.** City shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by City to CONTRACTOR under this Agreement shall not exceed the sum of **$ 58,841.00.**[1]

3. **TERM OF AGREEMENT.** The term of this Agreement is from December 1, 2021, to December 31, 2022, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and City and with City signing last, and CONTRACTOR may not commence work before City signs this Agreement.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A: Scope Amendment Request for the 1661 Sunset Drive Project, Pacific Grove, California (dated January 14, 2022)

5. **PERFORMANCE STANDARDS.**

5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the City, or immediate family of an employee of the City.

5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use City premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

[1] Approved by the Pacific Grove City Council on March 2, 2022.

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6. **PAYMENT CONDITIONS.**

6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to City. If not otherwise specified, the CONTRACTOR may submit such invoice monthly or at the completion of each phase of the project, as provided on page 6 of the proposal, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the City may require. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as the City approves in conformity with this Agreement, and shall promptly submit such invoice to the City Auditor-Controller for payment. The City Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel.

7. **TERMINATION.**

7.01. During the term of this Agreement, the City may terminate the Agreement, with or without cause, by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, CONTRACTOR shall cease immediately all work in progress.

7.02. CONTRACTOR may terminate this Agreement at any time upon thirty (30) days' written notice of termination to City.

7.03. If either CONTRACTOR or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either CONTRACTOR or City may terminate this Agreement immediately upon written notice.

7.04. Upon termination of this Agreement by either CONTRACTOR or City, all property belonging exclusively to City which is in CONTRACTOR's possession shall be returned to City. CONTRACTOR shall furnish to City a final invoice for work performed and expenses incurred by CONTRACTOR, prepared as set forth in Section 6 of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 6 of this Agreement.

8. **INDEMNIFICATION.**

8.01. As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, CONTRACTOR shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death to the extent caused by CONTRACTOR's negligence, negligent acts, errors or omissions.

❑ Exemption/Modification (Justification attached; subject to approval).

9. **INSURANCE.**

9.01. Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

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Commercial general liability insurance, no less broad than Insurance Services Office (ISO) CG 00 01, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products/Completed Operations, with minimum limits: $1,000,000 per Occurrence; $2,000,000 General Aggregate; $2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability Insurance. If CONTRACTOR maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the higher limits maintained by CONTRACTOR.

❑ Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

❑ Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

❑ Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the retroactive date shall be no later than the commencement of the work. Coverage applicable to the work performed under this Agreement shall be continued for three (3) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

❑ Exemption/Modification (Justification attached; subject to approval).

9.02. Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to the City and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

CONTRACTOR shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, CONTRACTOR shall forthwith obtain and submit proof of substitute insurance. Should CONTRACTOR fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at CONTRACTOR's sole cost and expense.

Commercial general liability and automobile liability policies shall provide an endorsement naming the City of Pacific Grove, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that

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such insurance is primary insurance to any insurance or self-insurance maintained by the City and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured **is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000)**. The required endorsement form for Automobile Additional Insured endorsement is **ISO Form CA 20 48 02 99**.

The general liability policy shall cover inter-insured suits and include a "separation of Insureds" or "severability" clause which treats each insured separately.

CONTRACTOR shall provide to City an endorsement that the insurer waives the right of subrogation against the City, its officers, officials, employees, agents and volunteers.

Prior to the execution of this Agreement by the City, CONTRACTOR shall file certificates of insurance with the City's contract administrator and City's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by City, annual certificates to City's Contract Administrator and City's Contracts/Purchasing Division. If the certificate is not received by the expiration date, City shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement which entitles City, at its sole discretion, to terminate this Agreement immediately.

10. **RECORDS AND CONFIDENTIALITY.**

10.01. Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the City or prepared in connection with the performance of this Agreement, unless City specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to City any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02. City Records. When this Agreement expires or terminates, CONTRACTOR shall return to City any City records which CONTRACTOR used or received from City to perform services under this Agreement.

10.03. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and City rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04. Access to and Audit of Records. The City shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of

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the City or as part of any audit of the City, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05. Royalties and Inventions. City shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of City.

11. **NON-DISCRIMINATION**. During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the City pursuant to a contract with the state or federal government in which the City is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, City will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the City. No offer or obligation of permanent employment with the City or particular City department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from City any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold City harmless from any and all liability which City may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the City's and CONTRACTOR'S contract administrators at the addresses listed below:

FOR CITY:	**FOR CONTRACTOR:**
Alyson Hunter, AICP, Community Development Dir. Name and Title	Megan Jones, Principal Name and Title
300 Forest Avenue Pacific Grove, CA 93950 Address	2511 Garden Road, Suite C-250 Monterey, CA 93940 Address

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(831) 648-3127	(831) 333-0310
Phone	Phone

15. **MISCELLANEOUS PROVISIONS.**

15.01. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.02. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the City and the CONTRACTOR.

15.03. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the City and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.04. Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.05. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute. Contractor and the CITY hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

15.06. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the City. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the City. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.07. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the City and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

15.08. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.09. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.

15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both City and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

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15.13. Construction of Agreement. The City and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15. Authority. Any individual executing this Agreement on behalf of the City or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

15.16. Integration. This Agreement, including the exhibits any documents incorporated by reference, represent the entire Agreement between the City and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the City and the CONTRACTOR as of the effective date of this Agreement, which is the date that the City signs the Agreement.

15.17. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

15.18 Severability. If any of the provisions contained in the Contract are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability and indemnities shall survive termination of the Contract for any cause. If a part of this Contract is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Contract is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

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IN WITNESS WHEREOF, City and CONTRACTOR have executed this Agreement as of the day and year written below.

CITY OF PACIFIC GROVE

By: DocuSigned by: Bill Peake 2E6F9DE48137414... City Mayor

Date: 3/3/2022

By: DocuSigned by: Alyson Hunter 75E6EF92E9D6446... Department Head

Date: 3/3/2022

Approved as to Form

By: DocuSigned by: David Laredo F06545E32B2846E... City Attorney

Date: 3/3/2022

[2]

Approved as to Fiscal Provisions

By: DocuSigned by: Tori Hannah 3B02FAB081E94DB... Finance

Date: 3/3/2022

Approved as to Liability Provisions [3]

By: DocuSigned by: Tori Hannah 3B02FAB081E94DB... Risk Management

Date: 3/3/2022

CONTRACTOR

Rincon Consultants, Inc.
Contractor's Business Name*

By: DocuSigned by: Megan Jones 3D03745FE4A5460... (Signature of Chair, President, or Vice-President)*

Megan Jones Principal
Name and Title

Date: 3/3/2022

By: _____
(Signature of Secretary, Asst. Secretary, CFO, or Asst. Treasurer)*

Name and Title

Date: _____

City Agreement Number: _____.

[2] Approval by Finance necessary only if financial questions or issues raised in Council approval of agreement.
[3] Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9.

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*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

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EXHIBIT A

Rincon Consultants, Inc.
2511 Garden Road, Suite C-250
Monterey, California 93940

831 333 0310

info@rinconconsultants.com
www.rinconconsultants.com

January 14,2022
Project No: 21-11891

Alyson Hunter, Senior Planner
City of Pacific Grove
Community Development Department
300 Forest Avenue, 2nd Floor
Pacific Grove, California 93950
via email: ahunter@cityofpacificgrove.org

Subject: Scope Amendment Request for the 1661 Sunset Drive Project, Pacific Grove, California

Dear Ms. Hunter:

The purpose of this letter is to request an amendment to the December 1, 2021 contract scope of work and budget between Rincon Consultants, Inc. (Rincon) and the City of Pacific Grove (city) for the proposed 1661 Sunset Drive Project. The current scope of work includes preparation of a Focused EIR. Per City direction provided during the January 5, 2022 project kickoff meeting, the applicant intends to retain the existing on-site structures, which is anticipated to eliminate a potential significant and unavoidable impact. Therefore, based on City direction, this amendment includes the preparation of a revised Initial Study-Mitigated Negative Declaration (IS-MND) for the project. The tasks associated with preparation of a revised IS-MND are outlined below, and are intended to replace the existing tasks associated with the Focused EIR scope of work.

Scope of Work

Task 1: Cultural Resources Peer Reviews[1]

Task 1.1: Historical Resources Peer Review and Evaluation

A historic resources evaluation was prepared by Anthony Kirk in December of 2018, which included an evaluation of the existing on-site residence. The City received a comment letter from Kent Seavey in August 2021 that included a peer review of the 2018 report. The Seavey letter provided several comments, including the suggestion that a potentially historic adobe studio was located on the project site, but was not evaluated. A Rincon qualified architectural historian will review the December 2018 report completed by Anthony Kirk and the August 2021 Kent Seavey letter, to identify potential deficiencies in the original report and update the historic analysis accordingly. An update/response memorandum will be prepared to address deficiencies, if any, from the original report and to strengthen the cultural resources analysis defensibility for the EIR. The memorandum will also serve to address concerns outlined in the Seavey letter, where appropriate. Additional analysis is anticipated to include an evaluation of the adobe structure and preparation California Department of Parks and Recreation

[1] This scope of work for this task is the same as under the current (Focused EIR) contract.

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(DPR) forms for the site. The memorandum will also make recommendations related to impacts to historical resources and mitigation measures. Should the analysis of additional structures (beyond the adobe structure) be required, a change order would be necessary.

Task 1.2: Archaeological Resources Peer Review and Evaluation

A Phase I archaeological resources assessment was prepared by Patricia Paramoure Archaeological Consulting in June 2020 and a Phase II resource evaluation was prepared by Patricia Paramoure and Charles Mikulik in March 2021. Rincon proposes to complete a peer review of these documents focused on the adequacy of analysis and soundness of conclusions of the reports and on the sufficiency of the reports to support CEQA analysis. A response memorandum will be prepared outlining any concerns and recommending revisions and/or additional work to resolve identified concerns. If deemed necessary and at the discretion of the City, Rincon can submit a scope augmentation to conduct additional work needed to fully address archaeological resources.

Task 2: Administrative Draft Initial Study

The applicant has revised the project description to retain the existing buildings on parcel APN 007-041-033 and transfer the existing water meter to the proposed new single-family residence on APN 007-041-033. Based on this revised project description and public comments received, Rincon will update the existing IS-MND. This will include revisions to the *Description of the Project* and known environmental issue areas of concern, *Biological Resources* and *Cultural Resources*. In addition, other sections of the IS-MND will be updated and bolstered where needed, to address prior public comment and improve defensibility. This scope of work assumes that all issue areas will be less than significant or less than significant with mitigation, and that preparation of an Environmental Impact Report will not be warranted. The revised IS-MND will be prepared in accordance with the most recent CEQA Statutes and Guidelines. The following describes our approach to revising the IS-MND:

Project Description. The Draft IS-MND project description will be revised to reflect the retention of the existing buildings located on the project site and the transfer of the existing water meter to the new development. The project description will also be bolstered to provide project background information, including prior public review and hearing (i.e., opportunities for input), and to explain the difference between proposed project design features and mitigation measures (per prior comments on the IS-MND).

Aesthetics. This analysis will contain a qualitative discussion of long-term visual impacts including changes to visual character and alteration of views, that may occur as a result of the retention of the existing buildings on site. Applicable design guidelines will also be described. Mitigation for the maintenance of the buildings may be proposed to reduce impacts to the surrounding visual character.

Biological Resources. Rincon conducted a peer review of the Biological Evaluation prepared for the project site in June 2020 and concluded that additional evaluation of impacts to biological resources would be necessary to sufficiently support the CEQA analysis. Rincon will use the existing Biological Evaluation to provide background information on the project site and support the biological resources analysis. In addition, to confirm no new special-status species have been recorded in the project vicinity Rincon will prepare a desktop literature and agency database review. Rincon will review project plans, aerial imagery, agency databases (i.e., California Department of Fish and Wildlife's *California Natural Diversity Database*, California Native Plant Society's *Inventory of Rare and Endangered Plants*,

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and U.S. Fish and Wildlife Service's *Information for Planning and Conservation* database) as well as other relevant background information for context and understanding of the biological concerns related to the project.

Upon completion of the desktop analysis, Rincon will recommend any additional species-specific or protocol level studies necessary. The biological resources analysis will rely on information in the existing studies in lieu of a reconnaissance site visit and will not include seasonally timed or protocol surveys for rare plants or wildlife and does not include a formal jurisdictional delineation. This scope of work assumes no project disturbance will occur within a stream channel and no permits from the California Department of Fish and Wildlife or the Regional Water Quality Control Board will be required. The impact analysis will be based on habitat assessment for species known to occur in the region. Rincon will utilize the findings of the literature review and desktop analysis to update the existing Initial Study with a bolstered impacts analysis and recommended enforceable, non-deferral mitigation measures to reduce impacts to biological resources resulting from the proposed project to a less than significant level.

Cultural Resources**.** Rincon understands the project site contains a potential historical resource and an archaeological resource. Using the previous cultural resources documentation prepared for the project, the peer reviews included under Task 1 above, as well as AB 52 consultation conducted by the City as part of the prior IS-MND, Rincon will identify potential impacts related to the preservation of the historical resource on site and impacts to archaeological resources associated with development of the second parcel, and present mitigation measures that could reduce impacts to the extent feasible. Mitigation measures related to the maintenance of the existing buildings to remain on site will also be developed to reduce significant impacts to existing resources, if necessary. If Task 1 identifies that additional work is necessary, such additional work (whether completed by Rincon or another firm) will be incorporated into the Initial Study section.

Hydrology and Water Quality. The hydrology and water quality analysis will evaluate potential impacts relating to hydrological conditions and flooding, as well as potential impacts to surface and groundwater quality. Rincon will revise the existing IS-MND analysis to account for increased impervious surfaces on the project site and further address potential impacts from increased impervious surfaces to the surrounding area.

Noise. The noise analysis will include evaluations of temporary impacts associated with project construction and long-term impacts associated with operation of the project. The analysis of temporary noise and vibration impacts associated with construction will be based on typical construction noise and vibration levels and standard noise and vibration attenuation factors. Noise and vibration levels associated with construction activities will be quantified and projected at the nearest noise-sensitive land uses and compared to applicable thresholds.

Population and Housing. This analysis will consider the potential for future use of APN 007-041-033 as a residence, to address prior public comments on the IS-MND.

Utilities and Service Systems. The revised project description includes the transfer of the existing water meter to the proposed new residence. This analysis will address California American Water requirements for the transfer of the water meter and if necessary, water supply requirements for the existing buildings. The evaluations of service systems will involve contact with the service providers.

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Cumulative Impacts. The IS-MND will include a discussion of cumulative impacts, relying on a list of past, present, and reasonably foreseeable projects in the vicinity.

Rincon will submit an electronic copy of the Administrative Draft IS-MND in Word format.

Task 3: Public Review Draft Initial Study

Rincon will respond to one round of consolidated City comments on the Administrative Draft IS-MND. This document will be submitted in Microsoft Word with revisions shown in track changes. Upon receipt of any final comments on the revisions, Rincon will prepare a Draft IS-MND for publication. Any comments at this stage will be limited to minor typographical or formatting edits, if any. The Public Draft IS-MND will be submitted in PDF format. No hard copies will be provided. This scope of work does not include formatting the document to meet accessibility requirements.

Rincon will prepare a Notice of Intent (NOI) to Adopt an Initial Study. Rincon will transmit the NOI and other required forms of the Initial Study electronically to the City. It is our understanding that the City will transmit the NOI and other required forms to the State Clearinghouse. We assume that the City will be responsible for mailing copies and notices to the County Clerk; responsible agencies, if any; neighboring or nearby property owners or residents; and other interested parties. It is also assumed that City will be responsible for other noticing required under CEQA or City procedures, including posting at the site or newspaper ads. However, Rincon can assist with these tasks for an additional fee on a time and materials basis.

Task 4: Final Initial Study and MMRP

Upon receipt of public comments on the Draft IS-MND, Rincon will prepare draft response to comments and an Administrative Final IS-MND for review by City staff. This scope of work assumes that up to three comment letters will be received, including one lengthy (over twenty pages) and/or substantive letter, that can be adequately responded to in a maximum of 60 professional staff hours. The actual level of effort required to respond will depend on the length, detail, and sophistication of the comments, in addition to the number of letters received. We reserve the right to reevaluate the effort level and request a scope amendment upon close of the public comment period.

Upon receipt of comments on the Administrative Final IS-MND, we will incorporate changes and prepare the Final IS-MND. This task will also include preparation of the Mitigation Monitoring and Reporting Program (MMRP), which will include a list of mitigation measures, monitoring timing, and responsibility. One electronic copy of the Final Initial Study (PDF) will be provided. If the project is approved, Rincon will prepare a Notice of Determination (NOD) for the City to file with the County Clerk. The City or applicant will be responsible for payment of County Clerk and California Department of Fish & Wildlife (CDFW) CEQA fees.

Task 5: Meetings and Public Hearings

During preparation of the Initial Study, key Rincon staff will attend up to two virtual meetings with staff (one hour in length each). These meetings would be scheduled at the discretion of the City. Rincon's Project Manager and/or Principal-in-Charge will also attend and present the conclusions of the Initial Study at one virtual Planning Commission and one virtual City Council hearing.

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Project Management

This task includes management and coordination through the duration of the IS-MND, including coordination with City staff; project oversight; budget and schedule management; and project accounting including billing and accounts receivable efforts.

Assumptions

Rincon assumes the following:

- The City will conduct appropriate notification to all responsible agencies and to the public
- One round of consolidated City comments will be provided on each deliverable
- No project disturbance will occur within a stream channel and no permits from CDFW or RWQCB will be required
- The Initial Study will rely on AB 52 consultation already completed by the City for the previous IS-MND
- One lengthy (over 20 pages) and substantive letter will be submitted by from Wanger Jones Helsley PC (or other law firm representing the neighbors), and up to two additional short (under two pages) and non-substantive letters will be submitted, which can be adequately responded to in a maximum of 60 professional staff hours
- The City will be responsible for payment of the County Clerk and California Department of Fish and Wildlife filing fees
- Rincon will not provide hard copies of any deliverables

Estimated Timeline

Rincon has an excellent reputation for adhering to schedules and meeting milestones. Based on our project understanding and the analysis required Rincon proposes to adhere to a schedule that allows for completion of the environmental review process in approximately three to four months depending on timing of our receipt of a complete and stable project description and plan set, City review times, and number and complexity of public comments.

1. Cultural Resources Peer Reviews. Rincon will perform peer reviews within three weeks of authorization to proceed, project kickoff, and receipt of technical reports from the City and applicant. We assume the technical reports will require up to three weeks for revisions.
2. Administrative Draft Initial Study. Rincon will submit the Administrative Draft Initial Study within eight weeks of receipt of a complete and stable project description, plan set, and revised technical reports from the City and applicant.
3. Public Review Draft Initial Study. Revisions to address City comments will be provided within three weeks and submitted to the City in track changes. Upon approval of revisions, the Public Draft IS-MND will be provided in PDF format in one week.
4. Final Initial Study and MMRP. The Administrative Final IS-MND and MMRP will be completed within approximately three to six weeks of receipt of all public comments, depending on the

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number and complexity of public comments received. We will submit the Final IS-MND and MMRP within two weeks of receipt of City comments on the draft responses.

Cost

Rincon can complete the proposed work program for a cost not to exceed **$51,375,** a reduction of $32,856 from the originally proposed Focused EIR cost of $84,231. The revised cost is in addition to the work already completed for this project, including the January 5, 2022 kick-off meeting and project management tasks. When added to the work in progress balance of $2,116, the total revised budget would be **$53,491**. We also recommend including an approximately 10 percent contingency (or $5,350), only to be released upon City approval. A breakdown of our cost by task is summarized in the table on the next page. All services would be provided on a time and expense reimbursement basis and will be billed in accordance with our standard fee schedule for professional services.

If you have any questions regarding this request, please do not hesitate to contact us.

Sincerely,
Rincon Consultants, Inc.

Leslie Trejo, MUP
Project Manager
Phone: 510-984-6155
Email: ltrejo@rinconconsultants.com

Megan Jones, MPP
Principal-in-Charge
Phone: 831-920-5424
Email: mjones@rinconconsultants.com

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1661 Sunset Drive IS-MND Cost Estimate

	Rate	Hours	Labor Budget	Total Budget
Task 1: Cultural Resources Peer Reviews		68.00	12,104.00	12,104.00
Principal I	250.00	8.00	2,000.00	
Supervisor Archaeologist I	215.00	22.00	4,730.00	
Archaeologist IV	164.00	12.00	1,968.00	
Archaeologist II	135.00	20.00	2,700.00	
GIS/CADD Specialist II	135.00	2.00	270.00	
Technical Editor	120.00	2.00	240.00	
Production Specialist I	98.00	2.00	196.00	
Task 2: Administrative Draft Initial Study		93.00	13,516.00	13,516.00
Principal I	250.00	5.00	1,250.00	
Supervisor Archaeologist I	215.00	3.00	645.00	
Senior Biologist II	195.00	3.00	585.00	
Archaeologist IV	164.00	4.00	656.00	
Planner IV	164.00	12.00	1,968.00	
Biologist III	152.00	12.00	1,824.00	
Archaeologist II	135.00	8.00	1,080.00	
GIS/CADD Specialist II	135.00	8.00	1,080.00	
Planner I	120.00	30.00	3,600.00	
Technical Editor	120.00	2.00	240.00	
Production Specialist I	98.00	6.00	588.00	
Task 3: Public Review Draft Initial Study		28.00	4,402.00	4,402.00
Principal I	250.00	3.00	750.00	
Senior Archaeologist II	195.00	4.00	780.00	
Biologist IV	164.00	2.00	328.00	
Planner IV	164.00	7.00	1,148.00	
Planner I	120.00	10.00	1,200.00	
Production Specialist I	98.00	2.00	196.00	
Task 4: Finial Initial Study and MMRP		78.00	12,874.00	12,874.00
Principal I	250.00	9.00	2,250.00	
Supervisor Archaeologist I	215.00	4.00	860.00	
Senior Biologist II	195.00	8.00	1,560.00	
Archaeologist IV	164.00	10.00	1,640.00	
Planner IV	164.00	21.00	3,444.00	
Planner I	120.00	24.00	2,880.00	
Technical Editor	120.00	2.00	240.00	
Task 5: Meetings and Public Hearings		17.00	3,355.00	3,355.00
Principal I	250.00	6.00	1,500.00	
Supervisor Archaeologist I	215.00	1.00	215.00	
Planner IV	164.00	10.00	1,640.00	
Project Management		26.00	5,124.00	5,124.00
Principal I	250.00	10.00	2,500.00	
Planner IV	164.00	16.00	2,624.00	
Project Total		**310.00**	**51,375.00**	**51,375.00**

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CITY OF PACIFIC GROVE AGREEMENT FOR PROFESSIONAL SERVICES (OVER $40,000)[1]

This Professional Services Agreement ("Agreement") is made by and between the City of Pacific Grove, a political subdivision of the State of California (hereinafter "City") and Rincon Consultants, Inc., (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** The City hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services are generally described as follows: Preparation of a focused (biological and cultural resources) environmental impact report for the 1661 Sunset Drive project, Pacific Grove, California.

2. **PAYMENTS BY CITY.** City shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by City to CONTRACTOR under this Agreement shall not exceed the sum of **$ 92,731.00.**[1]

3. **TERM OF AGREEMENT.** The term of this Agreement is from November 1, 2021, to December 31, 2022, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and City and with City signing last, and CONTRACTOR may not commence work before City signs this Agreement.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A: Proposal to Prepare a Focused Environmental Impact Report for the 1661 Sunset Drive Project, Pacific Grove, California (dated September 13, 2021)

5. **PERFORMANCE STANDARDS.**

5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the City, or immediate family of an employee of the City.

5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use City premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. **PAYMENT CONDITIONS.**

[1] Approved by the Pacific Grove City Council on November 17, 2021.

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6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to City. If not otherwise specified, the CONTRACTOR may submit such invoice monthly or at the completion of each phase of the project, as provided on page 16 of the proposal, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the City may require. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as the City approves in conformity with this Agreement, and shall promptly submit such invoice to the City Auditor-Controller for payment. The City Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel.

7. **TERMINATION.**

7.01. During the term of this Agreement, the City or CONTRACTOR may terminate the Agreement, with or without cause, by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, CONTRACTOR shall cease immediately all work in progress.

7.02. CONTRACTOR may terminate this Agreement at any time upon thirty (30) days' written notice of termination to City.

7.03. If either CONTRACTOR or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either CONTRACTOR or City may terminate this Agreement immediately upon written notice.

7.04. Upon termination of this Agreement by either CONTRACTOR or City, all property belonging exclusively to City which is in CONTRACTOR's possession shall be returned to City. CONTRACTOR shall furnish to City a final invoice for work performed and expenses incurred by CONTRACTOR, prepared as set forth in Section 6 of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 6 of this Agreement.

8. **INDEMNIFICATION.**

8.01. As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, CONTRACTOR shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death to the extent caused by CONTRACTOR's negligence, negligent acts, errors or omissions.

❑ Exemption/Modification (Justification attached; subject to approval).

9. **INSURANCE.**

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9.01. Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, no less broad than Insurance Services Office (ISO) CG 00 01, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products/Completed Operations, with minimum limits: $1,000,000 per Occurrence; $2,000,000 General Aggregate; $2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability Insurance. If CONTRACTOR maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the higher limits maintained by CONTRACTOR.

❑ Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

❑ Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

❑ Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the retroactive date shall be no later than the commencement of the work. Coverage applicable to the work performed under this Agreement shall be continued for three (3) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

❑ Exemption/Modification (Justification attached; subject to approval).

9.02. Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to the City and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

CONTRACTOR shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, CONTRACTOR shall forthwith obtain and submit proof of substitute insurance. Should CONTRACTOR fail to immediately

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procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at CONTRACTOR's sole cost and expense.

Commercial general liability and automobile liability policies shall provide an endorsement naming the City of Pacific Grove, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the City and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured **is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000)**. The required endorsement form for Automobile Additional Insured endorsement is **ISO Form CA 20 48 02 99**.

The general liability policy shall cover inter-insured suits and include a "separation of Insureds" or "severability" clause which treats each insured separately.

CONTRACTOR shall provide to City an endorsement that the insurer waives the right of subrogation against the City, its officers, officials, employees, agents and volunteers.

Prior to the execution of this Agreement by the City, CONTRACTOR shall file certificates of insurance with the City's contract administrator and City's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by City, annual certificates to City's Contract Administrator and City's Contracts/Purchasing Division. If the certificate is not received by the expiration date, City shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement which entitles City, at its sole discretion, to terminate this Agreement immediately.

10. **RECORDS AND CONFIDENTIALITY.**

10.01. Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the City or prepared in connection with the performance of this Agreement, unless City specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to City any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02. City Records. When this Agreement expires or terminates, CONTRACTOR shall return to City any City records which CONTRACTOR used or received from City to perform services under this Agreement.

10.03. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and City rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating

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to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04. Access to and Audit of Records. The City shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the City or as part of any audit of the City, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05. Royalties and Inventions. City shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of City.

11. **NON-DISCRIMINATION**. During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the City pursuant to a contract with the state or federal government in which the City is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, City will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the City. No offer or obligation of permanent employment with the City or particular City department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from City any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold City harmless from any and all liability which City may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the City's and CONTRACTOR'S contract administrators at the addresses listed below:

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FOR CITY:	FOR CONTRACTOR:
Alyson Hunter, AICP, Community Development Dir.	Megan Jones, Principal
Name and Title	Name and Title
300 Forest Avenue Pacific Grove, CA 93950	437 Figueroa Street Monterey, CA 93940
Address	Address
(831) 648-3192	(831) 333-0310
Phone	Phone

15. **MISCELLANEOUS PROVISIONS.**

15.01. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.02. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the City and the CONTRACTOR.

15.03. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the City and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.04. Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.05. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute. Contractor and the CITY hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

15.06. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the City. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the City. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.07. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the City and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

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15.08. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.09. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.

15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both City and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

15.13. Construction of Agreement. The City and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15. Authority. Any individual executing this Agreement on behalf of the City or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

15.16. Integration. This Agreement, including the exhibits any documents incorporated by reference, represent the entire Agreement between the City and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the City and the CONTRACTOR as of the effective date of this Agreement, which is the date that the City signs the Agreement.

15.17. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

15.18 Severability. If any of the provisions contained in the Contract are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability and indemnities shall survive termination of the Contract for any cause. If a part of this Contract is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Contract is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

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IN WITNESS WHEREOF, City and CONTRACTOR have executed this Agreement as of the day and year written below.

CITY OF PACIFIC GROVE

By: DocuSigned by: Bill Peak 2E0F9DE48137414... City Mayor

Date: 12/3/2021

By: DocuSigned by: Alyson Hunter 75E6EF92E9D6446... Department Head

Date: 12/3/2021

Approved as to Form

By: DocuSigned by: David Laredo F06545E32B2846E... City Attorney

Date: 12/3/2021

[2]

Approved as to Fiscal Provisions

By: DocuSigned by: Tori Hannah 3B02FAB081E94DB... Finance

Date: 12/3/2021

Approved as to Liability Provisions[3]

By: DocuSigned by: Tori Hannah 3B02FAB081E94DB... Risk Management

Date: 12/3/2021

CONTRACTOR

Rincon Consultants, Inc.
Contractor's Business Name*

By: DocuSigned by: Jennifer Haddow DE62EC9154B1482... (Signature of Chair, President, or Vice-President)*

Jennifer Haddow, VP
Name and Title

Date: 11/22/2021

By: DocuSigned by: Lacrissa Davis 799B3F21211B48F... (Signature of Secretary, Asst. Secretary, CFO, or Asst. Treasurer)*

CFO
Name and Title

Date: 12/2/2021

City Agreement Number: _____.

[2] Approval by Finance necessary only if financial questions or issues raised in Council approval of agreement.

[3] Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9.

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*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

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Exhibit A

Rincon Consultants, Inc.

2511 Garden Road, Suite C-250
Monterey, California 93940

831 333 0310

info@rinconconsultants.com
www.rinconconsultants.com

September 13, 2021
Project No: 21-11891

Alyson Hunter, Senior Planner
City of Pacific Grove
Community Development Department
300 Forest Avenue, 2nd Floor
Pacific Grove, California 93950
via email: ahunter@cityofpacificgrove.org

Subject: **Proposal to Prepare a Focused Environmental Impact Report for the 1661 Sunset Drive Project, Pacific Grove, California**

Dear Ms. Hunter:

The **City of Pacific Grove** is seeking assistance with California Environmental Quality Act (CEQA) compliance for a proposed residential development project at 1661 Sunset Drive. The project involves the demolition of an existing residence on APN 007-041-035, a merger of this parcel with adjacent parcel APN 007-041-033, and construction of a 5,912 square foot single family residence on APN 007-041-033. The City prepared an Initial Study-Mitigated Negative Declaration (IS-MND) for the project, which was adopted by the City Council on August 25, 2021. Based on concerns raised in a letter from Wanger Jones Helsley PC dated August 12, 2021, the City has decided to prepare an Environmental Impact Report (EIR) that focuses on biological and cultural resources. To that end, **Rincon Consultants, Inc.** has provided this proposal to prepare a Focused EIR for the project. We are enthusiastic about the opportunity to continue working with the City and have assembled a team of highly skilled environmental science and planning professionals who combine extensive technical qualifications and knowledge of CEQA with many years of experience.

At Rincon, we are proud of our team's ability to work effectively with City staff, decision-makers, and community groups to develop and implement innovative approaches and solutions to planning and environmental issues. We believe that our experience with CEQA statewide, our experience on development projects specifically in the Monterey Bay area, and our existing relationship with City of Pacific Grove staff are critical and give us a unique understanding of and sensitivity to the range of issues that will be important to the success of this project.

Leading the team will be **Megan Jones, Principal**. She has over 16 years of experience in environmental planning and project management and has worked on multiple projects within the city and on the greater Monterey Peninsula. **Leslie Trejo, MUP** will serve as Project Manager in charge of day-to-day oversight and will be the City's primary contact. Additionally, **Sherri Miller** will oversee the biological analysis, **Shannon Carmack** will oversee the CEQA-required analysis for historical resources, and **Hannah Haas** will oversee the analysis for archaeological resources. Staff resumes and firm qualifications are available upon request.

This proposal includes: (1) our proposed work scope; (2) our proposed schedule; and (3) our cost estimate.

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Scope of Work

Rincon will prepare a Focused EIR for the 1661 Sunset Drive Project. The Focused EIR will, to the extent practicable, rely on existing environmental documentation and technical studies prepared for the site.

Our scope of work for preparation of the Focused EIR will include the following tasks.

Task 1: Kickoff and Notice of Preparation

Task 1.1: Kickoff Meeting

Rincon will prepare for and participate in a kickoff meeting with City staff, which is assumed to occur via conference call. This meeting will allow an opportunity to thoroughly discuss the project description, approach to environmental evaluation, existing conditions and baseline for the analysis, and community concerns regarding the project that have surfaced to date. We will also use this opportunity to collect any relevant project or background information not already transmitted.

Task 1.2: Notice of Preparation

Rincon will prepare a draft Notice of Preparation (NOP) of a Draft EIR for City staff to review. The NOP alerts responsible agencies and the public about the upcoming CEQA document, so they can contribute their input on the scope of the study. The NOP will consist of a one- to two-page notice with a brief project description, a map of the project area, and instructions for submitting comments. Rincon assumes one round of review for the NOP. Rincon also assumes the City will file the NOP and alert applicable responsible agencies and the public. We have not included attendance at a scoping meeting because one is not required for this project; however, we can include one for an additional fee.

Task 2: Cultural Resources Peer Reviews

Task 2.1: Historical Resources Peer Review and Evaluation

A historic resources evaluation was prepared by Anthony Kirk in December of 2018, which included an evaluation of the existing on-site residence. The City received a comment letter from Kent Seavey in August 2021 that included a peer review of the 2018 report. The Seavey letter provided several comments, including the suggestion that a potentially historic adobe studio was located on the project site, but was not evaluated. A Rincon qualified architectural historian will review the December 2018 report completed by Anthony Kirk and the August 2021 Kent Seavey letter, to identify potential deficiencies in the original report and update the historic analysis accordingly. An update/response memorandum will be prepared to address deficiencies, if any, from the original report and to strengthen the cultural resources analysis defensibility for the EIR. The memorandum will also serve to address concerns outlined in the Seavey letter, where appropriate. Additional analysis is anticipated to include an evaluation of the adobe structure and preparation California Department of Parks and Recreation (DPR) forms for the site. The memorandum will also make recommendations related to impacts to historical resources and mitigation measures. Should the analysis of additional structures (beyond the adobe structure) be required, a change order would be necessary.

Task 2.2: Archaeological Resources Peer Review and Evaluation

A Phase I archaeological resources assessment was prepared by Patricia Paramoure Archaeological Consulting in June 2020 and a Phase II resource evaluation was prepared by Patricia Paramoure and

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Charles Mikulik in March 2021. Rincon proposes to complete a peer review of these documents focused on the adequacy of analysis and soundness of conclusions of the reports and on the sufficiency of the reports to support CEQA analysis. A response memorandum will be prepared outlining any concerns and recommending revisions and/or additional work to resolve identified concerns. If deemed necessary and at the discretion of the City, Rincon can submit a scope augmentation to conduct additional work needed to fully address archaeological resources.

Task 3: Administrative Draft Focused EIR

The Administrative Draft Focused EIR will include the following key sections.

Executive Summary

The Focused EIR will contain a summary of the proposed project and associated environmental consequences. This information will be presented in tabular format to simplify review by decision-makers and the public. This section will identify each potential environmental impact, the level of significance of each impact, mitigation measures required and the residual impacts after mitigation. The summary will also note areas of known controversy and an assessment of the alternatives reviewed and their associated impacts. The summary will also include identification of the environmentally superior alternative and the rationale for its selection as such.

Introduction, Project Description, and Environmental Setting

The Focused EIR will provide introductory sections that lay the groundwork for and summarize the substantive analysis to follow. The Introduction will describe the purpose and legal authority of the study, the project objectives, and will provide a discussion of lead, responsible and trustee agencies, if any. The Project Description section will provide a detailed summary of the proposed project including text, tables, and graphics to facilitate a thorough understanding of the proposed project.

The Environmental Setting will provide a general description of the geographic character of the project vicinity at the time of NOP distribution. The setting will be based on existing data sources, including the City's General Plan, LCP, and ordinances, and other relevant environmental documents prepared during recent years, supplemented with information from existing technical studies.

Environmental Impact Analysis

The main body of the Focused EIR will consist of the assessment of potential environmental impacts of the proposed project. The setting portion of each impact section will describe the applicable environmental conditions of the project area.

If existing data does not allow definitive quantification, reasonable assumptions will be used to qualitatively forecast potential impacts. Cumulative impacts will be discussed within this analysis, but at a lesser level of detail than the project impacts. Mitigation measures may include a range of design measures and programs. All mitigation measures will be presented in wording that can be directly applied to the project and will include monitoring requirements.

The impact analysis section will include a statement of the significance thresholds that were used to determine if an impact would have the potential to result in a significant environmental effect. Impacts of the proposed project when compared to existing conditions in the area will be identified, as will cumulative impacts resulting from regional growth.

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The impact analysis section will describe the level of significance after mitigation. Conditions where the proposed mitigation measures would not reduce the identified impacts to a less-than-significant level will be clearly identified. Secondary impacts of mitigation measures will also be discussed. This section will also note whether impacts related to each issue are significant and unavoidable, significant but mitigable, less than significant, or beneficial.

We assume the Focused EIR will contain two technical chapters (*Biological Resources* and *Cultural* Resources) and an *Effects Found Not to be Significant* chapter, as described below. If, during the analysis, it is determined that any additional resource areas warrant consideration in a full technical chapter, a scope amendment will be required.

Biological Resources. Rincon conducted a peer review of the Biological Evaluation prepared for the project site in June 2020 and concluded that additional evaluation of impacts to biological resources would be necessary to sufficiently support the CEQA analysis. Rincon will use the existing Biological Evaluation to provide background information on the project site and support the biological resources analysis. In addition, to confirm no new special-status species have been recorded in the project vicinity Rincon will prepare a desktop literature and agency database review. Rincon will review project plans, aerial imagery, agency databases (i.e., California Department of Fish and Wildlife's *California Natural Diversity Database*, California Native Plant Society's *Inventory of Rare and Endangered Plants*, and U.S. Fish and Wildlife Service's *Information for Planning and Conservation* database) as well as other relevant background information for context and understanding of the biological concerns related to the project.

Upon completion of the desktop analysis, Rincon will recommend any additional species-specific or protocol level studies necessary. The biological resources analysis will rely on information in the existing studies in lieu of a reconnaissance site visit and will not include seasonally timed or protocol surveys for rare plants or wildlife and does not include a formal jurisdictional delineation. This scope of work assumes no project disturbance will occur within a stream channel and no permits from the California Department of Fish and Wildlife or the Regional Water Quality Control Board will be required. The impact analysis will be based on habitat assessment for species known to occur in the region. Rincon will summarize the findings of the literature review and desktop analysis in the focused EIR with an impacts analysis and recommended mitigation measures to reduce impacts to biological resources resulting from the proposed project to a less than significant level.

Cultural Resources**.** Rincon understands the project site contains a potential historical resource and an archaeological resource. Using the previous cultural resources documentation prepared for the project, the peer reviews included under Task 2 above, as well as AB 52 consultation conducted by the City as part of the IS-MND, Rincon will identify potential impacts to historical and archaeological resources and present mitigation measures that could reduce impacts to the extent feasible. If Task 2 identifies that additional work is necessary, such additional work (whether completed by Rincon or another firm) will be incorporated into the EIR section.

Effects Found Not to be Significant. This section will address all other CEQA Appendix G resource topics, utilizing the analysis in the existing IS-MND, bolstered where appropriate. This scope of work does not include a site visit or technical modeling for air quality, greenhouse gas, noise, or transportation. Rather, the existing IS-MND discussion will be bolstered to

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sufficiently address the CEQA Appendix G threshold questions and to address concerns raised in comments from Wanger Jones Helsley PC on August 12, 2021.

We assume one round of review of City comments for the Administrative Draft Focused EIR.

Alternatives

The Alternatives section will be prepared in accordance with the requirements of the CEQA Guidelines Section 15126.6 The purpose of this section will be to promote informed decision-making and to evaluate a reasonable range of project alternatives, with an emphasis on alternatives capable of reducing significant impacts identified in the environmental analysis. This section will identify the "environmentally superior alternative." If the No Project Alternative is determined to be environmentally superior, the EIR will identify the environmentally superior alternative among the remaining scenarios. Rincon assumes two "build" alternatives will be presented to reduce potential impacts to historical resources, potentially including construction of a new residence on the same footprint as the existing residence, and a preservation alternative. Analysis of these two alternatives will be supported by Rincon's qualified architectural history staff.

Other CEQA-Required Sections

Also included in the Focused EIR will be other sections required by CEQA, such as table of contents, references, persons contacted, list of preparers, and summary of potential growth-inducing and significant irreversible effects.

Task 4: Draft Focused EIR

After receiving City comments regarding the Administrative Draft EIR and meeting with City staff virtually to review the comments, Rincon will produce the Public Draft EIR. Rincon will respond to one round of City staff comments on the Administrative Draft EIR and prepare the Screencheck Draft EIR, with revisions shown in track changes. Upon receiving clearance from the City, Rincon will accept revisions and provide a clean digital (pdf) version of the Draft EIR suitable for posting on the City's website. Rincon will prepare all required notices for the Focused EIR, including the Notice of Completion. We assume the City will handle all notification to responsible agencies and the public and will file the notices with the County Clerk and State Clearinghouse. This scope assumes the City will mail the documents to relevant agencies and interested citizens.

Task 5: Final Focused EIR

The final stages of the Focused EIR process involve responding to comments, preparing the Administrative Final Focused EIR and Final Focused EIR, and holding public hearings and final editorial tasks. At this point, the discretionary permit applications and the Final Focused EIR will be brought together for final public and decision-maker scrutiny to render official decisions regarding the proposed project. Through this process, final changes and policy decisions concerning the project are made. Our work effort regarding this task is delineated below.

Task 5.1: Response to Comments/Administrative Final Focused EIR

Rincon staff, in coordination with City staff, will respond to public and agency review comments on the Draft EIR in accordance with CEQA Guidelines Section 15088. This scope of work assumes that one lengthy (over 20 pages) and substantive letter will be submitted by from Wanger Jones Helsley PC (or

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other law firm representing the neighbors), and that up to two additional short (under two pages) and non-substantive letters will be submitted, which can be adequately responded to in a maximum of 80 professional staff hours. The actual level of effort required to respond will depend on the length, detail, and sophistication of the comments, in addition to the number of letters received. We reserve the right to reevaluate the effort level and request a scope amendment upon close of the public comment period.

The Final EIR will consist of the body of the Draft EIR, as revised based on comments received, and an additional section including all comments and responses. We assume one round of review of City staff comments on the Response to Comments and Administrative Final Focused EIR. We will submit the Administrative Final Focused EIR digitally for City review.

Task 5.2: Mitigation Monitoring and Reporting Program (MMRP)

Concurrent with delivery of the Final Focused EIR, and in accordance with Public Resources Code Section 21081.6, Rincon will prepare an MMRP in a format that complies with City requirements, consistent with CEQA Guidelines requirements. The MMRP will include a table that lists each mitigation measure, the agency responsible for each measure, when monitoring must occur, the frequency of monitoring, and criteria to determine compliance with the condition. For some issues that may depend on the details of future development design, mitigation measures will identify specific performance standards to be achieved, typical approaches to meeting the applicable criteria, and the point in time when documentation must be provided to and approved by the City. Where necessary, the MMRP will include post-construction monitoring to confirm the effectiveness of the proposed measures. The MMRP will include mitigation measures identified in the Focused EIR and its accompanying Initial Study. We assume one round of review of City staff comments on the MMRP.

Task 5.3: Final Focused EIR and Notice of Determination

Rincon will respond to one round of City staff comments on the Administrative Final Focused EIR. Rincon will deliver a digital PDF copy of the Final Focused EIR to the City. Upon certification of the Final EIR and project approval, Rincon will prepare a Notice of Determination (NOD) for the City to file with the County Clerk's office. We assume the City will be responsible for payment of the County Clerk and California Department of Fish and Wildlife filing fees.

Task 6: Meetings and Public Hearings

During EIR preparation, key Rincon staff will attend up to two virtual meetings with staff (two hours in length each). These meetings would be scheduled at the discretion of the City. Rincon's Project Manager and/or Principal-in-Charge will also attend and present the conclusions of the Focused EIR at one virtual Planning Commission and one virtual City Council hearing.

Assumptions

Rincon assumes the following:

- The City will conduct appropriate notification to all responsible agencies and to the public
- One round of consolidated City comments will be provided on each deliverable
- The Focused EIR will contain two technical chapters (*Biological Resources* and *Cultural Resources*) and an *Effects Found Not to be Significant* chapter; any additional technical chapters will require an amendment

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- There will be no public scoping meeting
- No project disturbance will occur within a stream channel and no permits from CDFW or RWQCB will be required
- The Focused EIR will rely on AB 52 consultation already completed by the City for the IS-MND
- In addition to the no project alternative, two build alternatives will be presented to reduce potential impacts to historical resources
- One lengthy (over 20 pages) and substantive letter will be submitted by from Wanger Jones Helsley PC (or other law firm representing the neighbors), and up to two additional short (under two pages) and non-substantive letters will be submitted, which can be adequately responded to in a maximum of 80 professional staff hours
- The City will be responsible for payment of the County Clerk and California Department of Fish and Wildlife filing fees
- Rincon will not provide hard copies of any deliverables

Estimated Timeline

Rincon has an excellent reputation for adhering to schedules and meeting milestones. Based on our project understanding and the analysis required Rincon proposes to adhere to a schedule that allows for completion of the environmental review process in approximately six to eight months depending on timing of our receipt of a complete and stable project description and plan set, City review times, and number and complexity of public comments.

1. Kickoff and NOP. Rincon will schedule a kickoff meeting within one week of notice to proceed, and will submit the NOP within two weeks of project kickoff and receipt of all necessary background and project information
2. Administrative Draft Focused EIR. Rincon will submit the Administrative Draft EIR within six weeks of end of the 30-day public scoping period.
3. Draft Focused EIR. The Public Review Draft EIR will be completed within three weeks of receipt of City comments on the Administrative Draft EIR. If review of additional versions of the Administrative Draft EIR is required, Rincon will respond to comments on subsequent versions within one week for an additional cost.
4. Final Focused EIR. The Administrative Draft Final EIR/Responses to Comments will be completed within three to six weeks after receipt of all written comments received during the review period, depending on the number and complexity of public comments received. We will submit the Final EIR/Responses to Comments and MMRP within two weeks of receipt of City comments on the draft responses.

Meetings and public hearings will be scheduled as needed during the process.

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Cost Proposal

Rincon can complete the proposed work program for a cost not to exceed **$84,231.** We also recommend including an approximately 10 percent contingency (or $8,500), only to be released upon City approval. A breakdown of our cost by task is summarized in the table on the next page. All services would be provided on a time and expense reimbursement basis and will be billed in accordance with our standard fee schedule for professional services.

Thank you for considering Rincon for this assignment. Please do not hesitate to contact us if you have questions about this proposal or need additional information.

Sincerely,
Rincon Consultants, Inc.

Leslie Trejo, MUP
Project Manager
Phone: 510-984-6155
Email: ltrejo@rinconconsultants.com

Megan Jones, MPP
Principal-in-Charge
Phone: 831-920-5424
Email: mjones@rinconconsultants.com

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1661 Sunset Focused EIR

Cost Estimate

Task	Rate	Hours	Labor Budget
Task 1: Kickoff and Notice of Preparation		19.00	3,336.00
Principal I	250.00	4.00	1,000.00
Planner IV	164.00	12.00	1,968.00
GIS/CADD Specialist II	135.00	2.00	270.00
Production Specialist I	98.00	1.00	98.00
Task 2: Cultural Resources Peer Reviews		68.00	12,074.00
Principal I	250.00	8.00	2,000.00
Supervisor Archaeologist I	215.00	22.00	4,730.00
Archaeologist IV	164.00	12.00	1,968.00
Archaeologist II	135.00	20.00	2,700.00
GIS/CADD Specialist I	120.00	2.00	240.00
Technical Editor	120.00	2.00	240.00
Production Specialist I	98.00	2.00	196.00
Task 3: Administrative Draft EIR		200.50	30,997.00
Principal I	250.00	20.00	5,000.00
Supervisor Archaeologist I	215.00	8.00	1,720.00
Senior Biologist II	195.00	4.00	780.00
Archaeologist IV	164.00	18.00	2,952.00
Planner IV	164.00	27.00	4,428.00
Biologist III	152.00	30.00	4,560.00
Archaeologist II	135.00	16.00	2,160.00
GIS/CADD Specialist II	135.00	16.00	2,160.00
Planner I	120.00	48.00	5,760.00
Technical Editor	120.00	7.00	840.00
Production Specialist I	98.00	6.50	637.00
Task 4: Draft Focused EIR		74.00	10,864.00
Principal I	250.00	6.00	1,500.00
Senior Biologist I	179.00	4.00	716.00
Archaeologist IV	164.00	10.00	1,640.00
Planner IV	164.00	16.00	2,624.00
Planner I	120.00	28.00	3,360.00
Technical Editor	120.00	2.00	240.00
Production Specialist I	98.00	8.00	784.00
Task 5: Final Focused EIR		112.00	18,266.00
Principal I	250.00	12.00	3,000.00
Supervisor Archaeologist I	215.00	10.00	2,150.00
Senior Biologist II	195.00	4.00	780.00
Archaeologist IV	164.00	12.00	1,968.00
Planner IV	164.00	28.00	4,592.00
Biologist III	152.00	8.00	1,216.00
Planner I	120.00	36.00	4,320.00
Technical Editor	120.00	2.00	240.00
Task 6: Meetings and Public Hearings		42.00	8,694.00
Principal I	250.00	16.00	4,000.00
Supervisor Archaeologist I	215.00	6.00	1,290.00
Senior Biologist II	195.00	4.00	780.00
Planner IV	164.00	16.00	2,624.00
Project Total		**515.50**	**84,231.00**

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REIMBURSEMENT AGREEMENT FOR CONSULTANT PLANNING SERVICES FOR THE 1661 SUNSET DRIVE PROJECT

PREAMBLE

This Reimbursement Agreement ("Agreement") is by and between Elstob Family Investments LP, a California limited partnership ("Elstob Family Investments") and the City of Pacific Grove, California, a chartered California municipal corporation ("City"). Elstob Family Investments may also be referred to as "Applicant." City and Applicant may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

A. The Applicant desires to redevelop various parcels collectively referred to as 1661 SUNSET DRIVE; Assessor's Parcel Numbers 007-041-033, 007-041-034, and 007-041-035 (Proposed Project).

B. The City will incur various costs and expenses including preparation of a focused Environmental Impact Report (focused EIR) for the Proposed Project. The City has retained an Environmental Planning consultant, Rincon Consultants Inc., to assist in the analysis of environmental clearance documents for conformance to the California Environmental Quality Act (CEQA), the preparation of a focused EIR IS/MND and attendant notifications, reports and presentations, and attendance at relevant meetings, associated with the Proposed Project.

C. Applicant is willing to reimburse City for Eligible Costs to be incurred by City in connection with the utilization of Rincon Consultants, Inc. to provide environmental review in compliance with CEQA on the 1661 Sunset Drive site(s), as set forth herein.

In consideration of the recitals and mutual promises contained herein, the Parties agree as follows:

AGREEMENT PROVISIONS

1. PURPOSE OF AGREEMENT

The purpose of this Agreement is to provide for payment by Applicant of all Eligible Costs (defined below) directly or indirectly incurred by City in connection with the Proposed Project.

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2. REIMBURSEMENT OBLIGATION

A. The Applicant shall reimburse the City for Planning fees associated with the preparation of a focused EIR, notifications and presentation preparation of the Proposed Project, including Planning Consultant and/or dedicated staff fees and costs incurred in connection with the review of Planning Applications for the Proposed Project (collectively, the "Eligible Costs") in accordance with this Agreement.

B. The total amount of Eligible Costs is estimated to be $106,815 including a 10 percent contingency fee. This includes reimbursement for contract expenses, fees and direct consultant costs associated with contract or project management. All direct City staff costs will be billed at the fully-burdened hourly rate, which is determined annually by the City. City agrees to use its best efforts to stay within the Estimated Budget. In the event that additional services are required that would exceed the Estimated Budget, City shall give the Applicant 10 business days' advance written notice prior to authorizing any work that would cause the Eligible Costs to exceed the Estimated Budget, which notice shall document the budget for additional services that would exceed the Estimated Budget ("Additional Budget"). If City and Applicant cannot agree to the scope and cost of said additional services in writing, this Agreement may be terminated or extended pursuant to Section 7. Applicant shall provide an amount to cover additional costs prior to the commencement of additional services, unless the Parties agree to an alternate funding allocation as part of the review and approval of the scope and cost of said additional services.

3. PAYMENT OF ELIGIBLE COSTS

A. Upon execution of this Agreement, Applicant shall deposit with City the sum equivalent to $47,974 in cash or other immediately available funds (“Payment). This Payment is in addition to a prior Payment of $58,841, the balance of which shall be transferred to this Agreement. The Payment(s) will be retained as a "Deposit" in satisfaction of Applicant's obligation to pay Applicant's Share of Eligible Costs.

B. If the City provides notice pursuant to Section 2.B of this Agreement that services are required that would cause the Eligible Costs to exceed the Estimated Budget, the Applicant shall deposit with City the sum equivalent to [Additional Budget] in cash or other immediately available funds ("Additional Payment") in satisfaction of Applicant's obligation to pay Eligible Costs. Upon mutual agreement of the City and Applicant, the Applicant may provide the Additional Payments in accordance with Section 3.A.

C. City shall withdraw from the Payment and Additional Payment, if any, as necessary to cover the Eligible Costs. On a monthly basis, City shall provide written notice to all Applicant documenting: (1) the amount of Eligible Costs

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incurred to date; (2) the amount of Payments and Additional Payments, if any, that the City has used to pay Eligible Costs incurred to date; and (3) the remaining balance of the Applicant's Payment and Additional Payments, if any.

D. The Applicant makes this commitment without regard to the City's ultimate decision whether to approve the Proposed Project.

4. REFUND OF UNEXPENDED BALANCE

A. In the event this Agreement is terminated as provided in Section 6 below, City shall return to each Applicant within 45 days following the effective date of termination that portion of the Payment or Additional Payment, if any that has not been expended or committed by City as provided herein. If unexpended funds are returned and the City is invoiced for any direct costs that were completed prior to the date of termination, the Applicant shall be billed for those costs.

B. Any unexpended funds shall be returned to the Applicant within 45 days after (1) the City approves or denies all relevant planning applications associated with the Proposed Project. City shall provide copies of invoices and other documents to verify final costs for services.

5. NO COMMITMENT AS TO FUTURE APPROVALS

Nothing in this Agreement shall be construed as a commitment to grant or issue any preliminary or final approvals in connection with the Proposed Project. Each Applicant acknowledges and agrees that nothing in this Agreement limits City's discretion, in any manner, with respect to any aspect of the Proposed Project. Each Applicant agrees that it shall remain obligated to pay Applicant's Share of all Eligible Costs, regardless of whether any aspect of the Proposed Project is approved.

6. TERM; TERMINATION OF AGREEMENT

A. The term of this Agreement shall be from the Effective Date until the date the services identified in Recital B have been fully performed and paid for, unless terminated earlier.

B. Any Party may terminate this Agreement without cause by giving the other Parties written notice ("Notice of Termination") which clearly expresses that Party's intent to terminate the Agreement. Notice of Termination shall become effective no less than ten (10) calendar days after all Parties receive such notice. No Applicant shall have an obligation to pay any Eligible Costs incurred on or after the effective date of the termination, but shall remain responsible for any Eligible Costs incurred prior to the effective date of the termination.

C. In the event of termination of this Agreement, City shall prepare a statement for all services rendered by City. City will refund any unexpended balance of Applicant's funds to Applicant in accordance with Section 4 of this Agreement.

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7. APPLICANT STANDING

Applicant is a California LP. Applicant shall maintain limited partnership existence and good standing in its jurisdiction of registration and maintain qualification in each jurisdiction in which it is required under applicable law. Applicant shall maintain in force all licenses, approvals, and agreements, the loss of which could have a Material Adverse Effect. Applicant shall provide to City a Certificate of Good Standing or Certificate of Existence from the appropriate authority, submitted within ten days upon request by City certifying that Applicant is in good standing as a limited partnership in the State of California.

8. ASSIGNMENT

An Applicant may assign its interest in this Agreement with the prior written notice and consent of City.

9. INTEGRATED DOCUMENT

This Agreement represents the entire agreement between City and Applicant. No other understanding, agreements, conversations, or otherwise, with any representative of any Party prior to execution of this Agreement shall affect or modify any of the terms or obligations of this Agreement. Any verbal agreement shall be considered unofficial information and is not binding upon any Party.

10. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

11. WAIVER

Waiver of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

12. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Pacific Grove
Attention: John Kuehl, Interim Director Community Development Dept.
300 Forest Avenue
Pacific Grove, California 93950
Phone: 831-648-3192
Fax: 831-648-3184
Email: jkuehl@4leafinc.com

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to Elstob Family Investments addressed as follows:

Elstob Family Investments, LP
Attention: Mark Elstob
415 Crocker Avenue
Pacific Grove, California 93950
Phone: 831-655-9858
Email: melstob@romarcoproperties.com

If notice is sent via facsimile, a signed, hard copy of the material shall also be mailed. The workday the facsimile was sent shall control the date notice was deemed given if there is a facsimile machine generated document on the date of transmission. A facsimile transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following Monday.

13. CAPTIONS

The captions of the various sections, paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

14. LAW GOVERNING CONTRACT AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by any Party shall be vested in the state courts of the County of Monterey, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

15. COUNTERPARTS AND SIGNATURES

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that signatures on this Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. The Effective Date is the date that the final signatory executes the Agreement. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

[Signatures on following pages]

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CITY OF PACIFIC GROVE, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

DocuSigned by:
David Laredo
F06545E32B2846E...
DAVID C. LAREDO
City Attorney

Dated: 5/23/2022

DocuSigned by:
Ben Harvey
AA58608E21DD48F...
BEN HARVEY
City Manager
300 Forest Avenue
Pacific Grove, CA 93950
Telephone: (831) 648-3106
Fax: (831) 657-9361

ATTEST:

DocuSigned by:
Sandra Kandell
7082F89F4EDE420...
SANDRA KANDELL
City Clerk

"CITY"

ELSTOB FAMILY INVESTMENTS, LP
a California limited partnership

Dated: 5/13/2022

By: DocuSigned by: Mark Elstob
887D466762AC4A2...
(Signature)

Name: Mark Elstob

Title: General Partner

By: _____
(Signature)

Name: _____

Title: _____

Local Address: 415 Crocker Avenue
Pacific Grove, CA 93950

Email Address: melstob@romarcoproperties.com

Telephone: (925) 915-9338

Fax: _____

"ELSTOB FAMILY INVESTMENTS"

AMENDMENT #3
AGREEMENT FOR PROFESSIONAL SERVICES WITH **Rincon**

WHEREAS, the City of Pacific Grove ("City") and **Rincon Consultants Inc.** ("Contractor") entered into a Professional Services Agreement ("Agreement") on December 3, 2021; and

WHEREAS said Agreement was amended on March 3 and May 11, 2022; and

WHEREAS, the City and Contractor desire to amend certain terms of the Agreement; NOW, THEREFORE, the parties agree as follows:

A. The Agreement is amended as follows:

3. TERM OF AGREEMENT. The term of this Agreement is from December 1, 2021, to February 1, 2024, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and City and with City signing last, and CONTRACTOR may not commence work before City signs this Agreement

B. All other terms of the Agreement as amended remain the same.

Dated: _____

_____
Megan Jones, Principal
Rincon Consultants, Inc.

Dated: _____

_____
Ben Harvey, City Manager
City of Pacific Grove

Dated: _____

_____
Tori Hannah, Administrative Service
Director, Finance & Risk Management
City of Pacific Grove

Dated: _____

_____
Bill Peake, Mayor
City of Pacific Grove

Agenda No. 9 E

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Bill Peake, Mayor
MEETING DATE:	February 1, 2023
SUBJECT:	Appointment to Historic Resources Committee
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve the appointment of J. Bicket to Historic Resources Committee ending January 31, 2025.

DISCUSSION

The appointment of J. Bicket fills a vacancy on the Historic Resources Committee.

City committees play a vital role in city government and provide opportunities for residents to become engaged in civic activities and work to improve local governance. We are very fortunate to have many highly qualified and talented residents willing to serve on City committees.

The term for HRC positions are 2 years as this is a non-Charter committee.

Mayoral appointments to City committees must be confirmed by Council (Charter Article 26). Further regulations and policy regarding appointments can be found in PGMC Chapter 3.02 and Policy 000-5.

OPTIONS

N/A

FINANCIAL IMPACT:

There is no fiscal impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

Redacted App

CITY OF PACIFIC GROVE
www.ci.pacific-grove.ca.us

Application for Appointment to a Public Board, Commission, or Committee

Persons interested in being appointed to serve on a board, commission, or committee of the City of Pacific Grove are invited to complete the following application.

Name:
Jennifer Bicket

Street Address:
[redacted]

City:	**State:**	**ZIP Code:**
Pacific Grove	CA	93950

Residence Telephone Number:	**Work Telephone Number:**	**E-Mail Address:**
[redacted]	NA	[redacted]

Name of Board, Commission, or Committee on which you would like to serve:
Beautification and Natural Resources Commission

Brief Description of Background and Qualifications (Additional Information May Be Attached on Separate Sheets): ATTACHMENT OF A RESUME IS DESIRABLE.

I have a Bachelors degree in Landscape Design and an Associate degree in Horticulture, as well as a Masters in Public Administration. I think I would be as asset to the Commission with my experience in landscape design and horticulture. I would have the capacity to advise on beautication projects for the business district as well as the city at large. I am committed to all aspects of the Commission's stated goals.

RECEIVED
CITY MANAGER'S OFFICE
2022 NOV 16 P 3:07
CITY OF PACIFIC GROVE

I hereby certify that I am a registered voter of the City of Pacific Grove (not required for EDC appointees)

Signature of Applicant:	**Date:**
JR	11/16/22

FOR CITY USE ONLY

Appointed to: _____

Date of Appointment: _____ ***Expiration:*** _____

Date of Reappointment: _____ ***End of Term:*** _____

Date Certification of Appreciation Awarded: _____

Jennifer Bicket
[redacted]
Pacific Grove, California
[redacted]

Education

Masters of Public Administration, January 2000
University of San Francisco, San Francisco, California

Bachelor of Science, Magna Cum Laude, Landscape Design December 1981
North Carolina State University, Raleigh, North Carolina

Associate of Science, Horticulture 1973
Temple University, Ambler, Pennsylvania

Experience

1/1/1989
-6/30/2006 **University of California, San Francisco, School of Medicine**
Position History:

1/2005-2006 **Principal Analyst**
Department of Surgery

1/2000-2005 **Principal Analyst**
Dean's Office,
Division of Academic Affairs and Office of Human Resource Services

5/1998-12/1999 **Management Services Officer**
Department of Cellular and Molecular Pharmacology

4/1997-4/1998 **Division Manager**
Department of Medicine, Division of Cardiology

1/1989-4/1997 **Academic Personnel Coordinator**
Department of Radiology
Department of Anesthesia

Over these years I worked with increasing responsibility in all areas of academic (faculty) personnel and staff human resources. Responsibilities included but were not limited to administrative affairs for faculty, such as appointments, promotions, salary administration, sabbatical leaves, and a variety of salary and benefit adjustments. Coordination and processing of all temporary medical licensing, and Immigration and Naturalization Service (INS) documents including visas and permanent residency applications for academic personnel. Responsible for managing staff personnel.

Provided department management that included responsibility for the financial oversight and management of all department space allocation, construction projects, and space planning. Was also responsible for administration of State and extramural funds, private funds, contract agreements and annual operating/capital budget, as well as equipment inventory.

Established goals, developed programs and implemented procedures to carry out department activities as well as short and long range planning for operational, organizational, resource and program needs. Interpreted and ensured compliance with all UC policies and procedures.

7/1988-5/1989 **Architectural Consultant/Permit Expediter**
San Francisco, California
Worked with architects and general contractors in San Francisco to assist in the procurement of building permits, San Francisco California

4/1986-6/1988 **Administrative Assistant/Legal Secretary**
San Francisco, California
Jackson, Lewis, Schnitzler & Krupman, San Francisco, California

3/1985-3/1986 **Office Manager**
San Francisco, California
Law Offices of Riccitiello, Jaret & Last

3/1984-2/1985 **Office Manager**
Oakland, California
Singer & Hodges, Inc., Landscape Architects

11/1982-3/1984 **Administrative Assistant**
San Francisco, California
Law Offices of Thierman, Simpson and Cook

Honors and Awards

Star Performance Award Nomination, Department of Radiology, 1996
(declined due to membership on selection committee)
Star Performance Award, Department of Radiology, 1995
Member, Pi Alpha Zi Honors Fraternity 1981

University and Public Service

Outside of UCSF

Point Pinos Lighthouse, Chair, 165th Lighthouse Birthday Celebration Committee 2019
Point Pinos Lighthouse, Docent 2017-present
Heritage Society of Pacific Grove, Board Member, 2022
Heritage Society of Pacific Grove, Lecture Series Coordinator, 2016-2019
Heritage Society of Pacific Grove, Board Member, 2016
Heritage Society of Pacific Grove, Barn Committee Member, 2015-2016
Monterey Historic Garden League, Board Member, 2015-2016
Pacific Grove Museum of National History, Exhibitions Committee 2013-1014
Animal Friends Rescue Project, Microchip Entry and Volunteer, 2012-2019
Friends of the Pacific Grove Public Library, Membership Chair, 2011-2015
Historic Garden League, Member and Volunteer 2011-present
Pacific Grove Library, Book Return-Stacks Volunteer 2012-2016
Sports Car Club of America, Race Official 2007-present
Strybing Arboretum, Volunteer, Education Department 1995-2000
Strybing Arboretum, Member, Sign Committee 1996-2000

University of California, San Francisco

Member, Vacation Accrual Committee
Chair, Search Committee MSO, Dept of Anesthesia, 1999
Member, Systems Requirement Task Force Committee, 1999
Member, Mission Bay Business Processes Subcommittee, 1999-2000
Member, Mission Bay Operations Services Committee, 1999-2000
Chair, Basic Science Managers Meeting, 1998
Member, Star Performance Award Committee, UCSF, Department of Medicine, 1997
Member, Star Performance Award Committee, UCSF, Department of Radiology, 1996

References will be furnished on request

Agenda No. 10 A

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Joseph Sidor, Contract Planner
MEETING DATE:	February 1, 2023
SUBJECT:	Planning Commission Meeting Minutes: September 8, October 13, November 10, and December 8, 2022
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive the minutes.

Attachments

Approved PC Minutes 09-08-22

Approved PC Minutes 10-13-22

Approved PC Minutes 11-10-22

Approved PC Minutes 12-08-22 (Regular Meeting)

Approved PC Minutes 12-08-22 (Special Meeting)

CITY OF PACIFIC GROVE

PLANNING COMMISSION

MEETING MINUTES

Thursday, Sept. 8, 2022, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

This meeting was held in Council Chambers and via Zoom webinar.

1. **CALL TO ORDER & ROLL CALL –** Chair Lilley called the meeting to order at 6:00 pm.
   Commissioners Present: Aeschliman, Beck, Fredrickson, Lilley, Murphy, Nodzenski, Sawyer.

2. **APPROVAL OF AGENDA –**
   Chair Lilley asked if any Commissioners wanted to make any changes to the agenda.
   On a motion by Secretary Sawyer, seconded by Commissioner Aeschliman, the agenda was unanimously approved on a roll call vote. (7-0)

3. **COMMISSION AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
   A. Secretary Sawyer reported that she attended an Institute for Local Government Webinar on Sustained Recreation; and attended a Terner Center and Casita Coalition presentation Aug. 26th dealing with ADU production and Equity.
   B. Chair Lilley noted that he attended the Pacific Grove City Council meeting on August 17th, at which he spoke as a private citizen supporting the Request for Proposals for the Focused General Plan Update, including updates to the zoning code and maps, objective design and development standards, and associated environmental review.
   C. Community Development Department (CDD) Director Anastacia Wyatt announced that she toured local Passive Houses (i.e., energy efficient) on August 27th, attended the National Community Development Association Conference in Minneapolis in June, and toured an 86-unit affordable passive house development.

4. **COUNCIL LIAISON ANNOUNCEMENTS**
   Council Member Coletti had no announcements.

5. **GENERAL PUBLIC COMMENT –** the following individuals provided public comment:
   Jill Kleiss, Tony Ciani, Gabriel Sanders, Inge Lorentzen Daumer, and an unidentified individual.

CONSENT AGENDA

6. REPORTS FOR INFORMATION – None

7. REPORTS REQUIRING ACTION

   A. Minutes of the Aug. 11, 2022, Planning Commission Regular Meeting
   Reference: Joseph Sidor, Contract Planner
   Recommended Action: Approve the minutes of the Aug. 11, 2022, Planning Commission Regular Meeting.
   CEQA: Does not constitute a "Project" per CEQA Guidelines Section 15378

On a motion by Commissioner Aeschliman, seconded by Vice Chair Murphy, the consent agenda was unanimously approved as presented on a roll call vote. (7-0)

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Architectural Permit (AP), Variance (VAR) & Coastal Development Permit (CDP) 22-0092 for 829 Ocean View Blvd.
From: Alex Othon, Associate Planner
Zoning District/General Plan Designation: R-3-PGR / High Density Residential (10-20 du/ac)
Coastal Zone: Yes
Historic Resources Inventory: No
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class 1, Existing Facilities
Recommendation Action: Forward a recommendation of approval to the Planning Commission, subject to findings, conditions of approval and a Class 1 CEQA exemptions.
Reference: Alex Othon, Associate Planner

Chair Lilly reported an ex parte communication regarding this project (Sarah Boyle, Vice Chair of the Architectural Review Board). After receiving an oral report by Associate Planner Othon, and testimony from the owner (Keith Erickson), Chair Lilley opened the public hearing and the following individuals provided public comment: Inge Lorentzen Daumer, Tony Ciani, Lisa Ciani, and Marie Sarah. Chair Lilley closed the public hearing portion of the meeting and returned the item to the Commission for deliberation.

After discussion, Commissioner Fredrickson made a motion, seconded by Vice Chair Murphy, to approve the project with an added condition to require the proposed copper gutters and downspouts be coated/lined and to modify Condition No. 12 to insert the word "not" (*The fascia beneath the deck railing shall <u>not</u> be segmented.*). On a roll call vote, the motion to approve the project as amended was approved. (6-1; Sawyer opposed)

B. Appeal of Architectural Permit and Tree Permit with Development (AP/TPD) No. 22-0108, 1166 Presidio Boulevard, Pacific Grove (APN 007-591-013)
From: Joseph Sidor, Contract Planner
Zoning District/General Plan Designation: R-1 / Medium Density Residential (9.7 du/ac)
Coastal Zone: No
Historic Resources Inventory: No
CEQA: Categorical Exemption, CEQA Guidelines Section 15302, Class 2, Replacement or Reconstruction of Existing Structures and Facilities
Recommendation Action: Staff recommends the Planning Commission deny the appeal, find the project categorically exempt per CEQA Guidelines Section 15302, and approve the Architectural Permit and Tree Permit with Development (AP-TPD 22-0108) subject to the findings and conditions of approval.
Reference: Joseph Sidor, Contract Planner

Chair Lilly introduced the item and reported an ex parte communication regarding this project (Sarah Boyle, Vice Chair of the Architectural Review Board). After receiving an oral report by Contract Planner Sidor, testimony from the appellant's attorney (Mitchell Abdallah), and testimony from the applicant's designer (Steven Krebs) and the owners (Matt Meyers and Mimi Meyers), Chair Lilley opened the public hearing and Inge Lorentzen Daumer provided public comment. Chair Lilley closed the public hearing portion of the meeting and opened the

opportunity for rebuttal from the appellant's attorney (Mitchell Abdallah), owner (Matt Meyers), applicant (Craig Riddell), and appellant (Catherine Jimenez). Chair Lilley then returned the item to the Commission for deliberation.

After discussion, Commissioner Fredrickson made a motion, seconded by Vice Chair Murphy, to deny the appeal and approve the project. Commissioner Beck recommended a friendly amendment to have the applicant submit a revised application form to accurately reflect the project description and plans and to re-evaluate the trees for removal, and this amendment was accepted by both Commissioners Fredrickson and Murphy. Commissioner Aeschliman then recommended a friendly amendment to eliminate the second story deck, and this amendment was accepted by both Commissioners Fredrickson and Murphy. On a roll call vote, the motion as amended was unanimously approved. (7-0)

9. **CONTINUED AND ONGOING BUSINESS**

A. Report Regarding Amendment of PGMC Chapter 23.45 – Prohibition of Timeshares

From: Joseph Sidor, Contract Planner

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

Recommended Action: Receive an oral report from staff regarding an amendment to Pacific Grove Municipal Code (PGMC) Chapter 23.45 – Prohibition of Timeshares.

Reference: Joseph Sidor, Contract Planner

Staff did not provide a report at this meeting. No individuals provided public comment. No further action taken.

B. Housing Element and General Plan Updates

From: Anastacia Wyatt, Community Development Director

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.

Reference: Anastacia Wyatt, Community Development Director

CDD Director Wyatt presented a staff update. Chair Lilley opened the floor to questions from Commissioners and to public comment. The following individual provided public comment: Inge Lorentzen Daumer. Chair Lilley then closed the public hearing portion of the meeting and returned the item to the Commission for further questions and discussion. No further action taken.

C. Receive an Oral Report on Activities of the Policy and Ordinance Subcommittee

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per CEQA Guidelines Section 15378

Recommended Action: Receive an oral report on activities of the Policy and Ordinance Subcommittee.

Reference: Steven Lilley, Chair

Secretary Sawyer and Vice Chair Murphy presented a brief oral report. No individuals provided public comment. No further action taken.

D. Receive an Oral Report on Activities of the Planning Subcommittee

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per CEQA Guidelines Section 15378

Recommended Action: Receive an oral report on activities of the Planning Subcommittee.

Reference: Steven Lilley, Chair

Chair Lilley presented an overview of the subcommittee's activities of the past year. No individuals provided public comment. No further action taken.

E. Receive an Oral Report on Activities of the Parklets Subcommittee

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

Recommended Action: Receive an oral report on activities of the Parklets Subcommittee.

Reference: Steven Lilley, Chair

Secretary Sawyer presented a report and provided an update for future activities of the subcommittee. The following individual provided public comment: Inge Lorentzen Daumer. No further action taken.

10. **NEW BUSINESS** – None

11. **PRESENTATIONS** – None

12. **NEXT MEETING –** October 13, 2022

13. **ADJOURNMENT -** By order of the Chair, the meeting was adjourned at 9:01 pm.

CITY OF PACIFIC GROVE

PLANNING COMMISSION

MEETING MINUTES

Thursday, October 13, 2022, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

This meeting was held in Council Chambers and via Zoom webinar.

1. **CALL TO ORDER & ROLL CALL –** Vice Chair Murphy called the meeting to order at 6:00 pm.
   Commissioners Present: Aeschliman, Beck, Murphy, Nodzenski, Sawyer.
   Commissioners Absent: Chair Lilley, Fredrickson

2. **APPROVAL OF AGENDA –**
   Vice Chair Murphy asked if any Commissioners wanted to make any changes to the agenda. Vice Chair Murphy recommended continuing Items 9B (Draft Parklet Program Manual), 9E (Receive an Oral Report on Activities of the Planning Subcommittee), 10A (Report regarding Proposed Revisions to Committee Policies and Procedures), and 10B (Discussion regarding Hotel Parking Requirements) to the November 10, 2022, regular meeting.

   On a motion by Vice Chair Murphy, seconded by Secretary Sawyer, the agenda was unanimously approved as amended (i.e., Items 9B, 9E, 10A, and 10B were continued to the November 10, 2022, regular meeting) on a roll call vote. (5-0-2; Lilley and Fredrickson absent)

3. **COMMISSION AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
   A. Vice Chair Murphy announced he wished to call up Item 8C from the September 29, 2022, Historic Resources Committee regular meeting – Historic Determination (HD) 22-0255 for 1352 Lighthouse Avenue (i.e., the NOAA building). Vice Chair Murphy opened the floor to public comment and the following individuals provided public comment: Anthony Ciani and Lisa Ciani. Vice Chair Murphy then closed public comment and returned the item to the Commission for further questions and discussion.

   The Planning Commission voted unanimously to call up HD 22-0255 on a roll call vote. (5-0-2; Lilley and Fredrickson absent).

   B. Commission Liaison Sidor announced that housing staff hosted a Virtual Community Workshop on October 6, 2022, regarding housing placement. He also announced the receipt of correspondence regarding the proposed skate park and George Washington Park, stolen political signage, the Architectural Review Board decision regarding 176 Central Avenue, and the Pacific Grove Hotel project.

4. **COUNCIL LIAISON ANNOUNCEMENTS**
   Council Member Coletti had no announcements.

5. **GENERAL PUBLIC COMMENT –** the following individuals provided public comment: Cor Lageweg, Lisa Ciani, Inge Lorentzen Daumer, Vince Alfait, and Jill Kleiss.

CONSENT AGENDA

6. REPORTS FOR INFORMATION – None

7. REPORTS REQUIRING ACTION- None

REGULAR AGENDA

8. **PUBLIC HEARINGS** – None

9. **CONTINUED AND ONGOING BUSINESS**

A. Housing Element and General Plan Update
From: Anastacia Wyatt, Community Development Director
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.
Reference: Joseph Sidor, Contract Planner

Commissioner Sawyer commented on the Housing Element Advisory Committee meeting on September 26, 2022. Committee members were introduced to the Balancing Act tool. The following individuals provided public comment: Lisa Ciani and Tony Ciani. Vice Chair Murphy then closed the public comment portion of the meeting and returned the item to the Commission for further discussion. No further action taken.

B. Draft Parklet Program Manual
From: Laurel O'Halloran, Planner
Zoning District/General Plan Designation: Commercial
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.
Recommended Action: Provide feedback to Staff on the draft Parklet Program Manual
Reference: Laurel O'Halloran, Planner

Item continued to the November 10, 2022, regular meeting.

C. Receive an Oral Report on Activities of the Parklets Subcommittee
From: Steven Lilley, Chair
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378
Recommended Action: Receive an oral report on the activities of the Parklets Subcommittee.
Reference: Joseph Sidor, Contract Planner

Commissioner Sawyer provided an oral report. Vice Chair Murphy opened the floor to public comment and the following individuals provided public comment: Julie Vivolo Davis, Jenny McMurdo, Anthony Ciani, Inge Lorentzen Daumer, Lisa Ciani, and Kim Akeman. Vice Chair Murphy then closed the public comment portion of the meeting and returned the item to the Commission for further questions and discussion.

Commissioner Aeschliman made a motion, seconded by Commissioner Nodzenski, to send a letter regarding Parklet subcommittee progress and timelines to the City Council. The motion was unanimously approved as presented on a roll call vote. (5-0-2; Lilley and Fredrickson absent)

D. Receive an Oral Report on Activities of the Policy and Ordinance Subcommittee
From: Steven Lilley, Chair
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per CEQA GuidelinesSection 15378
Recommended Action: Receive an oral and written report on activities of the Policy and Ordinance Subcommittee.
Reference: Joseph Sidor, Contract Planner

Commissioner Sawyer reported ex parte communication with Lisa Ciani, Tony Ciani and Tom Moss regarding corrections to Figure 5, Land Habitat Sensitivity Map, of the Local Coastal Program Land Use Plan. Commissioner Sawyer then provided an oral report. Vice Chair Murphy opened the floor to public comment. The following individuals provided public comment: Anthony Ciani, Lisa Ciani, Thom Akeman, Inge Lorentzen Daumer, and Lori McDonnell. Vice Chair Murphy then closed the public comment portion and returned the item to the Commission for further questions and discussion. City Attorney (Greg Rubens) recommended the Commission agendize the item for future consideration and action by the Commission.

E. Receive an Oral Report on Activities of the Planning Subcommittee
From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per CEQA GuidelinesSection 15378

Recommended Action: Receive an oral report on activities of the Planning Subcommittee.

Reference: Joseph Sidor, Contract Planner

Item continued to the November 10, 2022, regular meeting.

10. **NEW BUSINESS**

A. Report regarding Proposed Revisions to Committee Policies and Procedures

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per CEQA Guidelines Section 15378

Recommended Action: Receive a report regarding proposed changes to the City's Boards, Committees and Commissions Handbook.

Reference: From: Steven Lilley, Chair

Item continued to the November 10, 2022, regular meeting.

B. Discussion regarding hotel Parking requirements

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per CEQA Guidelines Section 15378

Recommended Action: Hold a discussion on current ordinance requirements for hotel parking. Direct staff to prepare a resolution of intention for the Planning Commission to initiate an amendment to PGMC regarding parking requirements for hotels.

Reference: Steven Lilley, Chair

Item continued to the November 10, 2022, regular meeting.

11. **PRESENTATIONS** - None

12. **NEXT MEETING –** November 10, 2022

13. **ADJOURNMENT -** By order of the Vice Chair, the meeting was adjourned at 7:45 pm.

CITY OF PACIFIC GROVE

PLANNING COMMISSION

MEETING MINUTES

Thursday, November 10, 2022, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

This meeting was held in Council Chambers and via Zoom webinar.

1. **CALL TO ORDER & ROLL CALL –** Chair Lilley called the meeting to order at 6:13 pm. Start of meeting delayed due to technical issues.
   Commissioners Present: Aeschliman, Beck, Fredrickson, Murphy, Nodzenski, Sawyer, Lilley.
   Commissioners Absent: None

2. **APPROVAL OF AGENDA –**
   Chair Lilley asked if any Commissioners wanted to make any changes to the agenda.

   Commissioner Aeschliman made a motion, seconded by Commissioner Murphy, to approve the agenda as proposed. Commissioner Sawyer recommended a friendly amendment to move Item 8B (Historic Determination 22-0255 for 1352 Lighthouse Avenue) to Item 8A and Item 8A (Architectural Permit and Coastal Development Permit 22-0080, 176 Central Avenue) to Item 8B, and this amendment was accepted by both Commissioners Aeschliman and Murphy. The Commission voted unanimously 7-0-0 to approve the agenda as amended. (7-0-0)

3. **COMMISSION AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
   A. Commissioner Aeschliman commented regarding the requirements for new residential construction and the accommodations for electric charging units.
   B. Chair Lilley congratulated the elected officials and everyone who ran for office.
   C. Commission Liaison Sidor summarized the correspondence received.

4. **COUNCIL LIAISON ANNOUNCEMENTS**
   Council Member Coletti provided election and ballot measure information.

5. **GENERAL PUBLIC COMMENT –** the following individuals provided public comment:
   Inge Lorentzen Daumer and Tony Ciani

CONSENT AGENDA

6. REPORTS FOR INFORMATION – None

7. REPORTS REQUIRING ACTION

A. Minutes of the September 1, 2022, Planning Commission Special Meeting
Reference: Joseph Sidor, Contract Planner
Recommended Action: Approve the Minutes of the September 1, 2022, Planning Commission Special Meeting.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.

On a motion by Commissioner Aeschliman, seconded by Commissioner Murphy, the consent agenda was unanimously approved as presented on a roll call vote. (7-0)

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Historic Determination 22-0255 for 1352 Lighthouse Avenue (APN 007-011-005)
Zoning District/General Plan Designation: O / Open Space Institutional
Coastal Zone: Yes
Historic Resources Inventory: No
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.
Recommended Action: Find the property ineligible for the Historic Resources Inventory.
Reference: Alex Othon, Associate Planner

Chair Lilley introduced the item. Commissioner Murphy and Secretary Sawyer reported ex parte communications with Mimi Sheridan (historic preservation consultant, planner, and former Chair of the City's Historic Resources Committee). Commissioner Aeschliman reported an ex parte communication with Charles Green, and Chair Lilley reported ex parte communications with Lisa Ciani (member of COAST). After receiving an oral report by Associate Planner Othon, and testimony from COAST (Darcie Fohrman), the owner's attorney (Maclean Brady), and Dana Supernowicz (owner's historian), Chair Lilley opened the public hearing and the following individuals provided public comment: Steve Hauk, Angie Barr Cannon, David Laws, Brenna Wheelis, Charles Green, Sue Morley, Justin LeBlanc, Pamela Tannis, Vicki Pearse, Lisa Ciani, Janet Cohen, Lora Lee Martin, Jennifer Carson, Cari Rotoli, Inge Lorentzen Daumer, Tony Ciani, Geva Arcanin, and Louise Miranda Ramirez. Chair Lilley closed the public comment portion of the meeting and opened the opportunity for rebuttal from COAST (Charles Green) and the owner's historian (Dana Supernowicz). Chair Lilley then closed the public hearing portion of the meeting and returned the item to the Commission for deliberation.

Vice Chair Murphy made a motion, seconded by Commissioner Fredrickson, to find the property ineligible for the Historic Resources Inventory (HRI). On a roll call vote, the motion failed. (3-4-0; Aeschliman, Beck, Lilley, and Nodzenski opposed)

Commissioner Aeschliman then made a motion, seconded by Commissioner Nodzenski, to recommend the City Council request a historic resource assessment to determine if the property at 1352 Lighthouse Avenue is eligible to be placed on the HRI, and the Chair represent the Planning Commission at the City Council at some future meeting to recommend the City prepare a Phase I historic report for the property. On a roll call vote, the motion was approved. (4-3-0; Murphy, Sawyer, and Fredrickson opposed)

On a motion by Commissioner Aeschliman, seconded by Commissioner Nodzenski, the Commission appointed Chair Lilley as the Planning Commission representative to bring the matter before the City Council. (4-3-0; Murphy, Sawyer, Fredrickson opposed)

At approximately 8:53 pm, the Chair called a brief recess. The Commission reconvened at 9:03 pm.

B. Architectural Permit (AP) and Coastal Development Permit (CDP) 22-0080, 176 Central Avenue (APN 006-234-010)
From: Joseph Sidor, Contract Planner
Zoning District/General Plan Designation: V-C / Visitor-Serving Commercial
Coastal Zone: Yes
Historic Resources Inventory: No
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class 1, Existing Facilities
Recommended Action: Staff recommends the Planning Commission approve the proposed Architectural Permit and Coastal Development Permit (AP/CDP 22-0080), subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities).
Reference: Joseph Sidor, Contract Planner

Secretary Sawyer and Commissioner Beck reported ex parte communications. Both Commissioners visited the site and discussed the project. Chair Lilley recused himself from consideration of this project. Vice Chair Murphy then introduced the item. After receiving an oral report by Contract Planner Sidor, and testimony from the applicant's attorney (Cody Phillips) and the owner (Jon Kramer), Vice Chair Murphy opened the public hearing and the following individuals provided public comment: Tony Ciani, Inge Lorentzen Daumer, Kim Akeman, Thom Akeman, Janet Cohen, and Lisa Ciani. Vice Chair Murphy closed the public hearing portion of the meeting and returned the item to the Commission for deliberation.

After discussion, Commissioner Fredrickson made a motion, seconded by Commissioner Nodzenski, to approve the project as presented with conditions of approval to require a low-cost visitor accommodation, compliance with City accessible parking requirements, and off-site valet parking as needed. Secretary

Sawyer recommended a friendly amendment to require a construction management plan, and this amendment was accepted by both Commissioners Fredrickson and Nodzenski. On a roll call vote, the motion failed. (3-3-0-1; Beck, Murphy, and Sawyer opposed; Lilley recused)

Commissioner Fredrickson then made a motion, seconded by Vice Chair Murphy, to continue this item to the December 8, 2022, regular meeting. On a roll call vote, the motion was unanimously approved. (6-0-0-1; Lilley recused)

9. **CONTINUED AND ONGOING BUSINESS**

Although identified below under each item, the Commission continued Items 9A, 9B, 9C, and 9D as a single motion.

A. Parklets Program

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.

Recommended Action: Receive an oral and written report on activities of the Parklets Subcommittee; review and consider the Parklets Program, including a draft manual prepared by CDD staff; and consider recommendations to the City Council.

Reference: Steven Lilley, Chair

Secretary Sawyer made a motion, seconded by Commissioner Fredrickson, to continue this item to the December 8, 2022 regular meeting. On a roll call vote, the motion was unanimously approved. (7-0-0)

B. Receive a Report on Activities of the Policy and Ordinance Subcommittee

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.

Recommended Action: Receive an oral report on the activities of the Policy and Ordinance Subcommittee, review the charge of the subcommittee, and direct staff to initiate an amendment to Title 23 per the recommendations of the subcommittee.

Reference: Steven Lilley, Chair

Secretary Sawyer made a motion, seconded by Commissioner Fredrickson, to continue this item to the December 8, 2022 regular meeting. On a roll call vote, the

motion was unanimously approved. (7-0-0)

C. Receive a Report on the Housing Element Update
From: Anastacia Wyatt, Community Development Director
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378
Recommended Action: Receive an oral report on the Housing Element Update.
Reference: Anastacia Wyatt, Community Development Director

Secretary Sawyer made a motion, seconded by Commissioner Fredrickson, to continue this item to the December 8, 2022 regular meeting. On a roll call vote, the motion was unanimously approved. (7-0-0)

D. Discussion regarding Hotel Parking Requirements; continued from the October 13, 2022, Planning Commission meeting.
From: Steven Lilley, Chair
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per CEQA GuidelinesSection 15378
Recommended Action: Hold a discussion on current ordinance requirements for hotel parking. Direct staff to prepare a resolution of intention for the Planning Commission to initiate an amendment to PGMC regarding parking requirements for hotels.
Reference: Steven Lilley, Chair

Secretary Sawyer made a motion, seconded by Commissioner Fredrickson, to continue this item to the December 8, 2022 regular meeting. On a roll call vote, the motion was unanimously approved. (7-0-0)

10. **NEW BUSINESS** – None

11. **PRESENTATIONS** - None

12. **NEXT MEETING –** December 8, 2022

13. **ADJOURNMENT -** By order of the Chair, the meeting was adjourned at 11:08 pm.

CITY OF PACIFIC GROVE

PLANNING COMMISSION

REGULAR MEETING MINUTES

Thursday, December 8, 2022, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

This meeting was held in Council Chambers and via Zoom webinar.

1. **CALL TO ORDER & ROLL CALL –** Chair Lilley called the meeting to order at 6:01 pm.
   Commissioners Present: Aeschliman, Fredrickson, Nodzenski, Sawyer, Lilley.
   Commissioners Absent: Murphy
   One Vacancy

2. **APPROVAL OF AGENDA –**
   Chair Lilley asked if any Commissioners wanted to make any changes to the agenda.

   Commissioner Fredrickson made a motion, seconded by Commissioner Aeschliman, to approve both the regular and special meeting agendas as proposed. The Commission voted unanimously to approve the motion. (5-0-1-1; Murphy absent; one vacancy)

3. **COMMISSION AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
   A. Chair Lilley commented on the Regular and Special meeting agendas. He also announced that Commissioner Sawyer resigned as Planning Commission Secretary, thanked her for her efforts, and requested volunteers. Commissioners Aeschliman, Sawyer, and Fredrickson commented.
   B. Commission Liaison Sidor summarized the correspondence received.

4. **COUNCIL LIAISON ANNOUNCEMENTS**
   Council Member Coletti announced that the City Council seated two new members – Debby Beck and Lori McDonnell.

5. **GENERAL PUBLIC COMMENT –** No verbal comment received from members of the public during the meeting.

   A. Public Comments
   Reference: Joseph Sidor, Contract Planner
   Recommended Action: Receive public comments, if applicable.
   CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

   The Planning Commission received multiple written comments regarding Parklets.

CONSENT AGENDA

6. REPORTS FOR INFORMATION – None

7. REPORTS REQUIRING ACTION – None

REGULAR AGENDA

8. **PUBLIC HEARINGS** – None

9. **CONTINUED AND ONGOING BUSINESS**

A. Architectural Permit (AP) and Coastal Development Permit (CDP) 22-0080, 176 Central Avenue (APN 006-234-010); Continued from the November 10, 2022, Planning Commission meeting

From: Joseph Sidor, Contract Planner

Zoning District/General Plan Designation: V-C / Visitor-Serving Commercial

Coastal Zone: Yes

Historic Resources Inventory: No

CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class 1, Existing Facilities

Recommended Action: Continue the subject project (AP/CDP No. 22-0080) to January 12, 2023.

Reference: Joseph Sidor, Contract Planner

Commissioner Fredrickson made a motion, seconded by Commissioner Sawyer, to continue this item to the January 12, 2023, regular meeting. On a roll call vote, the motion was unanimously approved. (4-0-1-1-1; Murphy absent; Lilley recused; one vacancy)

B. Parklets Program; Continued from the November 10, 2022, Planning Commission meeting

From: Claudia Sawyer, Secretary

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.

Recommended Action: Receive an oral and written report on activities of the Parklets Subcommittee

Reference: Claudia Sawyer, Secretary

Chair Lilley introduced the item and discussed the process for review. The Chief Building Official (John Kuehl) provided brief comments regarding the Draft Parklet Program manual prepared by staff and included in the subcommittee's report. Chair

Lilley and Commissioner Sawyer provided a presentation on the Parklet Subcommittee report, including recommendations to the City Council. Chair Lilley then opened the public hearing and the following individuals provided public comment: Liz Jacobs, Jenny MacMurdo, Jerry Register, Mark Brice Chakwin, Thom Akeman, Michael Scanlon, Nancy (last name not provided), Colleen Ingram, Atticus Rotoli, Inge Lorentzen Daumer, Kim (last name not provided), Lisa Ciani, Tony Ciani, and Jordan Champagne. Chair Lilley then closed the public comment portion of the meeting and returned the item to the Commission for deliberation.

Chair Lilley recessed the Regular Meeting and convened the Special Meeting at 8:05 pm. See the minutes for the Special Meeting.

The Special Meeting was adjourned and at the Regular Meeting reconvened at 8:17 pm. No further action taken on this item.

C. Receive a Report on Activities of the Policy and Ordinance Subcommittee
From: Steven Lilley, Chair
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.
Recommended Action: Receive an oral report on the activities of the Policy and Ordinance Subcommittee, and direct staff to initiate an amendment to Title 23 per the recommendations of the subcommittee.
Reference: Steven Lilley, Chair

After receiving an oral report from Commissioner Sawyer, Chair Lilley opened the public hearing and the following individuals provided public comment: Tony Ciani and Lisa Ciani. Chair Lilley closed the public hearing portion of the meeting and returned the item to the Commission for deliberation.

Commissioner Fredrickson made a motion, seconded by Commissioner Sawyer, to direct staff to prepare a draft ordinance for Commission consideration. On a roll call vote, the motion was unanimously approved. (5-0-1-1; Murphy absent; one vacancy)

D. Discussion regarding Hotel Parking Requirements; continued from the October 13 and November 10, 2022, Planning Commission meetings.
From: Steven Lilley, Chair
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per CEQA GuidelinesSection 15378
Recommended Action: Hold a discussion on current ordinance requirements for hotel parking. Direct staff to prepare a resolution of intention for the Planning

Commission to initiate an amendment to the PGMC regarding parking requirements for hotels.

Reference: Steven Lilley, Chair

Chair Lilley introduced the item, opened the public hearing, and the following individuals provided public comment: Tony Ciani, Lisa Ciani, and Inge Lorentzen Daumer. Chair Lilley closed the public hearing portion of the meeting and returned the item to the Commission for deliberation.

Commissioner Fredrickson made a motion, seconded by Commissioner Aeschliman, to direct staff to prepare a resolution of intention to initiate an amendment to the PGMC consistent with the Commission's direction. On a roll call vote, the motion was unanimously approved. (5-0-1-1; Murphy absent; one vacancy)

E. Oral Report regarding Policies and Procedures of Boards, Committees, and Commissions

From: Steven Lilley, Chair

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.

Recommended Action: Receive an oral report regarding policies and procedures of Boards, Committees, and Commissions

Reference: Steven Lilley, Chair

Chair Lilley introduced the item. No individuals provided public comment. No further action taken.

F. Receive a Report on the Housing Element and General Plan Updates

From: Anastacia Wyatt, Community Development Director

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

Recommended Action: Receive a report on the Housing Element and General Plan updates.

Reference: Anastacia Wyatt, Community Development Director

After comments from Contract Planner Sidor and City Attorney Rubens, Chair Lilley opened the public hearing and the following individual provided public comment: Andrew K. (full last name not provided). Chair Lilley closed the public comment portion of the meeting and returned the item to the Commission for discussion. No further action taken.

10. **NEW BUSINESS** – None

11. **PRESENTATIONS** – None

12. **NEXT MEETING –** January 12, 2023

13. **ADJOURNMENT -** By order of the Chair, the meeting was adjourned at 9:17 pm.

CITY OF PACIFIC GROVE

PLANNING COMMISSION

SPECIAL MEETING MINUTES

Thursday, December 8, 2022, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

This meeting was held in Council Chambers and via Zoom webinar.

1. **CALL TO ORDER & ROLL CALL** – See the Regular Meeting minutes for December 8, 2022.
2. **APPROVAL OF AGENDA –** See the Regular Meeting minutes for December 8, 2022.
3. **COMMISSION AND STAFF ANNOUNCEMENTS (City-Related Items Only)** – None
4. **COUNCIL LIAISON ANNOUNCEMENTS** – None
5. **GENERAL PUBLIC COMMENT –** None

CONSENT AGENDA

6. REPORTS FOR INFORMATION – None
7. REPORTS REQUIRING ACTION – None

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Parklet Program Recommendation
From: Joseph Sidor, Contract Planner
Zoning District/General Plan Designation: N/A
Coastal Zone: N/A
Historic Resources Inventory: N/A
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378.
Recommended Action: Consider a recommendation to the City Council regarding the Parklet Program.
Reference: Joseph Sidor, Contract Planner

Chair Lilley recessed the Regular Meeting and convened the Special Meeting at 8:05 pm.

Commissioner Sawyer made a motion, seconded by Commissioner Nodzenski, to accept the Parklet Program subcommittee's report with its recommendations, and forward that to the City Council. On a roll call vote, the motion was approved. (4-1-1-1; Fredrickson opposed; Murphy absent; one vacancy)

Chair Lilley adjourned the Special Meeting and reconvened the Regular Meeting at 8:17 pm. See the minutes for the Regular Meeting for December 8, 2022.

9. **CONTINUED AND ONGOING BUSINESS** – None

10. **NEW BUSINESS** – None

11. **PRESENTATIONS** – None

12. **NEXT MEETING –** January 12, 2023

13. **ADJOURNMENT -** See the Regular Meeting minutes for December 8, 2022.

Agenda No. 11 A

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Brian Pierik, City Attorney
MEETING DATE:	February 1, 2023
SUBJECT:	Scope of Public Comments At Meetings of Legislative Bodies
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Request a reading of title of Ordinance;
2. Motion to waive further reading and introduce for a first reading of Ordinance Amending Pacific Grove Municipal Code Section 2.04.050 Regarding Public Comment; and
3. Motion to adopt proposed amendment to Council Policy 000-017 Order of Agenda for Council Meetings

DISCUSSION

A. Summary

The general rule regarding the scope of public comment is that members of the public must be afforded the opportunity to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item that is within the subject matter jurisdiction of the legislative body during a regular meeting.

So long as public comment regards the subject matter jurisdiction of the agency – meaning anything that is before, or could properly be before, the Council – and does not create an actual disturbance that impedes the meeting from continuing, the public comment must be allowed. However, the public comment may be excluded if it causes actual disturbances or impedes a public meeting and the presiding member of the legislative body first warns the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal.

B. Government Code Sections

Government Code Section 54954.3 (a) provides, in part, that every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action has been lawfully added after the posting of the agenda.

Government Code Section 54954.3 (b)(1) provides, in part, that the legislative body of a local agency

may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

Government Code Section 54954.3 (c) provides, in part, that the legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body.

On January 1, 2023, Government Code Section §54957.95 became effective provides that the presiding member of the legislative body conducting a meeting or their designee may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding member or their designee must first warn the individual (unless the behavior constitutes a use of force or a true threat of force) that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding member or their designee may then cause the removal of the individual if they do not promptly cease their disruptive behavior. "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting.
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C. Proposed Ordinance To Amend Pacific Grove Municipal Code Section 2.04.050 Subsection (d)

Attachment 1 is Pacific Grove Municipal Code Section 2.04.050 as it currently exists. Attachment 2 shows the proposed track changes to Section 2.04.050. Attachment 3 is the proposed Ordinance to amend Section 2.04.050 (d).

1. Pacific Grove Municipal Code Section 2.04.050 subsection (d) currently reads:

(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:

(1) The subject matter must be a matter of concern or interest to the city and/or within the purview of the council's authority to determine policy. It shall be the responsibility of the chair to stop the speaker if there is a deviation from such subject matter.

(2) Persons wishing to address the council must come to the podium and will be asked to state their name, address and subject matter of their communication. (Refusal to provide any or all of this information is not grounds to deny speakers' privileges.)

(3) Comments to the council under this section shall be limited to three minutes.

(4) Council or staff may briefly respond (but shall not engage in discussion or dialogue) to statements or questions, may ask questions for clarification, and may refer matters raised by statements for further consideration at a later date.

(5) These rules regarding comments from the audience may be suspended at any time by an affirmative vote of no fewer than four councilmembers.

2. Recommendation: It is recommended that Section 2.04.050 subsection (d) be revised to replace

the current language in subsection (d) with the following:

(d) Public Comment
(1) The City Council may adopt a policy or policies to ensure that the public will be provided an opportunity to address the City Council on matters on the Agenda and on matters not on the Agenda that are within the subject matter jurisdiction of the City Council.
(2) The City Council shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council.
This change to the Municipal Code will allow the City Council with the flexibility to make changes as may be necessary by revising existing policies and/or adopting a new policy including the amendment discussed below.
D. Proposed Amendment to Council Policy 000-17
Attachment 4 to this Agenda Report is a copy of the current Council Policy 000-17. Attachment 5 to this Agenda Report contains track changes which are proposed to Council Policy 000-17. Attachment 6 to this Agenda Report is Council Policy 000-17 which includes the proposed changes.
The proposed changes to Council Policy 000-17 are consistent with the requirements of Government Code Sections mentioned above in this Agenda Report including Sections 54954.3; 54957.9 and 54957.95.

Here are the proposed amendments to Section 4 of Council Policy 000-17:

4. Public Comment

These are comments from the public on matters that are on the agenda (including the Consent Agenda) as well as for matters not on the agenda during Oral Communications which are within the subject matter jurisdiction of the City.

Persons who wish to address the Council shall use the microphone and are asked to state their name. It is helpful if speakers also indicate the subject matter of their comments. (Note: Even if a speaker refuses to state his or her name or the subject matter of the comment, the speaker shall not be denied the right to speak.) Accommodations will be made for persons with disabilities.

Public comment shall be limited to three minutes per speaker for each item on the Agenda. For Oral Communications, each speaker shall be limited to three minutes.

In the discretion of the Mayor, the length of the public comment on an item on the Agenda may be reduced to lower than three minutes when appropriate based on the number of speakers for an item and/or the Mayor may limit the total time for public comment on an item on the Agenda.

Communication to the Council under Oral Communications will be received without comment while the public comment period is open. When public comment during Oral Communications is closed, questions from the public may be referred to staff for a brief response.

Pursuant to Government Code Section 54954.3 (c), the City Council shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body.

Pursuant to Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Mayor

may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. After the meeting room has been cleared, the Mayor may readmit an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

Pursuant to Government Code Section 54957.95, the Mayor may cause the removal of any individual for disrupting the meeting subject to the following rules:

(1) Prior to removing an individual, the Mayor shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal.

(2) The Mayor may then cause the removal of the individual if they do not promptly cease their disruptive behavior.

(3) "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following: (A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law. (B) Engaging in behavior that constitutes use of force or a true threat of force.

(4) "True threat of force" means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

(5) If there has been a use of force or a true threat of force, there is no obligation for the Mayor to provide a warning to the individual before causing the individual to be removed from the meeting.

OPTIONS

1. Do not adopt Proposed Ordinance
2. Do not approve the proposed revisions to Council Policy 000-017

FINANCIAL IMPACT:
None.

GOAL ALIGNMENT: Not Applicable.

Attachments

Public Comment
1 - PGMC Section 2.04.050 Current Version
2 - PGMC Section 2.04.050 Proposed revisions in track changes
3 - Proposed Ordinance No ___ amending PGMC Section 2.04.050
4 - Council Policy 000-17 Current Version
5 - Council Policy 000-017 Proposed revision in track changes
6 - Council Policy 000-017 Proposed Amended version
PPT

Agenda item 11-A. THE SCOPE OF PUBLIC COMMENTS

vatuminello@yahoo.com <vatuminello@yahoo.com>

Mon 1/30/2023 6:23 PM

To: **City Council Members <citycouncil@cityofpacificgrove.org>**;Pierik, Brian A. <bpierik@bwslaw.com>;Rubens, Gregory J. <grubens@bwslaw.com>

[NOTICE: This message originated outside of the City of Pacific Grove email system -- DO NOT CLICK on links or open attachments unless you are sure the content is safe.]

Dear Mayor, and City Council Members:

As I remember it, there was a certain amount of disruption by the public at the last city Council meeting on January 18. I believe that I saw subject matter for item 9E changed right in the middle of a council meeting which was not the usual expected decorum?

Please, re-visit item 9E, from the January 18 meeting, as it was written, and take appropriate action, while you disregard the action that you took on the impromptu change to the subject matter of item 9E.

Thank you so much for addressing the rules for audience participation in city council meetings in a written format. I hope you ratify these rules and have them on hand for future City Council meetings, as well as printing up enough, paper copies of the Agenda for the people who come to each meeting.

I hope this email will find its way into your packet for the Wednesday meeting of February 1, 2023?

Sincerely, Vincent Tuminello Pacific Grove resident

ATTACHMENT 1

2.04.050 Agenda and consideration of unlisted matters.

(a) Order of Agenda. The city manager shall prepare, circulate and post in conformity with the provisions of the Ralph M. Brown Act and council policy, not less than 72 hours before any regular and special council meetings, an agenda, which shall list and describe the items to be considered at the meeting.

(b) Emergency Meetings. Agendas for emergency situations as defined by Section 54956.5 of the California Government Code shall comply with noticing prescribed in Section 54956.5.

(c) Request. Any councilmember may place items on the agenda by requesting the city manager to do so by 12:00 noon on Wednesday of the week preceding a regular council meeting, and three days in advance of any special meeting, except that special meetings called during any meeting of the council shall have those items on the agenda for which request has been made in open council meeting without further request. The city manager may also place items on the agenda which he or she deems of interest to the council.

(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:

(1) The subject matter must be a matter of concern or interest to the city and/or within the purview of the council's authority to determine policy. It shall be the responsibility of the chair to stop the speaker if there is a deviation from such subject matter.

(2) Persons wishing to address the council must come to the podium and will be asked to state their name, address and subject matter of their communication. (Refusal to provide any or all of this information is not grounds to deny speakers' privileges.)

(3) Comments to the council under this section shall be limited to three minutes.

(4) Council or staff may briefly respond (but shall not engage in discussion or dialogue) to statements or questions, may ask questions for clarification, and may refer matters raised by statements for further consideration at a later date.

(5) These rules regarding comments from the audience may be suspended at any time by an affirmative vote of no fewer than four councilmembers.

(e) Minutes shall be prepared following all council meetings and shall provide a record of when and where a meeting took place, who was present, type of meeting, what was considered, and any action taken and the vote or abstention on that action of each member present for the action pursuant to California Government Code Section 54953(c)(2).

(f) Reportable actions taken by council in closed session shall be reported when council next convenes in open session in compliance with the Ralph M. Brown Act. [Ord. 21-025 § 2, 2021; Ord. 01-08 § 1, 2001; Ord. 1953 N.S. § 2, 1994; Ord. 1832 N.S. § 2, 1992; Ord. 1812 N.S. § 2, 1991; Ord. 1806 N.S. § 2, 1991; Ord. 1774 N.S. § 2, 1991; Ord. 1556 N.S. § 1, 1986; Ord. 1493 N.S., 1985; Ord. 1338 N.S. § 1, 1983; Ord. 1101 N.S. § 1, 1979; Ord. 1047 N.S. § 1, 1978; Ord. 920 N.S. § 1, 1977; Ord. 847 N.S. § 1, 1975; Ord. 541 N.S., 1966].

ATTACHMENT 2

2.04.050 Agenda and consideration of unlisted matters.

(a) Order of Agenda. The city manager shall prepare, circulate and post in conformity with the provisions of the Ralph M. Brown Act and council policy, not less than 72 hours before any regular and special council meetings, an agenda, which shall list and describe the items to be considered at the meeting.

(b) Emergency Meetings. Agendas for emergency situations as defined by Section 54956.5 of the California Government Code shall comply with noticing prescribed in Section 54956.5.

(c) Request. Any councilmember may place items on the agenda by requesting the city manager to do so by 12:00 noon on Wednesday of the week preceding a regular council meeting, and three days in advance of any special meeting, except that special meetings called during any meeting of the council shall have those items on the agenda for which request has been made in open council meeting without further request. The city manager may also place items on the agenda which he or she deems of interest to the council.

(d) Public Comment

(1) The City Council may adopt a policy or policies to ensure that the public will be provided an opportunity to address the City Council, and other legislative bodies of the City, on matters on the Agenda and on matters not on the Agenda that are within the subject matter jurisdiction of the legislative body.

(2)` The City Council, and other legislative bodies of the City, shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council and other legislative bodies of the City.

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~~(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:~~

~~(1) The subject matter must be a matter of concern or interest to the city and/or within the purview of the council's authority to determine policy. It shall be the responsibility of the chair to stop the speaker if there is a deviation from such subject matter.~~

~~(2) Persons wishing to address the council must come to the podium and will be asked to state their name, address and subject matter of their communication. (Refusal to provide any or all of this information is not grounds to deny speakers' privileges.)~~

~~(3) Comments to the council under this section shall be limited to three minutes.~~

~~(4) Council or staff may briefly respond (but shall not engage in discussion or dialogue) to statements or questions, may ask questions for clarification, and may refer matters raised by statements for further consideration at a later date.~~

~~(5) These rules regarding comments from the audience may be suspended at any time by an affirmative vote of no fewer than four councilmembers.~~

~~(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:~~

(f) Reportable actions taken by council in closed session shall be reported when council next convenes in open session in compliance with the Ralph M. Brown Act. [Ord. 21-025 § 2, 2021; Ord. 01-08 § 1, 2001; Ord. 1953 N.S. § 2, 1994; Ord. 1832 N.S. § 2, 1992; Ord. 1812 N.S. § 2, 1991; Ord. 1806 N.S. § 2, 1991; Ord. 1774 N.S. § 2, 1991; Ord. 1556 N.S. § 1, 1986; Ord. 1493 N.S., 1985; Ord. 1338 N.S. § 1, 1983; Ord. 1101 N.S. § 1, 1979; Ord. 1047 N.S. § 1, 1978; Ord. 920 N.S. § 1, 1977; Ord. 847 N.S. § 1, 1975; Ord. 541 N.S., 1966].

ATTACHMENT 3

ORDINANCE NO. 20-____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING SECTION 2.04.050 OF THE PACIFIC GROVE MUNICIPAL CODE REGARDING PUBLIC COMMENT

FACTS

1. Pacific Grove Municipal Code Section 2.04.050 is entitled "Agenda and consideration of unlisted matters."

2. Pacific Grove Municipal Code Section 2.04.050 should revised to allow for the Council policies to specify the rules regarding public comment at meetings of the City Council and other legislative bodies.

3. Pacific Grove Municipal Code Section 2.04.050 should also be revised to confirm that the City Council, and other legislative bodies of the City, shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council and other legislative bodies of the City.

4. Enactment of this ordinance action does not constitute a "project" as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PACIFIC GROVE DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Facts. The City Council hereby finds that the foregoing Facts are true and correct and incorporates those Facts here by this reference.

SECTION 2. Revision to Pacific Grove Municipal Code Section 2.04.050 (d).

Pacific Grove Municipal Code Section 2.04.050 (d) is to be replaced in its entirety and shall read as follows:

(d) Public Comment

(1) The City Council may adopt a policy or policies to ensure that the public will be provided an opportunity to address the City Council, and other legislative bodies of the City, on matters on the Agenda and on matters not on the Agenda that are within the subject matter jurisdiction of the legislative body.

(2) The City Council, and other legislative bodies of the City, shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council and other legislative bodies of the City.

SECTION 3. Severability. If any provision, section, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 4. Effective Date. In accord with Article 15 of the City Charter, this ordinance shall become effective on the thirtieth (30th) day following its adoption.

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

AYES:

NOES:

ABSENT:

APPROVED:

_____
BILL PEAKE, Mayor

ATTEST:

DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

ATTACHMENT 4

City of Pacific Grove

Council Policy

Subject	Policy	Effective Date	Page
Order of Agenda for Council Meetings	**000-17**	**December 20, 2017**	**Page 1 of 4**

A. Council meeting agendas are designed to facilitate the orderly conduct of City business, provide adequate time for the City Council to make informed, deliberative decisions, and provide members of the public an opportunity to present information to the City Council on any matter within the subject matter jurisdiction of the City.

B. This policy establishes the general practice to be followed with respect to the management of agenda items before the City Council. This policy shall not be construed to limit or impair rights of the public as set forth in the Ralph M. Brown Act, the Public Records Act, or any other provision of law.

C. In the development of a specific meeting's agenda, the City Manager may adjust this order, when warranted. The Mayor and Council may also adjust the order in which matters are considered at the meeting. Deviation from the order of the agenda set in this policy, by itself, shall not provide a basis to reverse or invalidate any action of the City Council.

D. The standard order of the City Council agenda shall be as follows:

Call to Order

Pledge of

Allegiance

1. **Approval of the Agenda**
   Councilmembers shall have an opportunity to request changes to the order of items, to postpone items to a future meeting, or to add new matters in accord with the emergency or urgency requirements set forth in the Government Code.

2. **Presentations**
   Presentations shall be made on behalf of the City to persons or organizations, and/or brief presentations (not to exceed 5 minutes, each) made to the Council by others upon approval of the City Manager. Presentations shall neither receive Council action

nor provide a reason for Council debate. Council may ask brief questions or refer matters to staff for consideration on a future agenda.

3. **Council and Staff Announcements**
   Announcements shall be limited to City-related items and shall neither receive Council action nor provide a reason for Council debate. Council may ask brief questions or refer matters to staff for consideration on a future agenda.

   Report out of any closed session held prior to the Regular meeting will be provided as the first announcement.

4. **Oral Communications**
   These are communications from the public on matters not on the agenda, but within the subject matter jurisdiction of the City, and may also address matters on the Consent Agenda.

   Persons who wish to address the Council shall use the microphone and are asked to state their name. It is helpful if speakers also indicate the subject matter of their comments. (Note: Even if a speaker refuses to state his or her name or the subject matter of the comment, the speaker shall not be denied the right to speak.) Accommodations will be made for persons with disabilities.

   The Mayor shall stop any speaker if he/she deviates from the appropriate subject matter. Under no circumstances shall the Mayor permit a speaker to personally attack any individual.

   Communication to the Council under Oral Communications will be received without comment while the public comment period is open. When public comment is closed, questions from the public may be referred to staff for answers or for later comment or action, if appropriate.

Consent Agenda

The Consent Agenda deals with routine and noncontroversial matters and may include action on resolutions and second readings of ordinances, provided no public comment is anticipated on those items. The purpose of the Consent Agenda is to make efficient use of available time by considering all routine and non-controversial items under one motion. The Consent Agenda is structured so that any Councilmember, staff, or the public may pull an item for discussion or questions.

A single vote on the Consent Agenda shall apply to each item that has not been removed.

Councilmembers may notify the City Clerk if they want a specific vote or abstention recorded as to any individual item.

The standard elements of the Consent Agenda are:

5. **Approval of City Council Meeting Minutes**

6. **Resolutions**
7. **Ordinances**
8. **Reports – Information Only**

9. Reports – Requiring Action

10. Meeting Minutes of Commissions, Boards, and Committees

When a Councilmember wishes to remove an item, the Councilmember will discuss his/her question(s) with staff prior to the meeting in order for staff to research the answer(s), which shall be provided ahead of time to all members (e.g., in the blue folders).

The Mayor will first ask the members of the Council, then members of the public if anyone wants to pull an item from consent. The person pulling the item will simply state the item number and subject.

Unless a specific item is pulled for discussion, the Council shall ordinarily approve all action items or recommendations on the entire Consent Agenda under a single motion. Council's vote to approve the Consent Agenda is a direction to staff to proceed with each action as recommended.

Items Removed from the Consent Agenda

The Council shall separately consider and act on each item removed from the Consent Agenda. Such items shall be heard in their normal place on the Regular Agenda. That placement will be noted on each consent item. The discussion format for those items will follow the protocol for the Regular Agenda.

Regular Agenda

The protocol for deliberation on regular agenda items is:

1) The agenda report is presented by staff or other person who prepared the report. The report can be concise yet sufficient to establish context and key facts for the item.
2) Public comment is received, then closed.
3) Council deliberates and takes action as appropriate for the item

This protocol explicitly omits the practice of clarifying questions from council prior to opening for public comment. Councilmembers can ask for clarification prior to the Council meeting and can also ask questions during the council deliberation phase.

11. Public Hearings

The Public Hearing agenda includes matters for which a public hearing notice was posted or published and for which public comment is anticipated.

12. Unfinished and Ongoing Business

The Unfinished Business agenda shall consist of matters that return to the Council for action, the same matter having been considered at or continued from a prior meeting or are updates or actions for long term and ongoing topics.

13. New Business

The New Business agenda shall consist of matters not previously considered by the Council.

14. Full Presentations

Presentations under this item are those that may exceed five minutes and are made to the Council upon invitation of the Mayor or City Manager. Presentations shall neither receive Council action nor provide a reason for Council debate. Council may ask brief questions or refer matters to staff for consideration on a future agenda.

15. Closed Sessions (if required)

Closed Sessions are held in compliance with the Brown Act. The specific time for any Closed Session may be set at other times at the convenience of Council. The Council may adjourn to Closed Session on any other agenda item if authorized by law, upon advice of the City Attorney.

16. Public Announcement of Action Taken in Closed Session

This announcement shall immediately follow any Closed Session.

Adjournment

E. Whenever practical, closed session items are best addressed during a special meeting prior to a regular meeting, as a convenience to the public, beginning at 5:00 pm.

F. All agenda reports recommending Council action shall include the following: title, recommendation, background, justification, and financial impact. Closed session agenda reports shall be confidential pursuant to California Government Code 54963 and PGMC §2.04.080.

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Amended September 1, 2021 - Resolution 21-028

ATTACHMENT 5

City of Pacific Grove

Council Policy

Subject	Policy	Effective Date	Page
Order of Agenda for Council Meetings	**000-17**	**December 20, 2017**	**Page 1 of 4**

A. Council meeting agendas are designed to facilitate the orderly conduct of City business, provide adequate time for the City Council to make informed, deliberative decisions, and provide members of the public an opportunity to present information to the City Council on any matter within the subject matter jurisdiction of the City.

B. This policy establishes the general practice to be followed with respect to the management of agenda items before the City Council. This policy shall not be construed to limit or impair rights of the public as set forth in the Ralph M. Brown Act, the Public Records Act, or any other provision of law.

C. In the development of a specific meeting's agenda, the City Manager may adjust this order, when warranted. The Mayor and Council may also adjust the order in which matters are considered at the meeting. Deviation from the order of the agenda set in this policy, by itself, shall not provide a basis to reverse or invalidate any action of the City Council.

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Call to Order

Pledge of Allegiance

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3. **Council and Staff Announcements**
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matters to staff for consideration on a future agenda.

Report out of any closed session held prior to the Regular meeting will be provided as the first announcement.

4. Public Comment ~~Oral Communications~~

These are comments~~communications~~ from the public on matters that are on the agenda (including the Consent Agenda) as well as for matters not on the agenda during Oral Communications which are~~, but~~ within the subject matter jurisdiction of the City.~~, and may also address matters on the Consent Agenda.~~

Persons who wish to address the Council shall use the microphone and are asked to state their name. It is helpful if speakers also indicate the subject matter of their comments. (Note: Even if a speaker refuses to state his or her name or the subject matter of the comment, the speaker shall not be denied the right to speak.) Accommodations will be made for persons with disabilities.

~~The Mayor shall stop any speaker if he/she deviates from the appropriate subject matter. Under no circumstances shall the Mayor permit a speaker to personally attack any individual.~~

Public comment shall be limited to three minutes per speaker for each item on the Agenda. For Oral Communications, each speaker shall be limited to three minutes.

In the discretion of the Mayor, the length of the public comment on an item on the Agenda may be reduced to lower than three minutes when appropriate based on the number of speakers for an item and/or the Mayor may limit the total time for public comment on an item on the Agenda.

Communication to the Council under Oral Communications will be received without comment while the public comment period is open. When public comment during Oral Communications is closed, questions from the public may be referred to staff for a brief response.~~answers or for later comment or action, if appropriate.~~

Pursuant to Government Code Section 54954.3 (c), the City Council shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body.

Pursuant to Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Mayor may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. After the meeting room has been cleared, the Mayor may readmit an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

Pursuant to Government Code Section 54957.95, the Mayor may cause the removal of any individual for disrupting the meeting subject to the following rules:

(1) Prior to removing an individual, the Mayor shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal.

(2) The Mayor may then cause the removal of the individual if they do not promptly cease their disruptive behavior.

(3) "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following: (A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law. (B) Engaging in behavior that constitutes use of force or a true threat of force.

(4) "True threat of force" means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

(5) If there has been a use of force or a true threat of force, there is no obligation for the Mayor to provide a warning to the individual before causing the individual to be removed from the meeting.

DELETE EXISTING

4. ~~**Oral Communications**~~

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~~Public comment may be excluded if it causes actual disturbances or impedes the meeting and the Mayor first warns the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal.~~

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16. Public Announcement of Action Taken in Closed Session
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Adjournment

E. Whenever practical, closed session items are best addressed during a special meeting prior to a regular meeting, as a convenience to the public, beginning at 5:00 pm.

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ATTACHMENT 6

City of Pacific Grove

Council Policy

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Amended September 1, 2010 - Resolution No.10-068
Amended November 17, 2010 - Resolution No.10-099
Amended February 2, 2011 - Resolution No. 11-008
Amended January 20, 2016 - by motion of Council
Amended December 20, 2017 - Resolution No. 17-032
Amended September 1, 2021 - Resolution 21-028

Scope of Public Comments

City Council
City of Pacific Grove

- **4. Public Comment ~~Oral Communications~~**

These are comments~~communications~~ from the public on matters that are on the agenda (including the Consent Agenda) as well as for matters not on the agenda during ~~Oral Communications~~ **General Public Comment** which are~~, but~~ within the subject matter jurisdiction of the City.~~, and~~

~~may also address matters on the Consent Agenda.~~

- Public comment shall be limited to three minutes per speaker for each item on the Agenda. For ~~Oral Communications~~ **General Public Comment on matters not on the Agenda**, each speaker shall be limited to three minutes.

- Communication to the Council under Oral Communications will be received without comment while the public comment period is open. When public comment during ~~Oral Communications~~ **General Public Comment** is closed, questions from the public may be referred to staff for a brief response.~~answers or for later comment or action, if appropriate.~~

Questions?

City Council
City of Pacific Grove

Agenda No. 12 A

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Megan McKenna BNRC Commisioner
MEETING DATE: February 1, 2023
SUBJECT: Climate Action and Adaptation Planning
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Request that the City Council prioritize and initiate Climate Action and Adaptation Planning in 2023 tied to Council goals.
2. Seek the services of a consultant to develop and produce a Climate Action and Adaptation Plan.
3. Establish a Council subcommittee on Climate Action and Adaptation Planning.

DISCUSSION

The City of Pacific Grove's Beatification and Natural Resources Commission (BNRC) has a goal to develop a Climate Action and Adaptation Plan (CAAP). The BNRC formed a subcommittee to develop a plan moving forward. The subcommittee referenced Carmel-by-the-Sea's recently adopted Climate Adaptation Plan and Climate Action Plan and envisions a CAAP being incorporated into existing City planning documents (Local Coastal Program, General Plan, and Council Policies). The effort will need the support of a qualified consultant for an estimated cost of $85,000. In a future Staff report regarding the General Plan Focused Update, staff will be requesting the services of a consultant with an option to include the develop a CAAP.

Additionally, it is recommended that a subcommittee be formed that includes at least two (2) City Council members, the BRNC climate subcommittee, representatives from other City commissions, City staff from Planning and Public Works Departments, and community members from local organizations and experts. It is anticipated that the committee would meet quarterly.

OPTIONS

1. Do not prioritize and initiate Climate Action and Adaptation Planning,
2. Do not authorize staff to seek the services of a consultant to develop and produce a Climate Action and Adaptation Plan via the General Plan Update and request staff to budget appropriately in the FY23/24 budget to alternatively seek Climate Action and Adaptation Plan consultants through an RFP process.

FINANCIAL IMPACT:

As part of the Focused General Plan Update, an option will be presented to allow an add-on of a Climate Action and Adaptation Plan element. The proposed fee for this addition is approximately $85,000. A budget amendment is not being requested at this time. If research determines consulting services are needed, a request to amend the budget will be brought back for consideration. It is anticipated that the General Plan Update will be before the Council at a near-future meeting.

GOAL ALIGNMENT: Not Applicable.

Attachments

Summary of City of Pacific Grove Climate Related Actions and Initiatives

Summary of CAAP related planning meetings

PPT

Public Comment

Summary of City of Pacific Grove Climate Related Actions and Initiatives

The City of Pacific Grove has completed many projects to address the climate crisis. While these projects are not part of a formal climate action plan, they highlight the City's commitment to climate action in our community. We wanted to showcase these projects as an initial step in developing a city climate action plan.

Energy Saving

1. LED streetlight upgrade (completed 2018) (project overview)
2. Community engagement to achieve energy efficiency through Heros Program, energy efficiency rebates, guidelines and online resources (city website)
3. Installation of solar street lighting (2021, 2022)

Sustainable Transportation

1. Proposal for electrification of city fleet (began 2015) (example)
2. Installation of electric vehicle charging stations (began 2020) (proposal)

Water Conservation

1. Replacement of potable irrigation system to recycled water (2017) (news story)
2. Updated storm water collection system (2018) (Environmental impact Report, SEA website)
3. Rainscape Rebate Program for low impact development projects (city website)

Waste Management

1. Reduction of single use plastic bags (2015) (Municipal Code 11.98)
2. Reduction of disposable food service ware (2019) (Municipal Code 11.99)
3. Installation of water bottle refilling stations (2022)
4. Household organic waste collection (2022) (press release)

Natural Resources Protection and Restoration

1. George Washington Park restoration and tree planting (began 2019)
2. Shoreline Management Plan (completed 2020) (website)
3. Coastal Wildlife Protection Advisory Committee Report recommendations (proposed 2021) (BNRC agenda)
4. Update Monarch Habitat Management Plan (proposed 2021) (BNRC agenda)
5. Review and update to Trees and Urban Forest Municipal code (initiated in 2022) (BNRC agenda)

Other Related Accomplishments

1. Climate Change Vulnerability Assessment (2015) (document)
2. County of Monterey Greenhouse Gas Inventory (2022) (report)

Awards

1. Beacon Platinum Award for reduction GHG emissions (2018-2020) (summary)
2. Beacon Silver Award for sustainability best practice activities (2018), energy savings (2019), and vanguard award (2020) (summary)
3. Storm water capture system awarded Ocean Hero award from Monterey Bay Aquarium (2019) and Project of the Year award from American Public Works Association (APWA) Monterey Bay Chapter (2022)

Summary of CAAP related planning meetings

January 06, 2023
Attendees: Cathy Wooten, Megan McKenna, Chaps Poduri, Luke Coletti, George Fuerst

- Discussed recommendations for city council and drafted recommendations to prepare for Feb 1 City Council meeting

December 09, 2022
Attendees: Cathy Wooten, Megan McKenna, Chaps Poduri, George Fuerst, Agnes Martelet (City of Carmel Environmental Compliance Manager)

- Discussed Carmel-by-the-Sea recent Climate Action and Adaptation plan and Ms. Martelet provided insight on the process, including community engagement

November 29, 2022
Attendees: Cathy Wooten, Megan McKenna, Chaps Poduri, George Fuerst

- Discussed recommendations to council based on research conducted by MIIS students and meeting with Carmel-by-the-Sea about their process and plan and began drafting recommendations

November 2, 2022
BNRC climate subcommittee (Cathy Wooten, Megan McKenna) presented at the City Council meeting the BNRC Climate Subcommittee recommendation including concept review. Action: council recommended BRNC take the lead in initial planning and come back to council in 90 days with recommendations.

April 24, 2022
BNRC climate subcommittee submitted initial requests to city staff for the November 2, 2022, City Council meeting.
(1) Commit to initial planning for a Climate Action and Adaptation Plan (CAAP). This would include establishing a budget, projected timeline for planning, implementation, and evaluation, and options to secure funding. To facilitate the initial planning, the subcommittee recommends establishing a committee composed of city staff, elected officials, local business representatives, and members of the public.
(2) Request that CAAP be integrated into the updates to the General Plan.
(3) Develop a website that summarizes actions the city is taking towards climate action planning with the purpose of learning from what we have already done in our community. This would expand on the list initially presented by the BRNC and could expand to include a survey of city departments on what they are doing that addresses climate change.

April 24, 2022
BRNC Commissioner Colleen Ingram connected with the Community Planning Dept. on CAAP and the General Plan to inquire about CAAP to be considered in the updates of the General Plan for the City. It was announced to council on August 17, 2022, by Community Development Director Anastacia Wyatt that the planning and preparation of a General Plan update was underway.

April 19, 2022
BRNC regular meeting included an item to review of the draft of concept review on CAAP.

Action: BRNC approved the document and forwarded it to council for review and commitment to climate action planning. Approved 6-0.

February 2022

BNRC climate subcommittee began researching and drafting a plan of action for the city of Pacific Grove. The subcommittee reviewed plans from other cities, attended community meetings for Monterey County CAAP, and met with council members Poduri and Tomlinson. The subcommittee decided to proceed with a concept document to present to the city council after review and approval by BNRC.

February 1, 2023
Agenda item 12A: Climate Action -Addressing both social systems and ecosystems

Dear Mayor Peake and Council Members,

At this year's EcoFarm hosted at Asilomar, Paul Hawken was a keynote speaker who discussed the importance of regenerative farming to heal the planet. Paul Hawken is an environmentalist that has written 8 books that have been published in 30 different languages in over fifty countries. His latest book is titled Regeneration: Ending the Climate Crisis in One Generation. He breaks down the work needed into 6 frameworks.
The first framework reads:

"***EQUITY***. *This comes first because it encompasses everything. All that needs to be done must be infused by equity. Fairness is about social systems—how we treat one another, how we treat ourselves, and how we treat the living world. The planet has been transformed in a blink of an eye. If we are to transform the climate crisis, we need to transform ourselves, and we had best not blink. Time is of the essence. Social systems require the same level of care, attention, and kindness as ecosystems. they are incomparable yet inseparable. the state of the environment accurately reflects the violence, injustice, disrespect, and harm we do to people of different cultures, beliefs, and skin color. As Jane Goodall points out in her forward, you save forests and species by helping to create better lives for people".*

Please remember this advice with every step of our city's climate action planning process.

Thank You,

Colleen Ingram

Agenda No. 12 B

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Chaps Poduri, Councilmember
MEETING DATE:	February 1, 2023
SUBJECT:	Council Alternates for Regional and State Agencies and Associations
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Council appoint alternate for TAMC.
2. Council review and appoint alternates to any other regional agency/association with unfilled alternate representatives.

DISCUSSION

The Transportation Agency of Monterey County (TAMC) requires member cities to have at least one alternate representative to the Board. Pacific Grove does not have an alternate for TAMC today. Suggest Council appoint one alternate to TAMC.

AB2449 comes into effect in March. This bill has complex and restrictive procedures to decide what a quorum constitutes with an emphasis for in-person meetings. Suggest the Council review at this time if additional/unfilled alternates are needed for any other regional body/pool.

OPTIONS

1. Accept recommendation
2. Provide alternative direction

FINANCIAL IMPACT:

None.

GOAL ALIGNMENT: Not Applicable.

Agenda No. 12 C

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Sandra Kandell, City Clerk
MEETING DATE:	February 1, 2023
SUBJECT:	Goal Setting Subcommittee
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Discuss and appoint a City Council Goals ad hoc subcommittee for a specified time period to assist Council with finalizing goal language and establishing goal priorities.

DISCUSSION

At the Council's Goal Setting meeting on January 25, 2023, Facilitator Wendy Sommer recommended Council form a subcommittee to assist with finalizing goal language and establishing goal priorities.

City Council is responsible for establishing collective goals, providing staff with clear policy direction while allowing staff to develop and carryout the work plan to achieve those goals.

A subcommittee will provide for a more efficient and expeditious process towards the ultimate approval of the 2023-24 City Council goals. From the "Recap & Next Steps" slide of Ms. Sommer's presentation (attached) at the January 25, 2023 Council Goal Setting meeting:

Recap & Next Steps
Subcommittee of Council:
• *Finalize language and list of priorities*

Staff:
• *Develop Work Plan Draft, including deliverables, milestones, timeline*

Council:
• *Review Draft Work Plan*
• *Adopt Work Plan*
• *Final Step: Work Plan incorporated into City's operating budget and CIP*

Staff:
• *Regular progress updates & amendments*

OPTIONS
N/A

FINANCIAL IMPACT:
There is no fiscal impact to form an ad hoc subcommittee.

GOAL ALIGNMENT: Not Applicable.

Attachments

Goal Setting PPT

RPMG

MANAGEMENT GROUP

City of Pacific Grove Council Goal Setting

City Council Meeting
January 25, 2023
Wendy Sommer

Meeting Agenda

- Introductory Comments
- Background
- Council Questions
- Public Comment
- Goal Setting, Refine Policy Areas
- Priorities
- Break
- Recap
- Approve Next Steps

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Roles & Expectations

- City Council responsible for establishing collective goals, providing staff with clear policy direction, while allowing staff to develop and carry out the work plan to achieve those goals.

- City Manager and staff is accountable for developing a detailed work plan based on the policy guidance, and recommending resources needed.

- Public to provide input.

RPMG
MANAGEMENT GROUP

Process for Tonight

- Three priority categories of goals:
  - Mandated
  - Operational
  - Council/Community Initiatives

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Findings

- Interviews conducted with all Council Members, the Mayor and City Manager

- Three areas of policy consensus emerged
  - Environmental Stewardship
  - Improved Infrastructure Maintenance
  - Enhanced Recreation Programs

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Core Values

LEADERSHIP We strive to uphold the highest work ethic, treat everyone fairly, empower people to do their best, promote continuous improvement, foster teamwork, communicate openly and respectfully so as to achieve trust and accountability throughout our community.

INCLUSIVENESS We cultivate an environment of trust and respect for all residents and visitors alike. We strive to ensure that our actions are inclusive and reflective of the diverse community of which we aim to be.

INTEGRITY We safeguard public trust through honest business practices and open communication. Our credibility with the public depends on our strong ethical stewardship of all resources.

COLLABORATION We promote transparent engagement with citizens and stakeholders and expect our managers and consultants to understand the needs and values of our community.

STEWARDSHIP We protect our unique natural environment and the habitat it provides. We facilitate a culture of sustainable practices. We maintain and preserve our municipal assets.

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Next Steps

- Identify Council subcommittee to finalize goal language
- Staff
  - Translate the Council's goals into actionable steps
  - Identify major milestones and timelines
  - Provide recommendations on budgetary resources and/or constraints
- Workplan to be will be presented at subsequent regular meeting for Council review and approval

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Questions?



RPMG

MANAGEMENT GROUP

Public Comment

January 25, 2023

Vision and Mission

VISION STATEMENT:

- Pacific Grove will thoughtfully grow as an inclusive seaside community that protects residential character, historic resources, promotes multi-beneficial development, and ensures respect for the environment.

MISSION STATEMENT:

- Deliver quality professional public services to all residents in the Pacific Grove community and the region, while ensuring high value and quality results.

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Engagement Agreements

- Be present
- Listen with curiosity rather than judgment
- Assume good intentions
- Appreciate feedback
- Recognize common interest and value different views
- Support collaboration – collective wisdom

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Discussion Guidelines

- Limit discussion to high-level policies and initiatives, *not* day-to-day operations, *not* "how to's"
- Initiatives and activities presented are reflections of what came up during interviews - can be modified, added or deleted
- Don't worry about exact wording

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Goal Setting Discussion

January 25, 2023

Priorities

- If everything is a priority, nothing is a priority

- Dot exercise – reaching consensus

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RPMG

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Break

January 25, 2023

Recap & Next Steps

Subcommittee of Council:

- Finalize language and list of priorities

Staff:

- Develop Work Plan Draft, including deliverables, milestones, timeline

Council:

- Review Draft Work Plan
- Adopt Work Plan
- Final Step: Work Plan incorporated into City's operating budget and CIP

Staff:

- Regular progress updates & amendments

RPMG
MANAGEMENT GROUP

Agenda No. 13 A

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Luke Coletti, Councilmember
MEETING DATE:	February 1, 2023
SUBJECT:	Council Access to City Committee Email Groups
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Direct the City Attorney to prepare a Resolution amending Council Policy 000-5 to implement the proposed policy (see Attachment #1).

DISCUSSION

There is no City Council Policy governing who belongs to City Committee Email Groups.

City Staff limits Email Group access to the following: members of the City Committee, the City Council Liaison, the Mayor, the City Manager, the City Staff Liaison, and the City Attorney (Planning Commission only).

The proposed amendment to City Council Policy 000-5 would implement the following:

> ***Council Access to Email Groups.*** *Upon request, any member of the City Council shall be allowed to join any City Committee Email Group.*

As stated in the City's Boards, Committees and Commissions (BCC) Handbook the primary function of City Committees *is to advise* the City Council and City Manager.

Preventing the City Council from receiving email sent to our advisory boards, committees, and commissions limits our ability to understand important issues and their context. Therefore, any member of the City Council should be allowed to join any City Committee Email Group.

OPTIONS

1. Provide other direction.
2. Take no action.

FINANCIAL IMPACT:

None.

GOAL ALIGNMENT: Not Applicable.

Attachments

Public Comment
1 - Redlined Version of Proposed Amendment to CC Policy 000-5
PPT - CM Coletti
PPT - Staff

February 1, 2023
Agenda Item 13A: **Deny Council Access to Committee Email Groups.**

Dear Mayor Peake and Council Members,

I do not support the recommendation to allow all council members the ability to join on any committee or other advisory board's email groups because:

1. Boards are designed to advise the council on issues related to the board's function, and the council liaison's duty is to report any cross reference of interest between the board and the council that would fall under the duties of the board. For example, a council liaison to the BNRC should report council agenda items about vehicle purchases as they relate to climate actions.
2. Emails addressed to a board are done so intentionally by the public and the council is copied in at the discretion of the sender.
3. Emails should be available to council members when they are made available to the public.
4. To allow council access to emails directed to specific boards will dilute the position of the boards and reduce transparency of communications.

Furthermore, I feel that council members should be prohibited from forwarding emails received by council to members of the boards and commissions for the reasons stated above. When I was on the BNRC, we received 17 forwarded emails in September to accompany the 28 emails that were sent directly to the BNRC. This created confusion and redundancy in communications, and an overwhelming number of emails.

Thank You,

Colleen Ingram

CITY OF PACIFIC GROVE, CALIFORNIA
COUNCIL POLICY

SUBJECT	POLICY NO.	EFF. DATE	PAGE
Committee Classification; Board, Commission, and Committee Appointments and Procedures	000-5	February 2, 2011	1 of 3

1. Purpose. This policy establishes standards for: 1) the classification of Council committees; 2) the appointment of board, commission, and committee members; and 3) board, commission, and committee procedures.

2. Classification. The following classification shall be in place to handle the committee and other referral needs of the Council not otherwise subject to the jurisdiction of charter or municipal code boards and commissions:

a. Ad hoc committees. This class of committee shall consist either of citizens only or a mixed group of Council members and citizens. Such committees shall have limited assignments related to temporal issues and shall be expected to complete the assignments within a relatively short time. The Council shall provide a written statement of mission to an ad hoc committee, shall ask that the work of the committee be completed by a certain date, shall advise as to record keeping and form of recommendation and shall provide guidance on legal and practical aspects of proceeding with committee work, including suggested formats for agenda and minutes. Ad hoc committees shall be required to submit summary progress reports to the Council on a regular basis, or at least semi-annually. Unless otherwise directed by the Council, ad hoc committees shall designate their chair and vice chair. Ad hoc committees shall be free to request that the Council expand committee missions, i.e. scope of work, but shall make no such changes without specific approval of the Council.

b. Standing committees. This class of committee shall consist either of citizens only or a mixed group of Council members and citizens. Assignment(s) shall not necessarily be permanent, but a standing committee may exist to address issues arising more or less continually in an area of interest to the Council. With the exception of the time specific items, the provisions set out in the ad hoc committee section, above, shall apply as well to standing committees.

c. Council subcommittees. This class treats the situation where one, two, or three Council members are given direction to perform work/research and to return to the Council with some pre-assigned product.

NOTE: Staff shall not be named as committee members. Staff's role is advisory and supportive; naming staff as committee members confuses staff's relationship and responsibility to assigned committees.

3. Appointment of Board, Commission, and Committee Members.

a. Members of charter and municipal code boards and commissions are selected by the Mayor, subject to approval by the Council. Selection shall occur annually at the second regular meeting in January and on an as-needed basis thereafter. The appointment process includes a minimum two-week notification period, including posting, posting on the City's web site, and media notices specifying the board(s) or commission(s) having a vacancy, the number of vacancies on each, the

term of service, the application process, and the application closing date. The City Clerk shall make available a folder containing all applications for Council examination, and the Mayor's selections for Council approval will be placed on the next available regular meeting agenda following the closing date. If a vacancy arises during a term, and there are one or more active applications for that board or commission on file, appointment can be made from those applications, without re-noticing. This can help avoid a significant disruption in the operations of the board or commission due to extended vacancy. In any event, applications are valid for a maximum of only 12 months.

b. When considering appointments to a City Boards or Commissions, Pacific Grove residency and voter registration shall be required.

1. Residency in Pacific Grove is established when all of the following conditions are met: the applicant is registered to vote; the address listed on the applicant's drivers license; the address where the applicant receives his or her mail; and where the applicant physically resides, combined with the intent to remain there.

2. Should a Pacific Grove resident serving on a City Board or Commission no longer qualify as a Pacific Grove resident under paragraph (b) 1, above, that office shall be vacated.

3. As an exception to the residency requirement set by this paragraph (b), a non-resident may be appointed to the Economic Development Commission, Architectural Review Board, and the ~~Golf Links Advisory Commission~~ Diversity, Equity, and Inclusion (DEI) Task Force.

c. With respect to appointment of citizen members of ad hoc committees and standing committees, appointment opportunities shall be announced at a Council meeting and in the media, as appropriate, with a stated closing date that is a least one week before the meeting at which the appointments will be made. If there are not sufficient or appropriate applications, the time limit may be extended and announcements may be repeated. Recommendations shall be invited from everyone with interest or expertise, i.e., Council, staff, board/commission/committee members, and citizens. Recommendations shall be made to the Mayor or the City Clerk. Any interested Council members may review the applications in the Clerk's file. The Mayor shall submit final selections for Council approval on the next available regular meeting agenda following the closing date.

d. Membership of boards, commissions, and committees shall not be changed without Council approval.

e. In making appointments to the many bodies referenced in this policy, the Council shall endeavor to distribute the appointments as broadly as possible throughout the city population. Unless a special talent or expertise otherwise dictates, the Council shall not favor appointment of more than one member of a household to a single body. Further, in considering appointments, the Council shall be attentive to the City's status as an Equal Employment Opportunity (EEO) organization.

f. (l) With the exception of charter boards and commissions (which service limitations are set out in the city charter) a citizen member of a body covered by this policy shall not be reappointed to a new term if such reappointment would result in continuous service on the body for more than eight consecutive years. Service for less than a full term shall not be counted in applying the eight-year limit.

(2) Lengths of terms, commencement, and expiration dates of said terms for members of

boards, commissions, and committees established by the Municipal Code shall be as provided by the Municipal Code. Expiration dates are staggered, so as to provide continuity.

(3) Lengths of terms of standing committee members shall be as provided at the time the Council establishes a standing committee. Said terms shall in any event be set to expire on January 31 of the appropriate year.

(4) Ad hoc committee member terms shall be for the time required for the work of the committee to be completed, as specified by the Council.

g. Appointments to outside agencies shall be made by the Mayor subject to approval by the Council.

h. All members shall serve at the pleasure of the Council. The Council, by an affirmative vote of four of its members, may remove any committee member at any time during the member's term of office (Charter Article 26). Possible grounds for removal are: excessive absences, verbally or physically abusive behavior, and violations of ethics or conflicts of interest.

4. Board, Commission, and Committee Procedures. Charter, municipal code, ad hoc, and standing boards, commissions, and committees shall adhere to standard procedures for notice, conduct of meetings, reporting to the Council, and other matters, as provided in the *Boards, Committees and Commissions Handbook*, which are attached to and made a part of this policy.

5. Council Review of Board Actions. The City Council shall not "approve" the minutes of any board, commission, or committee; rather the minutes shall be "received." If there is an item in the minutes that requires actions of the Council, it shall be separately and specifically listed on the Council agenda for action. As set forth in the municipal code (PGMC §23.73.080) the Council, acting at its next regular meeting following a final decision of any board or commission, may "call up" an item acted upon by that board or commission. The vote of three members of the Council shall be required to call an item for review. The action so called shall be reviewed by the Council, de novo, within thirty days of the decision to compel review. Notice of the review shall be provided in the same manner as required for the initial action. The review, by majority vote, may affirm or modify the original decision.

6. Council Access to Email Groups. Upon request, any member of the City Council shall be allowed to join any City Committee Email Group.

Attachments:
Boards, Committees and Commissions Handbook

Adopted: June 17, 1992 Resolution No. 6280
Amended: September 1, 1993 Resolution No. 6361
Amended: March 29, 1996 Resolution No. 6-017
Amended: May 15, 1996 Resolution No. 6-026
Amended: January 8, 1997 Resolution No. 7-001
Amended: February 19, 1997 Resolution No. 7-006
Amended: September 1, 2010 Resolution No. 10-069
Amended: December 1, 2010 Resolution No. 10-103
Amended: February 2, 2011 Resolution No. 11-007

Council Access to City Committee Email Groups

City Council
City of Pacific Grove

Being Prepared

- **Council Policy 000-25 (Code of Conduct) requires the City Council to be: *"present, attentive, and prepared."***
- **Being prepared means being informed.**
- **Council advisory committees often receive information and public comments before we do. We only receive their action minutes.**

Limited Access

- **The Mayor is allowed access to all ten City Committee Email Groups.**
- **Councilmembers are only allowed access to one City Committee Email Group – the Committee they are the appointed liaison to.**
- **Preventing Councilmembers from receiving email sent to 90% of our advisory committees limits our ability to understand important issues and their context.**

Implementation

- **The proposed amendment to City Council Policy 000-5 would implement the following:**

  <u>Council Access to Email Groups.</u> Upon request, any member of the City Council shall be allowed to join any City Committee Email Group.

End

City Council
City of Pacific Grove

BCC Group Emails

City Council

City of Pacific Grove

Ben Harvey bharvey@cityofpacificgrove.org and
Sandra Kandell skandell@cityofpacificgrove.org

February 1, 2023

Council Liaison Role

- **Council Liaison duties are outlined within the BCC Handbook:**
  - **The Council liaison is not a BCC member and must not:**
    - **Participate in Committee Decisions**
    - **Influence Committee Decisions**

Ben Harvey bharvey@cityofpacificgrove.org and
Sandra Kandell skandell@cityofpacificgrove.org

City Council / Board Relationship

- **City Council serves in an appellate role to the City Advisory Boards**
- **Access to Email Groups could present a future conflict:**
  - **Council Members may later be required to review and act on Committee decisions or recommendations.**
- **The public has expressed concerns with Council involvement prior to items before the full Council.**

Public Comment

Ben Harvey bharvey@cityofpacificgrove.org and
Sandra Kandell skandell@cityofpacificgrove.org

Agenda No. 13 B

CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Tori Hannah, Administrative Services Director / Assistant City Manager
MEETING DATE:	February 1, 2023
SUBJECT:	Presentation of the City's New Transparency Software
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Receive the presentation.

DISCUSSION
One of the City Council's Goals and Tactics, included establishing a Council Subcommittee to review financial reporting options, determine the best location to publish or access documents; and identify any changes to the City's existing financial transparency site. On October 20, 2021, Mayor Peake and Council Member Poduri were selected to work with staff to achieve this objective.

At the Council Meeting on February 16, 2022, the Subcommittee provided a summary of meeting dates, results from an online survey, and recommendations. This included a recommendation to transition from the City's current financial transparency site to a new provider, ClearGov. This software package is intended to provide the public with information in an easier to understand and more accessible format.

In addition to providing budgetary and actual financial data, the ClearGov software includes the following features:

- Check register with the ability to search by vendor and date; and the capability to download the selected data
- Information and status updates on capital projects
- Dashboard for tracking the status of Council Goals and Tactics

The new transparency site is anticipated to "go-live" on February 3, 2023. It can be accessed from the City's main Finance Department page. If there is sufficient interest, staff can also host a brief Zoom tutorial on the use of the transparency site.

OPTIONS
Provide alternate direction

FINANCIAL IMPACT:

There is no fiscal impact associate with receiving this report.

GOAL ALIGNMENT: Not Applicable.