A G E N D A

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
Council Chamber
440 Harcourt Avenue
Thursday, March 3, 2016
7:00 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

Ralph Rubio	Mayor
Ian N. Oglesby	Mayor Pro Tem
Dennis J. Alexander	Council Member
Jason Campbell	Council Member
David R. Pacheco	Council Member

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**

4. **REVIEW OF AGENDA**
If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

5. **PUBLIC COMMENTS**
Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

6. **PUBLIC AGENCY COMMUNICATIONS**
This is a time specifically set aside for representatives of public agencies to make brief comments of general interest to the City Council and the community.

7. **PRESENTATIONS**

A. **PRESENTATION OF THE FEBRUARY 2016 HOUSE OF THE MONTH AWARD**

PURPOSE: The purpose of this item is to recognize JoMarie Faulkerson, owner of 1078 Waring Street for beautifying and maintaining her property.

RECOMMENDATION: It is recommended that the Mayor present JoMarie Faulkerson the February 2016 House of the Month award.

B. PROCLAMATION RECOGNIZING 2016 AS THE YEAR OF THE VETERAN.

PURPOSE: The purpose of this presentation is to have the City of Seaside recognize 2016 as the Year of the Veteran in the City of Seaside.

RECOMMENDATION: It is recommended that the City Council issue the proclamation recognizing 2016 as the Year of the Veteran in the City of Seaside.

C. RECEIVE PRESENTATION REGARDING THE STATUS OF THE CAL AM MONTEREY PENINSULA WATER SUPPLY PROJECT

PURPOSE: The purpose of this item is for the City Council to receive a presentation on the Monterey Peninsula Water Supply Project

RECOMMENDATION: It is recommended that the City Council receive a presentation on the Monterey Peninsula Water Supply Project.

D. RECEIVE A CERTIFICATE FROM THE CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS FOR THE AWARD FOR OPERATING BUDGET EXCELLENCE FOR FISCAL YEAR 2015-2016

PURPOSE: To receive a certificate from the California Society of Municipal Finance Officers for Operating Budget Excellence Award for Fiscal Year 2015-2016 for meeting the criteria established to achieve the Operating Budget Excellence Award.

RECOMMENDATION: That the City Council receive the award and make comments as appropriate.

8. CONSENT CALENDAR

The Consent Calendar includes routine items that can be approved with a single motion and vote. A member of the City Council or a member of the public may request that any time be pulled from the Consent Calendar for separate consideration.

A. APPROVE THE MINUTES OF FEBRUARY 18, 2016 REGULAR MEETING

RECOMMENDATION: It is recommended that the minutes be reviewed and approved.

B. APPROVE AND FILE CITY CHECKS

PURPOSE: It is requested that the City Council approve and file the accounts payable and wired payments made during the period of February 9, 2016 through February 22, 2016. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 18, 2016. Total Account Payable and Payroll for the above referenced period is $1,278,712.78.

RECOMMENDATION: It is recommended that the City Council approve and file the attached checks.

C. **APPROVE A FEE WAIVER REQUEST IN THE AMOUNT OF $487.25 (FOUR HUNDRED EIGHTY SEVEN DOLLARS AND TWENTY FIVE CENTS) FROM SEASIDE HIGH SCHOOL TO USE SOPER BALL FIELD TO HOLD THEIR HIGH SCHOOL VARSITY SOFTBALL GAMES**

PURPOSE: The purpose of this item is for the City Council to approve a request from Seaside High School to enter into a Use Agreement for the use of Soper Ball Field and consideration of a fee waiver for field usage and light usage for their 2016 Varsity Girls Softball home games.

RECOMMENDATION: It is recommended to waive the fees in the amount of $487.25 for Seaside High School to use Soper Field for the 2016 Girls Varsity Softball Games for their 201

D. **CONSIDER AND APPROVE A FEE WAIVER REQUEST FROM THE VILLAGE PROJECT, INC FOR USE OF SEASIDE COMMUNITY CENTER FOR THE ANNUAL AFTER SCHOOL PROGRAM CELEBRATION OF EXCELLENCE.**

PURPOSE: The purpose of this item is to consider the request for a fee waiver by The Village Project in the amount of $325.00 (Three Hundred Twenty Five Dollars and Zero Cents). These fees include room rentals fees for the Annual After School Program Celebration of Excellence and the non-refundable portion of the deposit.

RECOMMENDATION:
Staff recommends the following actions be approved:

1. City to waive all room rental fees totaling $250
2. Organization to provide the City with the non-refundable portion of the maintenance deposit: $75.00
3. Organization to provide insurance coverage.

E. **ADOPT RESOLUTION APPROVING A CONTRACT FOR AN UPDATE TO THE AMERICANS WITH DISABILITIES ACT TRANSITION PLAN FOR A TOTAL CITY COST NOT TO EXCEED $32,100**

PURPOSE: The purpose of this item is to have the City Council review, consider and take action on a contract with Disability Access Consultants (DAC) to provide the City with an updated ADA (Americans with Disabilites Act) Transition Plan as required under Title II of the Act.

RECOMMENDATION: It is recommended that the City Council adopt the attached resolution approving a contract with Disability Access Consultants (DAC) to update the City's ADA Transition Plan for a total cost to the City of Seaside not to exceed $32,100.

9. BUSINESS ITEMS

A. CONSIDERATION OF A THIRD AMENDMENT TO THE EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH MONTEREY DOWNS, LLC FOR POTENTIAL DEVELOPMENT OF APPROXIMATELY 550 ACRES IN THE FORMER FORT ORD FOR A PERIOD OF TWELVE (12) MONTHS.

PURPOSE: The purpose of this item is for the City Council to consider a Third Amendment to the ENA with Monterey Downs, LLC for the proposed Monterey Downs and Monterey Horse Park in the former Fort Ord for a period of twelve (12) months in order for the City to complete it's compliance with the California Environmental Act (CEQA); to obtain the project entitlements; and to complete negotiations of the Disposition and Development Agreement (DDA).

RECOMMENDATION: It is recommended that the City Council approve the Third Amendment to the ENA with Monterey Downs, LLC to extend the ENA Period for twelve (12) months, until March 3, 2017.

B. RECEIVE THE MONTEREY DOWNS FISCAL AND ECONOMIC IMPACT ANALYSIS AND PEER REIVEW AND SUPPLEMENTAL SENSITIVITY ANALYSIS

PURPOSE: The purpose of this item is for the City Council to receive the Monterey Downs Fiscal and Economic Impact Analysis Final Draft Report dated August 2015 prepared by Willdan Associates for Monterey Downs, LLC (Applicant) and the peer review and supplemental sensitivity analysis conducted by Economic & Planning Systems (EPS) on behalf of the City.

RECOMMENDATION: It is recommended that the City Council receive the applicant's presentation of the report, EPS's presentation of their peer review and supplemental analysis, take public comment and accept the reports or provide direction to staff, if necessary.

10. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

This is a time specifically set aside for members of the City Council, the City Manager and City Attorney to make brief comments of general interest to the community, make requests that items be added to future City Council meeting agendas as necessary and report on committee assignments.

11. ADJOURNMENT

Next Regularly Scheduled Meeting:
March 3, 2016
7:00 PM

The City of Seaside is an ADA accessible facility and is committed to include the disabled in all of its services, programs and activities. Any person who requires accommodation to be able to participate in this meeting is asked to contact the office of the City Clerk at 899-6707, no fewer than two business days prior to the meeting to allow for reasonable arrangements.The City Council Chambers is equipped with a portable microphone for anyone unable to come to the podium. Assisted listening devices are also available.

Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at: http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300 Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

CITY OF SEASIDE
STAFF REPORT

Item No.: 7.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Diana Ingersoll, Deputy City Manager Resource Management Services
Mark McClain, Building Official

DATE: March 3, 2016

SUBJECT: **PRESENTATION OF THE FEBRUARY 2016 HOUSE OF THE MONTH AWARD**

PURPOSE

The purpose of this item is to recognize JoMarie Faulkerson, owner of 1078 Waring Street for beautifying and maintaining her property.

RECOMMENDATION

It is recommended that the Mayor present JoMarie Faulkerson the February 2016 House of the Month award.

BACKGROUND

The Neighborhood Improvement Program Commission's goals are to encourage citizens to beautify and upgrade their properties in order to positively influence property values and create a more livable environment in the community. One of the ways that the Commission accomplishes this goal is by recognizing outstanding examples of residential property maintenance and beautification through the House of the Month Award Program.

Each month the Neighborhood Improvement Program Commission selects an award recipient from a list of nominated homes. The home of JoMarie Faulkerson located at 1078 Waring Street has been selected as the February 2016 House of the Month.

FISCAL IMPACT

The fiscal impact is $96.18 for the plaque and the $50.00 gift card from the NIPC 2015-2016 FY

Budget.

ATTACHMENTS

1. Photo of 1078 Waring Street

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

City of Seaside
PROCLAMATION

2016 Year of the Veteran

WHEREAS, *the Monterey County Military and Veterans Affairs office provides advocacy, assistance, and services designed to enhance the lives of County Veterans who served their Country in the Armed Forces, their families, and their survivors; and*

WHEREAS, *the Military and Veterans Services Advisory Commission works to keep the public aware of the problems and needs of our Veterans who fought and served to preserve our way of life; and*

WHEREAS, *during 2016 the California Central Coast Veterans Cemetery will open in Seaside; and*

WHEREAS, *during 2016 the new Joint Integrated Veterans Administration/Department of Defense Joint Health Center will open in Marina; and*

WHEREAS, *during 2016 the Veterans Transition Center of Monterey County will conduct a ground breaking to expand its resident facilities in Marina; and*

WHEREAS, *during 2016 The United Veterans Council of Monterey County will conduct the third biennial Homeless Veterans Stand Down on the former Fort Ord.*

NOW THEREFORE, BE IT PROCLAIMED, *that I, The Honorable Ralph Rubio, Mayor of the City of Seaside, California, on behalf of the City Council, honors all active service members, military veterans and their families on their long and dedicated efforts to bring these events to culmination and in recognition of their service to our Nation, our State, our County and our City proclaim* ***2016*** *to be the* ***Year of the Veteran*** *in the City of Seaside.*

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Ralph Rubio
Mayor

March 3, 2016

CITY OF SEASIDE
STAFF REPORT

Item No.: 7.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Diana Ingersoll, Deputy City Manager Resource Management Services
Tim O'Halloran, City Engineer/Public Works Services Manager
Rick Riedl, Senior Engineer

DATE: March 3, 2016

SUBJECT: **RECEIVE PRESENTATION REGARDING THE STATUS OF THE CAL AM MONTEREY PENINSULA WATER SUPPLY PROJECT**

PURPOSE

The purpose of this item is for the City Council to receive a presentation on the Monterey Peninsula Water Supply Project

RECOMMENDATION

It is recommended that the City Council receive a presentation on the Monterey Peninsula Water Supply Project.

BACKGROUND

The Monterey Peninsula currently receives the majority of its domestic water supply from the Carmel River. The State of California Water Resources Control Board (SWRCB) has directed California American Water Company (Cal Am) to curtail the amount of water diverted from the Carmel River for use by its customers. The SWRCB ordered a “ramp down” schedule to reduce the use of river water to less than half of what it is today. The other source of water, the Seaside Groundwater Basin, is also under a court-ordered reduction schedule. This is to protect the basin from overuse and prevent seawater from contaminating fresh water. Currently, the water use for residents of the Monterey Peninsula is among the lowest in the state. The ordered cutbacks to the existing water supplies cannot be met without a finding another source of water. To address these issues, California American Water (Cal Am) submitted an application to the California Public Utilities Commission (CPUC) for the Monterey Peninsula Water Supply Project (the Project) in April 2012. The Project will include slant intake wells, the desalination plant and related facilities better defined as follows.

- Desalinization facilities near the MRWPCA treatment facilities in Marina. Depending on the implementation of another water project called Pure Water Monterey being promoted by the Monterey Regional Water Pollution Control Agency (MRWPCA), the desalination plant will be sized at either 9,750 acre-feet (9.6 mgd) or 6,250 acre-feet (6.4 mgd.).

- California American Water will be using a series of slant wells located beneath the ocean west of Highway 1 in the sand dunes to draw ocean water and potentially a small amount of groundwater. The final layout and configuration will be based on the results of additional groundwater modeling that will be completed as part of the CPUC's environmental review and as may be required by the California Coastal Commission or for final design.
- The desalination plant would be connected to the California American Water distribution system through the transfer pipeline from Marina to Seaside. The pipeline is approximately 10 miles long.
- Cal Am will expand the current Aquifer Storage and Recovery (ASR) project, which captures excess winter flows from the Carmel River for storage in the Seaside Aquifer and withdrawal during the dry summer months. Cal Am would construct three additional ASR wells, which will add average annual capacity of 900 acre-feet.

FISCAL IMPACT

There is no fiscal impact in receiving this presentation.

ATTACHMENTS

Reviewed for Submission to the
City Council by:

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Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 7.D.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: March 3, 2016

SUBJECT: **RECEIVE A CERTIFICATE FROM THE CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS FOR THE AWARD FOR OPERATING BUDGET EXCELLENCE FOR FISCAL YEAR 2015-2016**

PURPOSE

To receive a certificate from the California Society of Municipal Finance Officers for Operating Budget Excellence Award for Fiscal Year 2015-2016 for meeting the criteria established to achieve the Operating Budget Excellence Award.

RECOMMENDATION

That the City Council receive the award and make comments as appropriate.

BACKGROUND

The California Society of Municipal Finance Officers conducts an annual budget awards program. Any public agency in the State can participate. In order to be considered, an agency's budget must meet certain basic criteria. To qualify for the award for excellence, there are 23 categories an agency must meet with a minimum number of points.

Staff has been working toward being able to submit the City's Budget for this award for the past several years. This year we submitted the 2015-2016 Budget and we were awarded enough points to receive the award for excellence.

FISCAL IMPACT

There is no fiscal impact from this item.

ATTACHMENTS

1. Certificate of Award

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2015-2016

Presented to the

City of Seaside

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 23, 2016

Jesse Takahashi
CSMFO President

Michael Gomez, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

DRAFT MINUTES

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
COUNCIL CHAMBER
Thursday, February 18, 2016
7:00 PM

1. **CALL TO ORDER**
Mayor Rubio called the meeting to order at 7:05 PM.

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**
Present: Alexander, Campbell, Pacheco, Oglesby, Rubio
Absent: None

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**
Pastor Elder Sims provided the invocation.

4. **REVIEW OF AGENDA**
No changes were requested.

5. **PUBLIC COMMENT**
Mayor Rubio invited comments from the public.

- Paul Wolf spoke to the Wildan Financial Impact Report for the Monterey Downs project requesting consideration of a few factors when reviewing the final draft including not only the increase in residential population but of visitor population and the infrastructure needs that brings. He also requested there is careful consideration of the mitigation measures recommended in the EIR and what the costs to the City of those mitigations will be, that will not be bore by the developer.
- Peter Keiser invited the public for a "40 days for life" vigil and spoke against the Planned Parent Hood abortion practices. He invited the public to pray and fast until the 20th of March.
- Kay Cline congratulated the Mayor for his selection as the Ruth Vreeland Public Official of the Year. She also invited the Council and the public to a meeting regarding the economics of the Monterey Downs project. She then spoke in support of the FORTAG Project informing the public of the TAMC meeting on February 24th at 9:00 am which is open for the public for comment.
- Sue Hawthorne thanked Sustainable Seaside for hosting the Wildan Analysis meeting and appreciated the Council Members who were present. It's a large analysis to digest, and she pointed out that there is a proposed museum as part of the Monterey Downs development which proposes to create 86 jobs, she believes to be a heavily inflated number when compared to other local museums and she encouraged a good review of realistic numbers prior to approving.
- Helen Rucker invited the Council and the public to events in honor of Black History Month. She thanked Sandra Grey and Ruthie Watts for the art display in the Avery Gallery and invited the public to attend a reception on Sunday February 21st. She also invited the public to attend the MPC Theater hosting a UC Santa Cruz Production on February 27, 2016 at 6:30 PM.
- Felix Bachofner thanked Council Member Pacheco for hosting his public meeting. He also, spoke to the website calendar requesting staff have adequate resources to make sure the public is informed of the City Council meetings. He requested the meeting be closed in

honor of the passing of Dale Heikus.

6. PUBLIC AGENCY COMMUNICATIONS

Dr. Betty Lusk spoke representing Monterey Peninsula Unified School District and reported on the new programs to be implemented next year in the Monterey learning community. She spoke to the program in Seaside, a project based learning program that will empower students through technology based learning support. She spoke to Mr. Diffenbaugh's vision and requested that the City of Seaside provide a letter of support for the direction that they are moving, prior to the meeting on Tuesday, February 23rd. Mayor Rubio took the opportunity to thank Dr. Lusk for her work on the Board and agreed to send a letter.

7. PRESENTATIONS

A. PRESENTATION AND RECOGNITION OF THE 2016 SEASIDE FIREFIGHTER OF THE YEAR.

Fire Chief Brain Dempsey jointly with Mayor Rubio presented Firefighter Rick Meyer with the 2016 Firefighter of the Year award. He spoke to Firefighter Myer's accomplishments which earned him the award for which he was nominated and selected by his peers.

B. PRESENTATION AND RECOGNITION OF THE 2015 SEASIDE POLICE OFFICER OF THE YEAR.

Police Chief Vicky Myers jointly with Mayor Rubio introduced and acknowledged Detective Frank Salzillo for being selected as Police Officer of the Year. She spoke to Detective Salzillo's accomplishments and his nomination and selection.

C. PRESENT NEWLY ADOPTED STRATEGIC PLAN

City Manager Malin spoke to the newly adopted strategic plan. He did a brief overview of the objectives accomplished over the last six months. In looking at the 3 year goals, he spoke to the list of newly adopted objectives to cover the next six months.

8. CONSENT CALENDAR

Clerk Milton-Rerig requested a correction to the Minutes for Item 9 C. A member of the public requested to discuss Item F.

On motion by Council Member Alexander and seconded by Mayor Pro Tem Oglesby and passed by the following vote the City Council approved the Consent Calendar as amended with the exception of Item F.

RESULT:	**Adopted**
MOVER:	Council Member Dennis Alexander
SECONDER:	Mayor Pro Tem Ian Oglesby
AYES:	Alexander, Campbell, Oglesby, Pacheco, Rubio
NOES:	None

A. APPROVE MINUTES OF FEBRUARY 4, 2016 REGULAR MEETING

Action: Approved as Amended

B. APPROVE AND FILE CITY CHECKS

Action: Approved & Accepted

C. ACCEPT AND FILE THE CASH AND INVESTMENT REPORT FOR THE CITY OF SEASIDE FOR THE QUARTER ENDED DECEMBER 31, 2015.

Action: Accepted and Filed

D. **REVIEW AND CONSIDER APPROVAL OF A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM THE SEASIDE COMMUNITY YOUTH OUTREACH ORGANIZATION**

Action: Approved

E. **CONSIDERATION OF ASSIGNMENT OF EXCLUSIVE NEGOTIATING AGREEMENT FROM SEASONS MANAGEMENT, LLC TO SEASIDE SENIOR LIVING, LLC.**

Action: Accepted and Passed Resolution 16-11

F. **APPROVE RESOLUTION FORMALIZING DECISIONS MADE DURING CITY COUNCIL APPEAL OF FENCE EXCEPTION APPLICATION NO. FE-15-01 FROM PLANNING COMMISSION ACTION DENYING A FENCE EXCEPTION APPLICATION FOR A SINGLE FAMILY DWELLING LOCATED AT 2090 CROSS STREET.**

On motion by Council Member Alexander and seconded by Mayor Pro Tem Oglesby and passed by the following vote the City Council approved Resolution 16-12 formalizing the appeal decision of Fence Exception Application FE 15-01 for 2090 Cross Street.

RESULT:	**Adopted**
MOVER:	Council Member Dennis Alexander
SECONDER:	Mayor Pro Tem Ian Oglesby
AYES:	Alexander, Campbell, Oglesby, Pacheco, Rubio
NOES:	None

G. **APPROVE NEW APPOINTMENTS AND REAPPOINTMENTS OF BOARD, COMMISSION AND COMMITTEE MEMBERS**

Action: Approved Appointments

H. **CONSIDER APPROVAL OF THE LIST OF COMPANIES TO PROVIDE ON-CALL SURVEYING SERVICES.**

Action: Approved and Passed Resolution 16-13

9. **ADJOURN TO CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY JOINT SPECIAL MEETING**

Mayor recessed the City Council Regular meeting and adjourned the City Council Joint Special Meeting at 8:02 PM and noted that all members were present.

10. **CONSENT AGENDA**

On motion by Council Member Alexander and seconded by Mayor Pro Tem Oglesby and passed by the following vote the City Council/Successor Agency Board approved the Consent Calendar as presented.

RESULT:	**Adopted**
MOVER:	Council Member Dennis Alexander
SECONDER:	Mayor Pro Tem Ian Oglesby
AYES:	Alexander, Campbell, Oglesby, Pacheco, Rubio
NOES:	None

A. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Approved & Accepted

B. **ACCEPT AND FILE THE CASH AND INVESTMENT REPORT FOR SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE THE**

QUARTER ENDED DECEMBER 31, 2015.

Action: Accepted

11. BUSINESS ITEMS

A. RECEIVE THE 2015-2016 MID-YEAR BUDGET REPORT, ACCEPT AND FILE THE REPORT, PROVIDE DIRECTION TO STAFF AND CONSDER ADOPTION OF A RESOLUTION APPROVING THE PROPOSED 2015-2016 MID-YEAR BUDGET ADJUSTMENTS

Action: Adopted Resolution 16-14

Deputy City Manager Administrative Services Hodgson presented the report explaining the Operating Revenues have resulted in a $590,000 revenue increase and General Fund one time revenue increases totaling $837,796. She further explained the detail of the next decrease of expenditures of $40,710, due to unfilled positions resulting in a budgetary savings in this fiscal year but noted the full salary will be included in the next fiscal year budget. The Total Operating Surplus is $98,757 at this time. Ms. Hodgson provided a quick analysis of the reserves, and reported that we are not yet in compliance with the City Reserve policy and staff recommended that the one time unanticipated revenues be deposited into the reserves.

Next Ms. Hodgson and City Engineer O'Halloran detailed the most pressing general fund capital expenditures for consideration including the Youth Violence Prevention Program location, library repairs including heating, ventilation and the re-roof, the Police Department ventilation and partial office remodel including relocating security cameras, and the Fire Department heating and ventilation needs. The total costs for the proposed capital repairs would be $715,000 over two fiscal years. Ms. Hodgson and Mr. O'Halloran answered questions from the Council. The Council discussed the future projected revenues, prior commitments made for the Library renovation, the need for the renovation of the police department sergeant's office, the liability of the camera system and the City Hall HVAC system. Mayor Pro Tem Oglesby suggested researching how adding solar panels to City hall could offset some of the costs for the ventilation. He also expressed concern about keeping the public informed of the water fund. The City Council requested clarification regarding the large deficit in the water fund to which Mr. O'Halloran indicated there is a rate study being conducted to answer that question and will be presented at the March 3rd meeting.

Mayor Rubio invited comments from the public

- Felix Bachofner spoke to the constant approval of items the City Council that is above the approved budget and prescribed setting aside a discretionary fund that is not allocated to specific projects.

The Council discussed their respective priorities with regard to the needed proposed projects as well as the need to fund the reserves to the policy level.

City Manager Malin spoke in support of the fruitful discussion and suggested that the presentation was to give an idea of the CIP priorities ahead that could benefit from one time funding. He recommended that the City Council approve the budget modifications and park the money in the reserves until staff can bring back a formal proposal for capital improvement project spending.

On motion by Council Member Alexander and seconded by Council Member Pacheco and passed by the following vote the City Council accepted and filed the 2015-16 Mid Year Budget Report and adopted Resolution 16-13 approving the operating adjustments and designating the excess revenues to be placed in the capital reserves with a recommended future spending proposal to be made by staff for the capital improvement project within 30 days.

RESULT: **Approved**

MOVER:	Council Member Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Alexander, Campbell, Oglesby, Pacheco, Rubio
NOES:	None

Going forward Council Member Campbell requested staff clarification of the priorities of each project and more detail of the risk and impacts of each of the projects. Mayor Pro Tem Oglesby continued to advocate for a permanent location for the Youth Violence Prevention Program.

12. RECONVENE CITY COUNCIL REGULAR MEETING

The City Council reconvened the Regular Meeting at 9:11 PM.

13. BUSINESS ITEMS

A. CONSIDER APPROVAL OF A COST-NEUTRAL REORGANIZATION OF CITY DEPARTMENTS AND A RESOLUTION MODIFYING THE POSITION CONTROL LIST TO ADD THE CLASSIFICATIONS OF RECREATION DIRECTOR AND HUMAN RESOURCES DIRECTOR AND ESTABLISH THE SALARY FOR THE POSITIONS

City Manager Malin presented the item providing background on the presentation from previous City Manager John Dunn and his proposal for reorganization of City Departments for more operational efficiency. He noted that the proposed organization is cost neutral because the City Manager's office does not require as much assistance and some cost savings can be realized. He spoke to the current organizational layout and the changes proposed to flatten the organizational structure. The purpose of the changes is to expand the leadership team to be able to accomplish more. It will be cost neutral, flatten the organization, expand the leadership team and build capacity now and in the future.

Mayor Pro Tem spoke to the discussion at the Strategic Planning session and expressed concern regarding expanding bureaucracy and increasing salaries to go with it but spoke in support of the proposed organizational structure. Council Member Pacheco spoke in support of the proposal, specifically elevating the Recreation Department.

Mayor Rubio invited comments from the public.

- Felix Bachofner spoke in general support. He questioned it truly being cost neutral and recommended reducing the salaries of those who are having the departments taken out from under their purview. He also strongly urged the Council to consider requesting these positions to do the jobs for the same price until the salary survey is completed.
- Kay Cline questioned the Youth Violence Prevention position vacancy noting it is an important position and questioned if there are intentions to fill it.

City Manager Malin indicated that the Youth Violence Prevention Manager position is budgeted and is being solicited for recruitment. Human Resources Manager Greathouse spoke to the salaries and benefits of Seaside employees and indicated that the costs Mr. Bachofner referenced is inclusive of salaries and benefits and that the City of Seaside staff does not have over 100 employees making over $100,000 per year.

On motion by Council Member Alexander and seconded by Mayor Pro Tem Oglesby and passed by the following vote the City Council approved the cost neutral reorganization of the city departments and Resolution 13-15 modifying the proposed position control list to add the classification of Recreation Director and Human Resources Director and establish the salary for *the positions.*

RESULT:	**Approved**
MOVER:	Council Member Dennis Alexander
SECONDER:	Mayor Pro Tem Ian Oglesby
AYES:	Alexander, Campbell, Oglesby, Pacheco, Rubio
NOES:	None

B. CONSIDER APPROVAL OF A POLICY FOR PUBLIC USE OF AUDIOVISUAL INFRASTRUCTURE DURING PUBLIC MEETINGS

City Clerk Milton-Rerig presented the draft policy, outlining the elements of the proposed policy and how it would be facilitated if adopted. The City Council asked questions of Ms. Milton-Rerig.

Mayor Rubio invited public comments on the item.

- Bill Weigle spoke to his previous requests for projecting documents during the meeting and requested clarification of the content that is allowed to be shown.
- Sue Hawthorne believes it is still overly restrictive and could have an overhead projector that would mitigate the perception that this council is not trying to censor information.
- Kay Cline spoke to process of the handouts allowed to be projected during meetings at different jurisdictions and the policy needs to be responsive to the public. She spoke to the fact some people are visual learners.
- Gertrude Smith said this policy will be used as a tool for alienation and will serve that purpose one way or another.
- Felix Bachofner disagreed with the content restriction that content be germane to the jurisdiction, that there is no need for a 24 hour waiting period and he disagrees with the proposed risk to the network security but thinks this is a tool to silence public input. He requested that the content of what could be projected be clarified, specified.

Mayor Rubio responded to Mr. Weigle's comments regarding his rejected document for projection indicating that the night he requested to project pictures of people shooting horses in the head there was a room full of children and he was unwilling to expose them to that. He explained that this policy is an attempt to compromise. He clarified that the public will be able to project pictures if they are brought to City Hall, in advance, and can be shown during the three minute comment period. As far as how we determine content, City Attorney Freeman spoke to the way it was written to keep it broad intentionally, but that if questioned the speaker might have to explain if necessary how it relates to the city. The policy includes the 24 hour requirement to be able inform the person if the connection is not immediately understood.

The City Council discussed the elements of the policy, requested clarification on first amendment rights and if this would be considered constrictive of those rights. Council Member Campbell believes the 24 hours policy is restrictive, as well as restrictive on the content and spoke in support of allowing unrestricted topics.

Council Member Pacheco moved to approve the staff recommended policy as written, seconded by Council Member Alexander.

Council Member Campbell requested a friendly amendment to the policy to eliminate the 24 hour requirement. Council Member Pacheco disagreed stating that this is a good starting point for moving forward.

On motion by Council Member Pacheco and seconded by Council Member Alexander and passed *by the following vote the City Council approved the staff recommendation and proposed draft policy for the public use of audio visual infrastructure during public meetings.*

RESULT:	**Passed**
MOVER:	Council Member Dave Pacheco
SECONDER:	Council Member Dennis Alexander
AYES:	Alexander, Campbell, Oglesby, Pacheco, Rubio
NOES:	None

14. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

The City Council wished Ms. Helen M. Schmelz Happy Birthday as she turned 100 years old!

Council Member Campbell attended the Mosquito Abatement District and updated that there has been no West Nile Virus cases in our county to date. The mosquito with the Zika vicus has also not been found in our community at this time.

Council Member Alexander indicated that he and Council Member Pacheco are working on the Wag and Wine event for the dog park. Spoke to Dr. Lusk's efforts and that he took Seaside High School students to the Court House for a field trip and that it was a preventive hearing.

Council Member Pacheco spoke of the MPUSD Board that they are revolutionizing the education for the District and are focusing on technology, jobs skills and are being proactive for training for life skills.

Mayor Pro Tem Oglesby requested staff to stay focused on receiving Seaside's fair share of funding from FORA for building removal and remediation and look at how it can be done prior to 2020. He reported on efforts to push hard at prevailing wages as some of the contractors are not being paid their fair share. He spoke in support of the reorganization of the city structure, but also encouraged looking at different ways of compensating folks, including the use interns or part time workers to help reduce workloads. He spoke to events attended and ended with congratulating Mayor Rubio for his public award.

Mayor Rubio spoke to the award being a big surprise. He also reported on his selection to attend the National Security Council at the War College in Pennsylvania. This is going to be important because of NPS expanding it's scope on national security and he will be representing Seaside. he reported on attending different meetings and committee assignments and reported that the issue being discussed again by PRORAC is the issue of affordable housing. He spoke in support of attending the Career Fair at Central Coast High School and that they are doing an excellent job and have embraced a way to accomplish their educational goals for the students.

15. CLOSED SESSION

Both closed session items were continued to the March 3rd City Council meeting.

A. PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH LABOR NEGOTIATORS

Action: Continued

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

Action: Continued

16. ADJOURNMENT

The meeting was adjourned at 10:34 PM and was closed in honor of the passing of Dale Heikus.

Respectfully submitted,

______________________________ ______________________________

Lesley Milton-Rerig, City Clerk **Ralph Rubio, Mayor**

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services
Krista Oberholtzer, Accounting

DATE: March 3, 2016

SUBJECT: **APPROVE AND FILE CITY CHECKS**

PURPOSE

It is requested that the City Council approve and file the accounts payable and wired payments made during the period of February 9, 2016 through February 22, 2016. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 18, 2016. Total Account Payable and Payroll for the above referenced period is $1,278,712.78.

RECOMMENDATION

It is recommended that the City Council approve and file the attached checks.

BACKGROUND

In accordance with Government Code Section 37208, at each City Council meeting the Council is provided a listing of the payroll and general checks issued since the last report so that it can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, I hereby certify that the above referenced (and attached) list of checks conforms to the approved budget and has been paid. These checks are hereby submitted to the City Council for inspection and confirmation.

A description of the checks and wires exceeding $10,000 are as follows:

- $963,148.80 from the Council Report (Payroll/Benefits)
- $85,265.00 to Condor, Inc. for the Patullo Swim Center drain repairs;

- $39,708.75 to Monterey Peninsula Water Management District for the Seaside Groundwater Basin Watermaster payment for the July to December 2015 time period;
- $35,542.26 to PNC Equipment Finance, LLC for the quarterly equipment lease purchase payment;
- $24,656.78 to U.S. Bank for monthly city-wide CalCard purchases.

The remaining checks, totaling $130,391.19, include payments to vendors for operating expenditures.

The Checks report is available on the City's Website here:
http://www.ci.seaside.ca.us/index.aspx?page=366

FISCAL IMPACT

The listed checks have been budgeted and paid from the various funds, as appropriate.

ATTACHMENTS

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Nancy Towne, Recreation Services Manager
Dan Meewis, Recreation Supervisor

DATE: March 3, 2016

SUBJECT: **APPROVE A FEE WAIVER REQUEST IN THE AMOUNT OF $487.25 (FOUR HUNDRED EIGHTY SEVEN DOLLARS AND TWENTY FIVE CENTS) FROM SEASIDE HIGH SCHOOL TO USE SOPER BALL FIELD TO HOLD THEIR HIGH SCHOOL VARSITY SOFTBALL GAMES**

PURPOSE

The purpose of this item is for the City Council to approve a request from Seaside High School to enter into a Use Agreement for the use of Soper Ball Field and consideration of a fee waiver for field usage and light usage for their 2016 Varsity Girls Softball home games.

RECOMMENDATION

It is recommended to waive the fees in the amount of $487.25 for Seaside High School to use Soper Field for the 2016 Girls Varsity Softball Games for their 201

BACKGROUND

On February 16, 2016, Seaside High School submitted a request to utilize Soper Ball Field for their high school varsity softball home games. Seaside High is requesting a fee waiver to utilize the field for 11 home games. Seaside does not have the ability to pay the entire amount of the fees to use the field but will pay $500 toward the use of the field. The total cost of fees is $987.25 which has been calculated for 3 hours of use per day and 1 hour of light usage for the first three games before daylight savings time begins. The total cost requested to be waived is $487.25.

The City has a Cost Recovery Policy that allows the Deputy City Manager-Resource Management Services, or her designee, to waive fees if the applicant is a non-profit, open to all youth that is primarily serving Seaside residents. Seaside High does not quality under this criteria, therefore waiver of fees is at the discretion of the City Council. The total cost for the use of Soper Field for their 2016 Girls Varsity Softball $987.25 of which Seaside High will be able to pay $500.00.

Seaside High is requesting the remainder amount of $487.25 to be waived. The City will require Seaside High School to enter into a field use agreement which will include in lieu fees such as field prep and clean up after each use.

COORDINATION

This item has been coordinated with Seaside PONY Baseball/Softball and Seaside High School Girls Varsity Softball.

FISCAL IMPACT

Approval of this item will result in a fee waiver in the amount $487.25 to use Soper Field.

ATTACHMENTS

1. Seaside High Request
2. Initial Request

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

Leslie Llantero - Re: Field Use Agreement

From: <mbpinc@comcast.net>
To: Leslie Llantero <LLlantero@ci.seaside.ca.us>
Date: 2/19/2016 5:05 PM
Subject: Re: Field Use Agreement

Hi Leslie,
In regards to the fee for the use of the softball field, we can only afford to pay you $500.00. This is all the money that we can afford, given our low budget from the school. The majority of our funds comes from the fundraisers that the girls work. Because we are using a lot of our money for uniforms, equipment and jackets for the team, we can only afford what I have offered.

Thanks,
Ronnie Usrey

From: "Leslie Llantero" <LLlantero@ci.seaside.ca.us>
To: mbpinc@comcast.net
Cc: "Daniel Meewis" <DMeewis@ci.seaside.ca.us>, "Nancy Towne" <NTowne@ci.seaside.ca.us>, "Tim O'Halloran" <TO'Halloran@ci.seaside.ca.us>
Sent: Thursday, February 18, 2016 5:16:36 PM
Subject: Field Use Agreement

Ronnie,

Attached is the Field Use Application along with the Cost Recovery Policy. Please complete application and return to my attention.

Leslie

Leslie Llantero
Assistant Engineer
831.899.6832
lllantero@ci.seaside.ca.us
www.ci.seaside.ca.us

City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

City of Seaside – Parks & Recreation Division
440 Harcourt Avenue, Seaside Ca 93955
(831) 899-6825

Permit To Use Soper Field and/or Picnic Facilities

Date(s) Requested:

SEE ATTACHED
Day Date Time

Day Date Time

Soper Field Barbecue Areas:
- ○ Small Barbecue Picnic Areas (**1-3**) No.______
- ○ Large Barbecue Picnic Area (**50** person min.)
- ○ Entire Barbecue Picnic Area
- ○ Bounce House - Fee: As per current adopted fee schedule
- ● Ball Field Usage ____ (Fee: As per current adopted fee schedule)
- ○ Ball Field Lighting ____

Hours of Availability: 8:00 a.m. to Dusk
Do you intend to use the Barbecue Pits? NO
Do you intend to play music? NO **(No Amplified, Live Music, or Bands)**
Estimated Attendance ______

	Resident	*Non-Resident*	*Cleaning Deposit*
Small BBQ Areas (1-3)			
Large BBQ Area	***Fees: Per current adopted fee schedule***		
Entire BBQ Area			

Total Rental Fee Due: ________ Total Deposit Due: ________

Intended Use: SOFTBALL GAMES

Name: RONNIE USREY Organization: SEASIDE HIGH SCHOOL GIRLS SOFTBALL TEAM

Address: 2200 NOCHE BUENA ST. SEASIDE (City) CA (State) 93955 (Zip)

Night Phone: (831) 393-9777 Day Phone: (831) 277-5009

I, the undersigned, hereby certify that I will be personally responsible for any damage sustained to the grounds, buildings, furniture, or equipment occurring through the occupancy of said facilities. I will also be responsible for the enforcement of the Department rules and regulations. **City Ordinance 9.12020** makes it unlawful for any person to knowingly make, continue or cause to be made or continue any excessive, unnecessary or unusually loud noise. **City Ordinance 9.08.060 (B) (1)** makes is unlawful for any person using a park to consume or have in his/her possession an open container of any alcoholic beverage. **Please be aware that the City does not provide electricity for any park reservation** other than a reservation made for a City Function/Event. ***Initials:*** ______

IT IS DISTINCTLY UNDERSTOOD AND AGREE, that the applicant assumes all risk for loss, damage, liability, injury, cost or expenses that may arise during or because of such use or occupancy of the facility of the city of Seaside and its Public Works Department. The applicant further agrees that in consideration of being permitted to use said facilities, he/she will save and hold the City of Seaside and said Public Works Department and/or its employees, free and harmless from any loss claims liability, damage and/or injuries to persons or property that in any way may be caused by applicants use or occupancy of said facilities.

NOTE: All Park Rental Fees Are Non-Refundable
75% of cleaning deposits will be refunded within 14 –21 working days after use of facility. The remaining 25% of the deposit will be kept in the Janitorial/Maintenance account.
(Rental Area Must Be Clean In Order To Receive A Refund)

Signature of Applicant: Ronnie Usrey Date: 2/3/16

(For Office Use Only)

Permit Fee: ________
Resource Management Services Authorized Agent: ________ Date ______
Note: Original to Resource Management - Copy to Police Department - Copy to Parks Division

6/16/09

3-7pm

SEASIDE HIGH SCHOOL VARSITY SOFTBALL

HOME GAMES (SOPER FIELD) – 2016

1.) Wed 2/24 -Pacific Grove vs. Seaside 4:00 pm
2.) Wed 3/9 -Carmel vs. Seaside 4:00 pm
3.) Fri 3/11 -Monterey vs. Seaside 4:00 pm
4.)Tues 3/15 -Pacific Grove vs. Seaside 4:30 pm
5.) Tues 3/22 -Watsonville vs. Seaside 4:30 pm
6.) Tues 3/29 -Stevenson vs. Seaside 4:30 pm
7.)Wed 4/13 -Everett Alvarez vs. Seaside 4:30 pm
8.) Wed 4/20 -Monte Vista Christian vs. Seaside 4:30 pm
9.) Fri 4/29 -Alisal vs. Seaside 4:30 pm

10.)Wed 5/4 -North Monterey County vs. Seaside 4:30 pm

11.)Wed 5/11 -Pajaro Valley vs. Seaside 4:30 pm

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.D.

TO: City Council

FROM: Craig Malin, City Manager

BY: Diana Ingersoll, Deputy City Manager Resource Management Services
Nancy Towne, Recreation Services Manager

DATE: March 3, 2016

SUBJECT: **CONSIDER AND APPROVE A FEE WAIVER REQUEST FROM THE VILLAGE PROJECT, INC FOR USE OF SEASIDE COMMUNITY CENTER FOR THE ANNUAL AFTER SCHOOL PROGRAM CELEBRATION OF EXCELLENCE.**

PURPOSE

The purpose of this item is to consider the request for a fee waiver by The Village Project in the amount of $325.00 (Three Hundred Twenty Five Dollars and Zero Cents). These fees include room rentals fees for the Annual After School Program Celebration of Excellence and the non-refundable portion of the deposit.

RECOMMENDATION

Staff recommends the following actions be approved:

1. City to waive all room rental fees totaling $250
2. Organization to provide the City with the non-refundable portion of the maintenance deposit: $75.00
3. Organization to provide insurance coverage.

BACKGROUND

The Village Project, Inc. is proposing to hold the Annual After School Program Celebration of Excellence at the Seaside Community Center. They are requesting a fee waiver for their event. This is the first fee waiver request for this event. The past three years they had substantial funding to pay for the rental, but this past year one of their perennial and substantial funders decided to fund another organization. This left the Village Project, Inc. with less overall funding than in previous years. Even though this is the first request for a fee waiver for this event, the Village Project, Inc. has been grandfathered in to allow for a Fee Waiver for the annual Youth

Summit, and up to four youth dances per year at the Oldemeyer Center.

Staff recommends that the organization provide the non-refundable portion of the maintenance deposit and provide insurance coverage for the event. Those fees are deposited to the janitorial and maintenance fund to pay for the costs associated with the upkeep and maintenance of the facility.

FISCAL IMPACT

Should the City Council approve the request for full fee waivers for the event, the approximate fiscal impact is as follows:

Room Rental Costs	5 Hours @ $50.00	$250.00
Non-Refundable Deposit		$75.00
	TOTAL	**$325.00**

ATTACHMENTS

1. Village Project

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

BOA ME NA ME MMOA WO

"Help me and Let me help you"

Symbol of corporation and interdependence

THE VILLAGE PROJECT, INC.
1069 Broadway Ave., Suite 201 • P.O. Box 127 • Seaside, CA 93955
Telephone: (831) 392-1500 • Fax: (831) 392-1501
www.thevillageprojectinc.org

February 9, 2016

Ms. Nancy Towne, Director
Recreational Services
City of Seaside
986 Hilby Avenue
Seaside, CA 93955

Re: The Village Project, Inc.'s Waiver Request for Use of Soper Field Community Center on Friday, May 27, 2016

Dear Ms. Towne:

The Village Project, Inc. is requesting a waiver of fees for its 6th Annual Celebration of Excellence for the students in its Mae C. Johnson Education and Cultural Enrichment Academy, i.e. Afterschool Academy. At the end of each school year since its beginning, the Afterschool Academy has hosted an event that honors the achievements of the students who finish our program. The vast majority of these students became academic achievers for the first time as a result of this program. They are rewarded each year with certificates from all elected officials from our Mayor, our County Supervisor, our Assemblyperson, our State Senator and our Representative. We are quite proud of this program and, of course, our students. This year we have 42 students in our program. Approximately all but four are from Seaside and all of whom are from the Monterey Peninsula Unified School District.

Unlike previous years when we had more funding, we find ourselves needing to request a waiver for this year's event. This school year, one of the Foundations that had funded us for the past four years decided not to fund us in order to fund newer organizations. This impacted us greatly and left us with far fewer funds than in previous years. Thus, we are asking for a waiver of fees for what has become a highly anticipated community event.

Should you have questions, please feel free to contact me at (831) 392-1500. We thank the City Council for its collective consideration of this request.

Sincerely,

Mel Mason

Mel Mason, LCSW
Execuitive Director/Clinical Director

A Multi-Service African American Family Resource Center
In Partnership with Monterey County Behavioral Health Division

City of Seaside

FEE WAIVER REQUEST

Name of Applicant MELVIN T. MASON Organization THE VILLAGE PROJECT, INC.

Address 1069 BROADWAY AVE, STE. 201 SEASIDE CA 93955
Street City State Zip

Home Phone (831) 392-1500 Cell Phone (831) 601-0014 Email Address MEL@VILLAGEPROJECTINC.OR

Room(s) Requested SOPER FIELD COMMUNITY CENTER

Day(s) and Date(s) Requested FRIDAY, MAY 27, 2016

Hours Requested (include set-up time) 4PM - 9PM Estimated Attendance 100

Description of Event ANNUAL AFTERSCHOOL PROGRAM CELEBRATION OF EXCELLENCE

Special Instructions or Equipment to Be Brought In PODIUM AND MIKE, USE OF KITCHEN

Reason for Requesting Fee Waiver

THIS IS THE FIRST TIME WE HAVE REQUESTED A WAIVER. THE PAST THREE YEARS, WE HAD SUBSTANTIAL FUNDING TO PAY FOR RENTAL. THIS PAST YEAR ONE OF OUR PERENNIAL AND SUBSTANTIAL FUNDERS DECIDED TO FUND SOME NEW ORGANIZATIONS. WE WERE NOT RE-GRANTED, LEAVING US WITH LESS OVERALL FUNDING THAN IN YEARS PAST.

Have you received a Fee Waiver in the past? Yes ☐ No ☑

If so, what was the date of your event?

Is your organization based in Seaside? Yes ☑ No ☐

What percentage of your members or participants resides in Seaside? WE HAVE 42 STUDENTS IN OUR PROGRAM, 37 OF WHOM ARE FROM SEASIDE. ALL ARE FROM MPUSD.

What is your organization's tax identification number? 61-1562515

Is organization able to provide liability insurance? YES

Will alcohol be served or sold at your event? Yes ☐ No ☑

Applicant Signature [signature] Date 2-5-2016

FOR OFFICE USE ONLY

Approved: ______
Denied: ______
Appealed: ______

Security Required? Yes ☐ No ☐ **Notes:** ______
Staff Approval: ______
Date: ______

Revised 5/12

PERMIT TO USE SEASIDE COMMUNITY CENTER

City of Seaside Recreation Services
220 Coe Avenue, Seaside, CA 93955
(831) 899-6800   Fax (831) 899-6274

Name of Applicant MELVIN T. MASON Organization THE VILLAGE PROJECT, INC.

Address 1069 BROADWAY AVENUE, SUITE 201 SEASIDE CALIFORNIA 93955
Street / City / State / Zip

Home Phone (831) 392-1500 Cell Phone (831) 601-0014 Email Address MEL@VILLAGEPROJECTINC.ORG

Day(s) and Date(s) Requested FRIDAY, MAY 27, 2016 Hours Requested (include set-up time) 4PM – 9PM

Description of Event AFTERSCHOOL PROGRAM ANNUAL CELEBRATION OF EXCELLENCE Estimated Attendance 100

Event Start Time 7:00PM am/pm Event End Time 9:00 PM am/pm

Special Instructions or equipment requested (i.e., Podiums, coffee pots., etc...) PODIUM, MIKE,

**Projectors and electronic equipment including extension cords are not available for use*

	YES	NO
Is event open to the public?	☑	☐
Will admission be charged?	☐	☑
Are you a non-profit organization?	☑	☐
Will there be music?	☐	☑

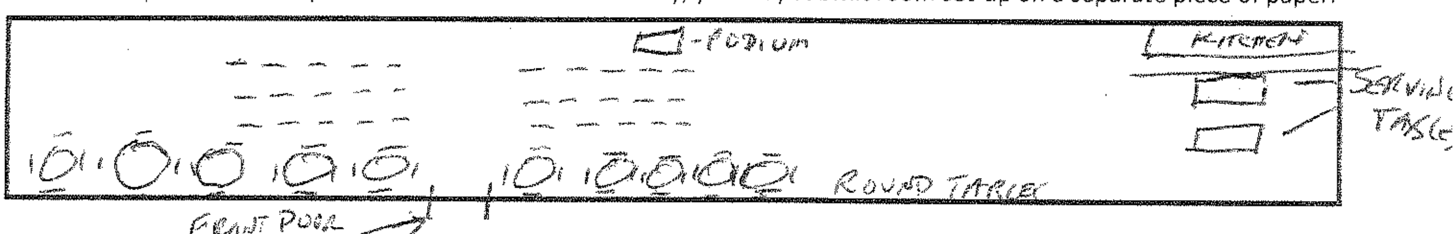
Live music or DJ? ____________

Name, of DJ or band: ____________

	YES	NO
Will refreshments be served?	☑	☐
Will refreshments sold?	☐	☑
Will you be using the kitchen?	☑	☐
Will alcohol be served?*	☐	☑
Will alcohol be sold?*	☐	☑

*** Alcohol is prohibited at youth oriented events.**

Please sketch preferred set-up of tables and chairs. If necessary, you may submit room set-up on a separate piece of paper.



Applicant will provide the following items 30 days prior to the event:

- ☐ Full payment of all applicable fees
- ☐ Proof of liability insurance
- ☐ Copy of event security contract by licensed company (if applicable)
- ☐ Copy of ABC license (if applicable)

I have read and agree to the Seaside Community Center Rental Rules & Regulations and fees on the back side of this form.

Applicant Signature [signature] Date 2-5-2016

FOR OFFICE USE ONLY

Deposit: ______
Hourly Fees: ______
Insurance: ______
Alcohol Deposit: ______
Total Fees: ______

Amount Paid: ______
Date: ______
Balance Due: ______
Balance Due Date: ______

Staff Approval: ______
Notes: ______

Revised 1/16

ACORD

CERTIFICATE OF LIABILITY INSURANCE

VILLA02 OP ID: TH

DATE (MM/DD/YYYY) 10/01/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Suhr Risk Services
5300 Stevens Creek Blvd.
San Jose, CA 95129
Select Accounts Department

CONTACT NAME: Select Accounts Department
PHONE (A/C, No, Ext): 408-510-5440 FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Riverport Insurance Company	36684
INSURER B : State Compensation Ins. Fund	35076
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Village Project, Inc
1069 Broadway Avenue, Ste 201
Seaside, CA 93955

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; X PROF LIAB $1M/3M; GEN'L AGGREGATE LIMIT APPLIES PER: POLICY; PRO-JECT; LOC; OTHER:	X		RIC0014456	10/07/2015	10/07/2016	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 3,000,000
							PRODUCTS - COMP/OP AGG	$ 3,000,000
							Emp Ben.	$ 1M/3M
A	AUTOMOBILE LIABILITY; X ANY AUTO; ALL OWNED AUTOS; SCHEDULED AUTOS; X HIRED AUTOS; X NON-OWNED AUTOS			RIC0014456	10/07/2015	10/07/2016	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB; OCCUR; EXCESS LIAB; CLAIMS-MADE; DED; RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N; If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		190947114	10/01/2015	10/01/2016	X PER STATUTE; OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

PROOF OF INSURANCE

CERTIFICATE HOLDER

City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

John B. Suhr

ACORD 25 (2014/01)

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.E.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: March 3, 2016

SUBJECT: **ADOPT RESOLUTION APPROVING A CONTRACT FOR AN UPDATE TO THE AMERICANS WITH DISABILITIES ACT TRANSITION PLAN FOR A TOTAL CITY COST NOT TO EXCEED $32,100**

PURPOSE

The purpose of this item is to have the City Council review, consider and take action on a contract with Disability Access Consultants (DAC) to provide the City with an updated ADA (Americans with Disabilites Act) Transition Plan as required under Title II of the Act.

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution approving a contract with Disability Access Consultants (DAC) to update the City's ADA Transition Plan for a total cost to the City of Seaside not to exceed $32,100.

BACKGROUND

In July of 1990, President Bush signed into law the Americans With Disabilities Act (ADA). There are five titles under the ADA: Title I - Employment, Title II - Public Services, Title III - Public Accommodation, Title IV Telecommunications, and Title V - Other Provisions.

Title II applies to all city and county governments, schools and all other public entities. Title II says that no qualified individual with a disability shall be excluded from participation in, or denied access to programs, services and activities. The requirements of Title II are a Self-Evaluation and a Transition Plan.

The Self-Evaluation is a review of policies, procedures, practices and programs to identify any discriminatory or potentially discriminatory areas, and the development of a programmatic barrier removal plan.

The Transition Plan identifies any physical barriers that may deny access to a person with a disability and develops a plan for the removal of structural barriers that deny access to programs, services and activities. The Plan includes a finding, a recommendation, a schedule for the barrier removal, and designates a responsible person. The development of the Plan requires the City to provide opportunities for public input from individuals with disabilities, organizations that represent individuals with disabilities, stakeholders and any other interested individuals.

In 1992, the City of Seaside adopted Resolution No. 92-58 proclaiming the intent of the City to come fully into compliance with the federally mandated requirements of the ADA. On January 15, 1998, the City Council adopted Resolution No. 98-06 adopting the Americans With Disabilities Act Report prepared for the City by Austin and Associates which included a Self-Evaluation and a Transition Plan. The resolution directed the City Manager and the Executive Management Staff to fund the Transition Plan as the City was fiscally able. Many projects included in the Plan have been completed. At this time the Plan needs to be updated.

The City is a member of the California Joint Powers Insurance Authority (CJPIA). CJPIA is concerned that its member agencies may have an insufficient and/or dated ADA Self-Evaluation and Transition Plan, putting the member cities and the CJPIA pool at risk for litigation. In order to reduce this potential risk, CJPIA has developed a Americans with Disabilities Assistance Program. The Program provides training to its member agencies and offers financial assistance to member agencies to upgrade their Self-Evaluation and Transition Plan to achieve compliance with the ADA.

In order to accomplish this, CJPIA contracted with Disability Access Consultants (DAC) to provide professional services to assist individual cities at a reduced cost. Seaside staff met with DAC to do a preliminary review of the City's needs. Our Self-Evaluation and our Transition Plan are 18 years old and dated. These documents need to be updated to bring us into compliance. DAC has provided the City with a proposal to update our Self-Evaluation and our Transition Plan. The proposed cost is $4,900 for the Self-Evaluation and $48,600 for the Transition Plan. The CJPIA Program will pay for the costs of the Self-Evaluation and they will pay up to $16,500 of the Transition Plan costs. This assistance brings the total City paid cost of the update down to $32,100.

The City Council appropriated $32,100 for the Transition Plan Update at the mid year budget review on February 18, 2016.

In addition, DAC has developed a software program to facilitate ADA compliance management going forward. The first cost of software licensing and staff training will be paid by CJPIA. The annual licensing fee of $2,000 will be paid by the City for year 2 and beyond.

Attached to this staff report is the proposed contract with DAC with Exhibit A, the DAC Proposal.

FISCAL IMPACT

As part of the mid-year adjustments approved by the City Council on February 18, 2016, $32,100 was included for the ADA Transition Plan Update.

To facilitate the contract administration, the City will contract with DAC for the full amount of the contract, $75,200. California Joint Powers Insurance Authority will reimburse the City $43,100, making the net City cost $32,100.

ATTACHMENTS

1. Resolution
2. Contract with Disability Access Consultants
3. Exhibit A to the Contract - Proposal for Accessiblity Services

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Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO. 16-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

APPROVING A CONTRACT WITH DISABILITY ACCESS CONSULTANTS FOR ACCESSIBILITY SERVICES, INCLUDING AN AMERICANS WITH DISABILITES SELF-EVALUATION AND A TRANSITION PLAN

WHEREAS, the City of Seaside (City) under the Americans With Disabilities Act (ADA) is required to have a current Self-Evaluation and Transition Plan; and

WHEREAS, the City has an eighteen year old Plan ; and

WHEREAS, the City is a member of the California Joint Powers Insurance Authority (CJPIA) and the CJPIA recommends that all members have an up-to-date Plan; and

WHEREAS, CJPIA has agreed to provide financial assistance to its members to complete an updated Plan; and

WHEREAS, on February 18, 2016, the City Council appropriated $32,100 to pay the City's portion of the cost of the Plan Update.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Seaside approves the contract with Disability Access Consultants for $75,200, with $43,100 to be reimbursed by CJPIA, for a net cost of $32,100 and delegates authority to the City Manager to execute the contract.

PASSED AND ADOPTED at a regular City Council meeting duly held on the 3rd day of March 2016 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley Milton-Rerig, City Clerk

CITY OF SEASIDE

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT, is made and effective as of ___________ 2016, between the City of Seaside, a municipal corporation ("City") and Disability Access Consultants, 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 March 4, 2016 and shall remain and continue in effect until tasks described herein are completed, but in no event later than August 15, 2016, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, 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.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks 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 its obligations under this Agreement.

4. CITY MANAGEMENT

City's Deputy City Manager – Administrative Services 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 Tasks to Be Performed or change the compensation due to Consultant. City's City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) The City agrees to pay Consultant monthly from invoices submitted to the City based upon actual time spent on the above tasks. This amount shall not exceed seventy-five thousand on hundred dollars ($75,100.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager.

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. The City Manager may approve additional work not to exceed ten percent (10%) of the amount of the Agreement, but in no event shall such sum exceed twenty four thousand nine hundred ninety nine dollars ($24,999.00). Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will 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.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work 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 work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 3.

7. DEFAULT OF CONSULTANT

(a) The 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 work 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 work hereunder arises out of 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 his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the 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 that the Consultant fails to cure its default within such period of time, the 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.

8. 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 there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained at the City of Seaside's City Hall for a minimum period of three (3) 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 the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any act, error or omission of Consultant, its officers, agents, employees or sub consultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this

Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or sub consultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub consultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage in accordance with Exhibit B.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. 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 the 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.

12. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City of Seaside in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City of Seaside 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 work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her 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 Project performed under this Agreement.

15. 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 sub consultants, 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 sub consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, 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. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar 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.

16. 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, certified mail, postage prepaid, return receipt requested, 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:	City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attention: City Clerk
To Consultant:	Disability Access Consultants 2243 Feather River Blvd. Oroville, CA 95965

17. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Because of the nature of the services to be rendered pursuant to this Agreement, only Disability Access Consultants shall perform the services described in this Agreement.

18. 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.

19. GOVERNING LAW

The 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 the federal district court with jurisdiction over the City of Seaside.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, 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.

21. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the proposal submitted by the Consultant, Exhibit "A" hereto. In the event of conflict, the requirements of this Agreement shall take precedence over those contained in the Consultant's proposals.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF SEASIDE	CONSULTANT
By:___________________________	By:___________________________
Craig Malin, City Manager	
	______________________________(Typed Name)

EXHIBIT A

Proposal from Disability Access Consultants

Attached

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than $1,000,000 per occurrence, $2,000,000 aggregate.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less that $1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum $25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subconsultants or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than $1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than $1,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all contractors, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant’s employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.

3. All insurance coverage and limits provided by Contractor and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.

4. 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.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called “third party action over” claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City’s protection without City’s prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.

10. Consultant agrees to ensure that 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 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 subcontractors and others engaged in the project will be submitted to City for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. 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 will negotiate additional compensation proportional to the increased benefit to City.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. 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 limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There

shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

City of Seaside

Proposal for Accessibility Services – Revision # 2

AMERICANS WITH DISABILITIES ACT (ADA) SELF-EVALUATION AND TRANSITION PLAN

September 22, 2015

Disability Access Consultants
2243 Feather River Blvd
Oroville, CA 95965

COVER LETTER

September 22, 2015

To:	Roberta Greathouse Human Resources Manager City of Seaside 440 Harcourt Seaside, CA 93955
Re:	Americans with Disabilities (ADA) Self-Evaluation and Transition Plan
Firm Information:	Disability Access Consultants (DAC)
Southern California:	17777 Center Court Drive, Suite 600, Cerritos, CA 90703
Headquarters:	2243 Feather River Blvd, Oroville, California 95965 Project Manager: Barbara Thorpe, President bthorpe@dac-corp.com Phone: 1-800-743-7067

We appreciate the opportunity to submit our statement of qualifications and proposal for providing consultant services for an Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan for the City of Seaside public facilities and public rights-of-way.

DAC has extensive experience in the evaluation of program and facility accessibility and provides a full continuum of Americans with Disabilities Act (ADA) and accessibility services for public entities, such as the City of Seaside. Founded as a California corporation and woman owned business in 1998, DAC has provided services for the past 17 years to assist public entities to comply and implement accessibility requirements in accordance with the ADA, Title 24 of the California Building Code, Section 504 and related federal, state and local disability-related nondiscrimination laws and regulation. DAC has conducted over 15,000 building inspections, surveyed thousands of parks and playgrounds, thousands of miles of sidewalks and performed hundreds of programmatic reviews and self-evaluations to study the accessibility of programs, services, activities, events and related areas. DAC has a comprehensive understanding of applicable standards, regulations and requirements under Title II of the ADA, California Building Code and related state accessibility standards. DAC has completed over a hundred similar studies.

DAC was has also been working on a project for the Department of Transportation in Washington, D.C. to develop a pilot study for potential duplication of methodologies in other geographic areas, using tools and standards for public rights-of-way accessibility reviews by means of a software program to update and manage the ADA public rights-of-way transition plan. DAC is providing recommendations for best practices and technologies for the DOT.

To provide for easy management of the transition plan and documentation of compliance efforts, DAC has developed web-based software called DACTrak. DACTrak is a powerful tool to manage and update the transition plan, project costs and document progress. Custom reports can be printed in a variety of formats.

This proposal is authorized by Barbara Thorpe, who is empowered to submit the bid, negotiate with the City, and authorized to sign a contract with the City of Seaside. There are no conflicts of interest. DAC declares that this proposal is submitted in fair and good faith with no collusion or fraud.

Respectfully submitted by Barbara Thorpe, President

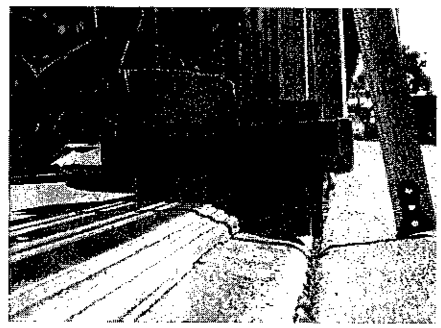
Barbara Thorpe

FIRM ORGANIZATION AND DESCRIPTION OF QUALIFICATIONS

Disability Access Consultants was founded as a woman owned California Corporation in 1998, DAC has provided services for the past 17 years to assist public entities to comply and implement accessibility requirements in accordance with the ADA, Title 24 of the California Building Code, Section 504 and related federal, state and local disability-related nondiscrimination laws and regulation. DAC has extensive experience in the evaluation of program and facility accessibility and provides a full continuum of Americans with Disabilities Act (ADA) and accessibility services for public entities, such as the City of Seaside.

As our founder, Barbara Thorpe, worked with a public entity for 19 years as the ADA Coordinator, 504 Coordinator, and Director of Planning and Compliance, she has extensive experience working with individuals with disabilities and organizations representing individuals with disabilities. In addition, she has collaborated with individuals with disabilities and organizations that represent individuals with disabilities in a facilitative manner that has benefited city governments during her work with other municipalities. Barbara and the DAC team members have demonstrated the ability to engage and interact with individuals and organizations to assist with the prioritization, long range planning and implementation of the ADA plan.

DAC has a team of 16 staff, with our Facility Team Leader Michael Boga holding CASp Certificate #152, dedicated to assisting public entities, such as the City of Seaside, with ADA compliance. DAC has a comprehensive understanding of applicable standards, regulations and requirement under Title II of the ADA, California Building Code and related state accessibility standards.



DAC has a reputation to being responsive to the client's needs, providing on-time project completion within budgets. DAC has a proven track record for comprehensive experience in conducting ADA Self Evaluations and Transition Plans, implementation and related services.

Other public entities for which DAC has provided similar services include Fair Oaks Recreation and Park District, Padre Dam Water District, Hayward Parks and Recreation, 15 California Fairs, 160 California public school districts, and several large Joint Power Authorities and insurance carriers for groups of public entities.

DAC is currently assisting the California Joint Powers Insurance Authority (CJPIA) members, of which the City of Seaside belongs, to assist members with ADA compliance at a discounted rate. DAC has been assisting several Joint Power Authorities in Sacramento and El Dorado County since 2000 and currently provides updates, consultation, plan reviews and expert witness services. DAC has worked with public entities of all sizes, from one site to 506 sites. Members of the DAC team have also served as expert witnesses to assist public entities to defend their current practices and ADA plan. DAC has only served on the side to assist public entities to defend their practices and plan and has never assisted with litigation against a public entity. Our mission statement and philosophy embrace the enhancement and assistance to our clients to build an ADA accessibility plan while documenting previous and current compliance methods.

Over the 17 years of serving our clients, DAC has demonstrated financial stability, staff stability and has a no claims insurance record.

DAC provides a full continuum of professional services that include, but are not limited to:

- Facility inspections
- Self-evaluations for ADA and Section 504 of the Rehabilitation Act
- Policy review and development
- Transition plans
- Public rights-of-way surveys
- Consultation
- Accessibility compliance intake and management software – DACTrak
- DACTrak training to conduct your own inspections

- Expert witness services
- Plan reviews
- ADA Plan implementation assistance and consultation
- Outdoor developed and recreational areas (pools, parks, trails, camping areas)
- NPSI playground safety inspections
- ADA Playground inspections

DAC utilizes the appropriate standard(s) for the inspection that may include, but is not limited to:

- ADA 2010 Standards
- California Building Code
- ADA-ABA
- UFAS
- ANSI
- Section 504 of the Rehabilitation Act
- Outdoor developed and recreational standards
- National Playground Safety Institute (NPSI) standards
- PROWAG – Federal Public Rights-of-way Guidelines
- Federal Highway Administration's Manual on Uniform Traffic Control Devices (MUTCD)

Our firm stands out in the public entity arena due to proven performance in a wide range of services, from programmatic and policy reviews, facility inspections, transition plans, consultation, plan reviews and expert witness services. We excel at providing a comprehensive assessment of our clients' current status by preparing a study of all areas related to accessibility in different departments to document ongoing compliance.

Innovative Tools, Strategies and Best Practices
Based on experience and knowledge of the accessibility field and best practices, DAC continues to develop innovative methodologies, easy to use ADA management tools, and proven, successful strategies for evaluating programs, services, activities, events, facilities, parks and public rights-of-way. DACTrak was developed by DAC for the purpose of easy and useful importing and management of the accessibility data collected in the field. DACTrak is interactive web-based software and is not an enhanced Excel spread sheet. The ability to collect, compile, analyze and use report data in a practical format was one of the driving forces to develop the DACTrak intake and management software.

Our DAC accessibility management software, DACTrak, provides our clients with a powerful management tool to document compliance, project costs, print custom reports and record progress. DACTrak is not an Excel spreadsheet, but actual software that has been developed by our company to assist with the implementation and documentation of the City's ADA plan and provides photographs of as-is site conditions, which has proved to be valuable documentation. Findings and recommendations, in addition to other data are preloaded into the DACTrak software. As DAC owns and licenses the DACTrak software, we can make custom modifications for our clients.

The DAC team members proposed for the City of Seaside project have worked together on similar projects. A few projects are listed below. References and a description for the scope of work are provided for several of the following recent California projects:

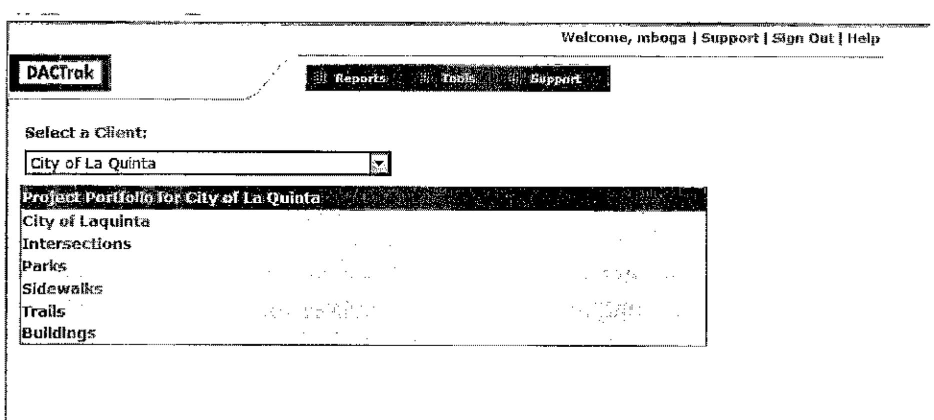
- City of San Clemente
- City of Palos Verdes Estates
- City of Palm Springs
- City of Fountain Valley
- City of Los Alamitos
- City of Pismo Beach
- County of Kern
- City of Modesto

- City of La Quinta
- City of Newport Beach
- City of Claremont
- City of Huntington Beach
- City of Modesto
- City of Manteca
- City of Grass Valley
- City of Banning
- County of Butte
- Solano County
- City of Moreno Valley
- City of Palm Springs
- City of Cypress
- City of Lincoln City
- Calaveras County
- Desert Recreation District
- Fair Oaks Recreation and Park District
- City of Glendale
- City of Oroville
- City of Clovis
- County of Santa Clara
- County of Shasta
- Town of Paradise
- City of Laguna Woods

DACTrak Accessibility Management Software

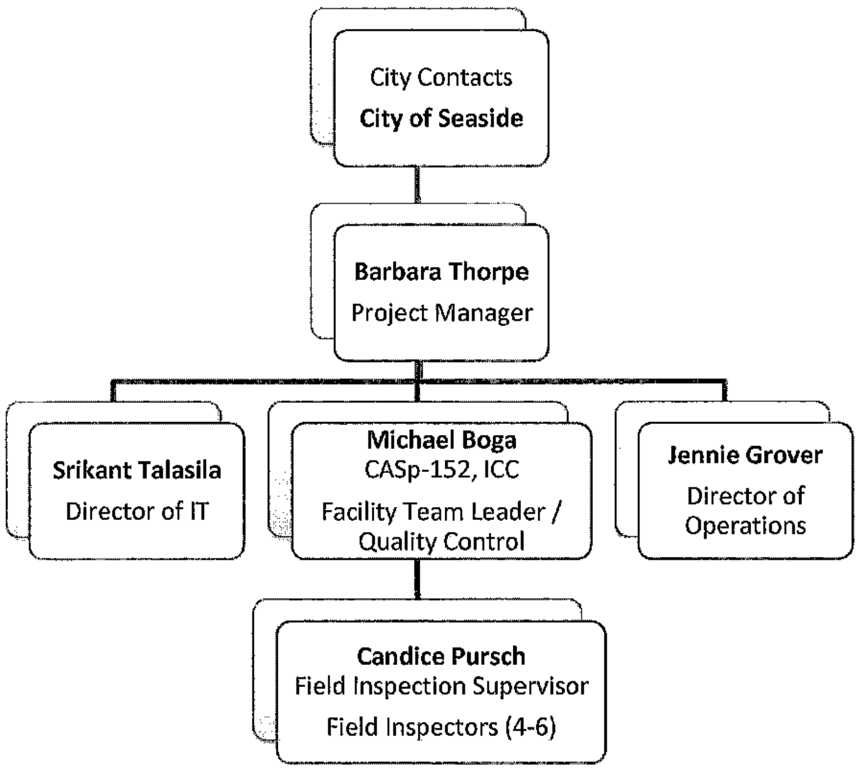
The accessibility management software is included at **no cost** to the City of a period of two years. If the City decides to continue with the use of the web-based management software after the initial two years at no cost, the California JPIA, of which the City is a member, has an agreement with DAC to pay the small licensure fee for continued use. The use of the DACTrak software includes the storage and maintenance of the City data. If the City decides not to continue to use the web-based DACTrak Accessibility Management System to maintain, update and document compliance of the ADA plan, the data can be transferred to an Excel spreadsheet or an alternate format. DAC has found that usable and easy to manage software (instead of Excel spreadsheets) is imperative to maintaining and updating the ADA plan.

Categories can be customized and findings organized as demonstrated in the screen shots of the DACTrak software included in the supplemental materials Appendix.



PROJECT TEAM STAFFING AND RESUMES

Disability Access Consultants (DAC) has a dedicated team of fourteen professionals with backgrounds in administrative leadership roles with public entities, construction and code enforcement. DAC is an equal opportunity employer and our team composition includes minority and veteran representation. The team has worked together on numerous ADA compliance projects with City governments and public entities. DAC works with several large JPA's and insurance pools to assist public entities with ADA compliance.



The DAC team has a proven record to provide on-site services in a collaborative and efficient manner. DAC has experienced team members who have worked with public entities for successful and on time completion of numerous projects. Necessary staff members have ICC, NPSI, and CASp certification. A CASp certified Team Leader will be involved with the project and field evaluations. The project team is organized to provide a representation of skills needed to accomplish the project objectives. In addition, teams that have worked together previously will be assigned to the City of Seaside project. Following are descriptions of key team members' qualifications and their assigned roles.

Barbara Thorpe, M.Ed., LOT
DAC Project Manager

As DAC Project Manager, Barbara will coordinate activities and schedules and report to the Director of Human Resources or designee. Barbara will serve in the leadership role regarding the ADA Self-Evaluation of programs, services, activities and events along with the review of policies and procedures. Barbara brings twenty years of experience in public administration and providing services to individuals with disabilities to Disability Access Consultants. As an administrator in a public entity, Barbara provides unparalleled understanding of the application of the Americans with Disabilities Act and related legislation. In addition to assisting public entities with compliance with the ADA, Barbara has conducted compliance reviews for the Department of the Interior to audit for compliance with the ADA, Section 504 of the Rehabilitation Act and related civil rights laws and regulations. Barbara has served as an expert witness for the Department of Justice, Office of the Attorney General. Additionally, Barbara is a licensed occupational therapist. Barbara served on the Division of State Architect Advisory Board and served as the vice-chair for the DSA Access Compliance Committee. Barbara has worked on over 200 public entity projects that are similar to the City.

Michael Boga, B.A. Education, California Certified Access Specialist, ICC Accessibility, Usability and Plans Examiner

Facility Team Leader

As manager of the production and the inspection team, Michael brings a unique blend of experience in the building industry along with his understanding of individuals with disabilities to the accessibility team. Michael is a certified accessibility specialist through the International Conference of Building Officials (ICC), certified in Accessibility, Usability and Plans examination and is California certified CASp inspector #152. Michael has completed the updated DSA courses regarding the 2010 California Building Code. Michael has provided numerous staff development sessions to public entities regarding accessibility requirements. If requested, Michael would provide training, assist with plan reviews and review new work completed for compliance, as requested. Mike has worked on over 260 projects that are similar to the City of Seaside.

Jason Katz, B.S. Urban Planning, B.A. Sustainability and Urban Dynamics

DAC Accessibility Specialist

Jason brings to DAC a background in civil design with degrees in Urban Planning and Sustainability/Urban Dynamics. Jason is also certified in Geographic Information Science and Auto CAD. Prior to becoming an Accessibility Specialist with DAC, Jason has worked on projects to compare and estimate future urban area population density differences using ESRI ArcMap 10, and also worked with the City of Mesa, Arizona to help establish green building codes for City owned buildings.

Srikant Talasila

Director, Information Technology

Srikant brings many years of experience with information technology and management information services from a large corporation. He has the ability to categorize and organize large volumes of information regarding public and school facilities into a manageable database. He provides training and consultation to our clients in the use of DACTrak. Srikant would work directly with City of Seaside staff to train and assist with the data entry and management of data.

Jennie Grover

Director of Operations

Jennie draws on her experience in technical writing to provide leadership and management of the production and technical writing team, organizing the completion of technical reports, as well as managing production schedules, staff and timelines.

RESUMES OF KEY TEAM MEMBERS

BARBARA THORPE

Americans with Disabilities Act, Section 504 and Related Experience

- President and owner of Disability Access Consultants, a woman owned small business with an extensive history of accessibility compliance consulting since 1998
- Conducted hundreds of Americans with Disabilities Act Self-evaluations for public entities, City and County governments, school districts, colleges, universities and outdoor developed areas
- Provided consultation regarding access to programs, services and activities to public entities and businesses
- Conducts quality control audits of projects for compliance with the ADA and Section 504 of the Rehabilitation Act including public rights-of-way, facilities and outdoor developed areas
- Assisted with the development of thousands of transition/barrier removal plans for public entities regarding facilities and public rights-of-way
- Performed compliance audits for the Department of the Interior
- Served as an expert witness for the Department of Justice, public entities and other businesses
- Served on advisory boards for disability issues for public entities

- Provided consultation to numerous state and local government entities and the federal government regarding ADA and Section 504 compliance
- Assisted with ADA implementation plans and consent decrees for public entities
- Provided staff development activities for public entities, businesses and associations

Professional Experience

- Occupational Therapist
- Teacher for special needs and persons with disabilities
- Program Staffing Specialist
- School Administrator
- Director of Special Education and Student Services
- Director of Planning, Compliance and
- ADA Coordinator, 504 Coordinator and Equity Officer
- Accessibility Consultant

Education

Graduated Magna cum Laude

Colorado State University

Bachelors of Science - Occupational Therapy

Graduated Summa cum Laude

University of South Florida

Master's Degree – Administration and Supervision, Educational Leadership

Presentations and Training Sessions

- Indiana Parks and Recreation Association – Annual Conference
- Public Entity Risk Management Authority
- City of San Clemente
- Minnesota School Board Association
- California School Board Association
- Association of Defense Counsel of Northern California and Nevada
- Public Agencies Risk Managers Association
- School and College Legal Services
- Council of Public Entity Attorneys
- California Defense Counsel
- McNeese State University, Louisiana
- Louisiana Association of Physical Plant Administrators
- California Council of School Attorneys
- San Diego County Office of Education JPA
- Tuolumne JPA
- San Mateo County Risk Management Group
- North Bay School Insurance Authority
- California Association for School Housing
- California Association of School Business Officials
- Joint Powers Authorities
- California School Board Association
- School Insurance Authority
- California Risk Management Authority
- Alameda County Facility Planners
- Rental Housing Association

- Western Fairs Association
- Contra Costa County Office of Education
- California Joint Power Insurance Authority

Publications

- ADA Changes: Get a Head Start on Pending Accessibility Guidelines: September 2001-Maintenance Solutions Magazine
- A Gameplan for Access: Strategies and Tactics to help managers develop a successful barrier removal plan for public facilities: March 2003 – Maintenance Solutions Magazine
- Accessible Toilet Rooms: June 2006 –American Schools & Health Facilities Publication

Boards

- Currently serves on the California Division of the State Architect State Advisory Board
- Currently serves as the vice chairperson for the California Division of the State Architect Access Compliance Advisory Committee
- Currently serves on the California Division of State Architect Education and Training Committee

Other Activities

- Currently appointed by the Office of the Independent Monitor regarding Chandra Smith vs. Los Angeles Unified School District Modified Consent Decree
- Currently appointed as a neutral monitor regarding implementation of a consent decree for a public entity
- Currently assisting a public entity with the resolution of an ADA complaint
- Currently assisting a public entity to resolve a complaint by the US Department of Justice

MICHAEL BOGA

Americans with Disabilities Act and Related Experience

- Inspected over two thousand facilities for compliance with federal and state accessibility standards
- Assisted with the development and implementation of transition/barrier removal plans
- Provided consultation regarding Title II and Title III accessibility requirements
- Performed compliance audits for federal agencies
- Provided accessibility training activities for public entities and businesses
- Served as an expert witness for Title II and Title III
- Provided numerous training sessions and seminars regarding the requirements of state and federal accessibility standards for Title II and Title III

Professional Experience

- Contractor
- Work Training Program Coordinator
- Special Education Teacher
- Accessibility Inspector (1998 to Present)

Certifications and Training

- Certified Accessibility Specialist (Certificate No. CASp-152)
- Certified International Council (ICC) Accessibility/Usability/Plans Examiner (No. 1108082-21)
- Certified National Playground Safety Inspector (NPSI Certificate No. 19394-0215)
- Division of State Architect Academy-Accessibility/Plan Review/Fair Housing
- Division of the State Architect Academy – 2010 CBC Amendments - Accessibility

Education

Bachelor of Science –Education

St. Leo College

Publications

Articles for Maintenance Solutions Magazine

"Opportunities for Access", March 2004

"Clearing a Path for Access", February 2005

Presentations and Training

Educational Entities and Organizations

- Alliance of Schools for Cooperative Insurance Programs
- Schools Insurance Group
- Schools Insurance Authority
- Tri County Schools Insurance Group
- California School Board Association
- San Diego County Office of Education JPA
- California Council of School Attorneys
- Indiana Parks and Recreation Annual Conference
- Tuolumne County Joint Powers Authority
- California Association of School Housing
- California Association of School Business Officials
- School and College Legal Services

Public Entities and Organizations

- Public Risk Managers Association
- Council of Public Entity Attorneys
- California Building Authority
- California Joint Powers insurance Authority

Private and Professional Organizations

- Southern California AIA
- Oroville Chamber of Commerce
- Rental Housing Authority
- Western Fairs Association of Defense Counsel of Northern California and Nevada
- California Defense Counsel
- Independent Living of Northern California

Other Activities

- Currently appointed by the Office of the Independent Monitor regarding Chandra Smith vs. Los Angeles Unified School District Modified Consent Decree
- Currently appointed as a neutral monitor regarding implementation of a consent decree for a public entity
- Currently assisting a public entity with resolution of an ADA complaint
- Currently assisting a public entity to resolve a complaint by the US Department of Justice

CLIENT REFERENCE LIST

The following are a few of the most recently completed references for scopes of work similar to the City of Seaside that include City and County Governments and Park Districts. Numerous additional references are available.

City of Fountain Valley Temo Galvez Deputy City Engineer 10200 Slater Avenue Fountain Valley, CA 92708 Phone: (714) 593-4517 Temo.galvez@fountainvalley.org	• ADA Self-evaluation and transition plans of buildings, parks, intersections, sidewalks and public rights-of-way. The City was provided DACTrak Accessibility Management Software to manage the implementation of the plan, document resources needed and document progress. • The ADA Self-Evaluation of programs, services and activities to determine if any were discriminatory for individuals with disabilities was completed by DAC. Contract End Date: May 2011-lst Contract; additional 2014 work Contract Amount: $125,000
City of Palos Verdes Estates Sheri Repp Loadsman Planning and Building Director 340 Palos Verdes Drive West Palos Verdes Estates, CA 90274 Phone: (310) 378-0383 srepp@pvestates.org	• ADA Self-evaluation and transition plans of buildings, parks, golf course, pools, parking lots, concessions, and public rights-of-way. • The City was provided DACTrak Accessibility Management Software to manage the implementation of the plan, document resources needed and document progress. • DAC is assisting with the development of an ADA Self-evaluation • DAC is providing assistance to the City for analysis of City vs. private entity upgrade obligations of leased sites. Contract End Date: 2014, consultation in 2015 • Contract Amount: $52,300
City of Claremont Jeff Baughman Building Official 207 N Harvard Avenue Claremont, CA 91711 Phone: (909) 399-5477 srepp@pvestates.org	• DAC provided ADA Self-evaluation and transition plans of buildings, parks, intersections, roadways, sidewalks and public rights-of-way. • The City was provided DACTrak Accessibility Management Software to manage the implementation of the plan, document resources needed and document progress. • DAC also conducted the ADA Self-Evaluation of programs, services and activities to determine if any were discriminatory for individuals with disabilities and provided the City with an Executive Summary detailing the results and recommendations. Contract End Date: 2014 • Contract Amount: $112,500

County of Butte Grant Hunsicker Director of General Services 2081 2nd Street Oroville, CA 95965-3413 Phone: (530) 538-2511 Ghunsicker@buttecounty.net	• DAC is currently working with the County to inspect County facilities for compliance with the Americans with Disabilities Act and California Building Code. • DAC is also performing a review of County policies, grievance procedures and public notices to evaluate their compliance with the ADA and suggest alternatives if necessary. • DAC is assisting the County in developing their updated transition plan. • DAC has provided training to County staff on ADA compliance, methods for reasonable accommodations, and effective communications with individuals with disabilities. Contract End Date: 2015 • Contract Amount: $91,000
County of Solano Rosa Lane, PhD, AIA, LEED AP Associate County Architect Division of Architectural Services 675 Texas Street, Suite 2500 Fairfield, CA 94533 Phone: (707) 784-7908 rmlane@solanocounty.com	• DAC is currently performing ADA Accessibility surveys of County facilities using the DACTrak Accessibility Management software. • DAC is also assisting the County to perform a Self-Evaluation of services, policies, programs and practices. • County staff is using DACTrak to update and implement their Transition Plan. Contract End Date: 2015 Contract Amount: $260,000
City of Newport Beach Fong Tse Principal Civil Engineer 3300 Newport Boulevard Newport Beach, CA 92663 Phone: (949) 644-3321 FTSE@newportbeachca.gov	• ADA Self-evaluation and transition plans of buildings, parks, intersections, roadways, sidewalks and public rights-of-way. The City was provided DACTrak Accessibility Management Software to manage the implementation of the plan, document resources needed and document progress. Contract End Date: April 2013 Contract Amount: $150,000
County of Shasta Thomas Forbish Facilities & Fleet Divisions Manager Facilities & Fleet Services Division 1958 Placer Street Redding, CA 96001 Phone: (530) 225-5659 tforbish@co.shasta.ca.us	• DAC is training County staff to use DACTrak to perform self-inspections of County facilities using the DACTrak Intake inspection software. • The County is also using the DACTrak online management software to update the County's transition and barrier removal plan. Contract End Date: Current project (City staff uses DAC tablet to complete their own inspections) Contract Amount: $25,000
City of La Quinta Terry Deeringer Human Resources/General Services Manager 78495 Calle Tampico La Quinta, CA 92253 Phone: (760) 777-7041 Tdeeringer@la-quinta.org	• ADA Self-evaluation and transition plans of buildings, parks, intersections, roadways, sidewalks and public rights-of-way. The City was provided DACTrak Accessibility Management Software to manage the implementation of the plan, document resources needed and document progress. • The ADA Self-Evaluation of programs, services and activities to determine if any were discriminatory for individuals with disabilities was completed by DAC. Contract End Date: 2012 & ongoing consultation Contract Amount: $100,000

City of San Clemente Johanne Thordahl Risk Mgmt. Analyst 100 Avenida Presidio San Clemente, CA 82672 Phone: (949) 361-8203 ThordahlJ@san-clemente.org Sam Penrod Human Resources Manager 100 Avenida Presidio San Clemente, CA 92672 Phone: (949) 361-8313 PenrodS@san-clemente.org	• ADA Self-evaluation and transition plans of buildings, parks, piers, beach areas, golf course, pools, beach concessions, lifeguard areas, trails and public rights-of-way. • The City was provided DACTrak Accessibility Management Software to manage the implementation of the plan, document resources needed and document progress. • The ADA Self-Evaluation of programs, services and activities to determine if any were discriminatory for individuals with disabilities was completed by DAC. • DAC also assisted with the resolution of two complaints. Contract End Date: 2012, ongoing consultation Contract Amount: $70,000

Disability Access Consultants has never been removed from a project or disqualified from proposing on a project.

SUBCONSULTANTS

DAC does not use subcontractors or subconsultants, as DAC prefers team members that have direct accountability and training by DAC to provide a seamless project delivery and interaction with City staff.

SCOPE OF WORK

Disability Access Consultants (DAC) understands that the City of Seaside (City) is seeking a qualified firm to inspect, evaluate and prepare reports identifying potential barriers in the City-owned buildings, parks, parking lots and public rights-of-way.

The inspections will identify barriers or potential barriers in accordance with applicable Federal and State accessibility standards and regulations. In addition, it is understood that DAC will assist the City in developing a schedule for barrier removal over time in a cost effective and realistic manner, using programmatic solutions where available.

In order to successfully complete the project activities in a timely manner, DAC will work closely and collaboratively with the City of Seaside without imposing unnecessary interruptions or burdens to City staff. During the past 17 years, Barbara Thorpe and her team have developed ongoing working relationships with City and County governments and have worked diligently to have clear lines of communication.

DAC has the extensive knowledge and experience with all Federal and State regulations during the past 17 years in business, that includes, but is not limited to the ADA up to and including the current 2010 American's Disability Act Standards (ADAS), 28 Code of Federal Regulation (CFR) 35, Title 24 California Building Standards Code, Title II of the ADA, PROWAG, MUTCD, Section 504 and related Federal and State Standards and Regulations.

Value Added Items to Enhance the Project at No Additional Cost or that Provide a Cost Savings

In addition to the above understandings and confirmations, DAC has found through its experience of working with City and County Governments and Joint Power Authorities, such as the California Joint Powers Insurance Authority, of which the City of Seaside is a member, that certain other items enhance the level of success and implementation of ADA Transition Plans and Self-Evaluations by public entities.

The California JPIA (CJPIA) offers a discounted price to its members that has been negotiated with DAC. The CJPIA is also assisting members, such as the City, with costs for selected services for ADA compliance.

The use of DACTrak by City staff to conduct surveys at facilities, process reports and manage the information to implement and document the plan may assist the City to more efficiently and effectively achieve the City's project objectives and will provide longevity to the plan.

As an additional value at no cost, DAC provides at least one photograph of each noncompliant accessible item or element, a record number for reference, estimated costs and other features to assist with the implementation of the Transition Plan. To provide for easy management of the transition plan and documentation of compliance efforts, DAC has developed web-based software called DACTrak. DACTrak is a powerful tool to manage and update the accessibility plan, project costs and document progress. Custom reports can be easily prepared, printed and saved in a variety of formats.

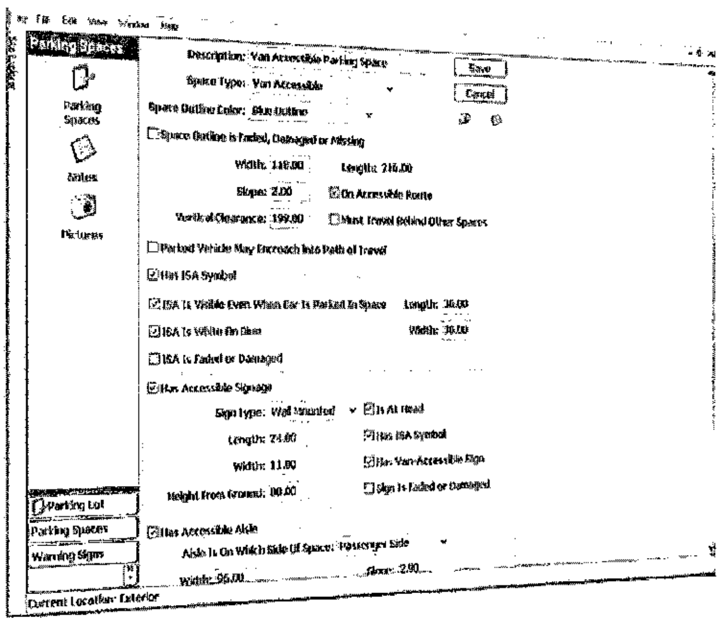
Disability Access Consultants (DAC) includes the following additions at no additional cost:

- Noncompliant findings and recommendations are included in the DACTrak software
- One or more photographs of each noncompliant finding are included
- Additional photographs can be viewed of the noncompliant item by one click
- DACTrak provides a method to schedule and track the barrier removal
- Documentation of progress and compliance using the progress reporting feature of DACTrak
- Priorities can be established and further refined using DACTrak

DACTrak provides for an organized input method that captures all of the information gathered from the site inspections with photographs for each noncompliant finding. In essence, all of the field information is captured in a web-based software package and provides for "green" data collection and avoids paper and pencil checklists and unorganized photographs. DACTrak can also be used on a tablet pc to add new facilities and update compliance assessments and transition plans.

DAC has also found that having usable "software" and not just a database is very important to be able to easily manage and update the transition plan. Our extensive experience with clients needing to have an easy to manage and update plan was the catalyst for DAC to develop our DACTrak software for use by our clients. Thus, other critical issues include:

- Software to update and manage your Transition Plan
- The ability to document progress and barrier removal
- The ability to print custom reports
- The ability to update the plan "automatically" when codes change without re-inspecting sites
- The ability to project costs
- The ability to add or delete facilities



DAC's collection of actual measurements of as-is conditions and GIS information for public rights-of-way is another value added item. The collection of an as-is condition is a valuable asset to allow the user to make an informed decision based on an actual measurement. For example, if a "yes" or "no" approach is utilized to indicate if an item is compliant, the user may not know what the actual level of noncompliance is and would not be able to set a priority or severity rating. If codes change, the information collected can be reprocess without the need to re-inspect, thus providing longevity of the plan and internal capacity of the City in a cost effective manner.

SCOPE OF WORK OVERALL PHASES

DAC proposes to execute the project in two phases. Detailed activities and deliverables are provided in the following scope of work description.

Phase I: Study and Evaluation - Self-Evaluation/Facility Survey/Barrier Assessment

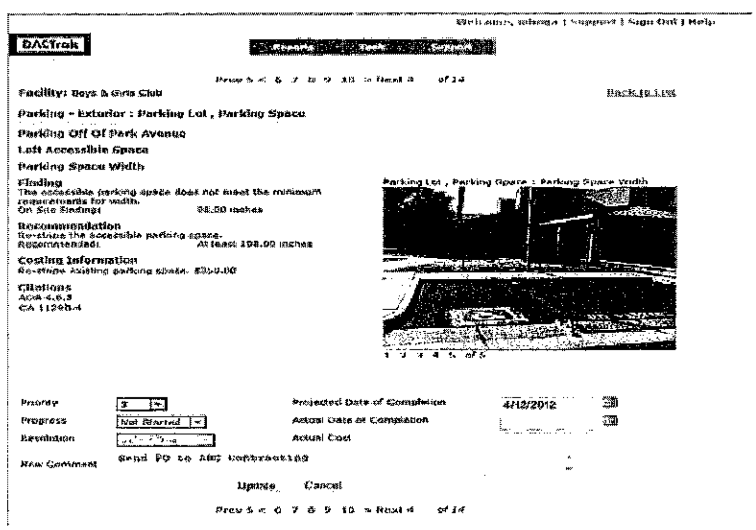
a) DAC will conduct an initial project kick-off meeting, if requested, with selected City of Seaside staff to establish roles and lines of communication, refine project goals, review the overall project schedule, schedule surveys of City of Seaside facilities and identify key City of Seaside personnel related to the project scope. Initial self-evaluation activities will be completed during this step.
b) The initial orientation meeting should include an assessment of previous compliance activities and areas of current or potential litigation. The review of compliance activities and high priority areas will assist with the development of an overall project plan. The review and documentation of prior initiatives will also build a more defensible plan if the City is challenged by litigation.
c) DAC will conduct field surveys of the buildings and facilities listed in the property schedule, as well as the City maintained public rights-of-way to include 124 miles of sidewalks and curb ramps.
d) Surveys will identify all physical barriers (interior and exterior) including the path of travel in and around the facility and from the public right-of-way at each site in accordance with Title 24 of the California Building Code and the ADA Standards (previously referred to as ADAAG).
e) DAC currently provides geographical information (latitude and longitude) for each identified exterior barrier in the public right-of-way that can be incorporated into the City's Geographical Information System (GIS). DAC incorporated the map-linked GIS feature based on the needs of many of our City and County clients. DAC uses a comprehensive approach to inspecting public rights-of-way (PROW). In order to conduct an assessment of all the requirements in the PROW, DAC conducts manual measurements of the field conditions and enters the information into our DACTrak pc tablet in the field. DAC has found that the use of automated equipment for running slopes on sidewalks, such as ultra-light profilers, do not provide an actual measurement, but only provide a chart showing ranges. In some cases, if a change in level is greater than ½ inch, no actual quantifiable information is reported of how much greater or of the severity. In order to get the actual measurements for the sidewalks and intersections, the use of a "profiler" does not provide the measurements needed for items such as automated pedestrian signals and street furniture.
f) As required by the ADA, the 2010 ADA Standards will be compared with state codes (Title 24 of the California Building Code) and the standard that provides the greater level of accessibility utilized. As DAC collects as-is field conditions and records all information, data can be reprocessed if codes change without conducting a re-inspection, thus resulting in a significant savings when codes change and the plan needs to be updated.
g) Provisions and standards for historic buildings will be applied as appropriate.
h) Assessments and reports will include a high degree of detail with photographs, code references, and cost estimates. The DACTrak software and reports will include additional specifics, such as as-built dimensions, progress reports, additional prioritizations, preset reporting features and other custom reports. Reports will be delivered in the format requested, and reports will also be available using DACTrak. The inclusion of photographs showing the as-is condition has proven to be valuable assistance to clients in the formulation of the decisions regarding barrier removal priorities. The DACTrak software provides an easy to use accessibility management platform that exceeds the ability to manage the plan by hard copies and binders. The assessment report of each facility will include cost estimates to correct deficiencies in accordance with the ADA, Title 24 of the California Building Code.
i) Barriers are identified by building, floor, or location and given a unique identifier record number (UIN) to assist with navigation in the accessibility software and location of the finding and recommendation by area and site. Estimated applicable costs will be given by item and element in accordance with industry standards. Costs can be easily adjusted to adhere to any cost estimates the City may utilize.
j) Physical access problems that require structural solutions will be documented in the Compliance Assessment/Transition Plan. The proposed method for removal will be provided. The transition plan will

identify physical barriers that may limit accessibility of City programs, services or activities for individuals with disabilities. The schedule for removal of barriers and appropriate timelines will be developed in consultation with the City.

k) The field survey information will be presented to the ADA Compliance Team as requested using the DACTrak web-based accessibility management system. Many different types of reports will be available for the City. Feedback will be incorporated as appropriate.
l) The survey data will be compiled into a Transition Plan which will identify actual as-is conditions and prioritize current barriers, provide a schedule for barrier removal, as well as establish procedures for addressing future accessibility issues. The Transition Plan data is able to be exported to Excel or PDF formats. The Transition Plan data will include photographs, findings, recommendations, code references, estimated costs, priority settings (in addition to prioritized report) in accessibility software for accessibility management. Photographs and GIS coordinates are valuable for the development of the transition plan.
m) DAC will assist the City to solicit input from members of the community and persons with disabilities. Methods will be utilized to solicit public input may include notices, information on the website and surveys.
n) The Transition Plan data will be provided using DACTrak which has management, monitoring, and web-based tracking tools that allow staff to manage current and future accessibility issues, update the deficiency status, and generate reports to show progress in meeting the Transition Plan requirements.

Phase II: Implementation Phase - Transition Plan Development

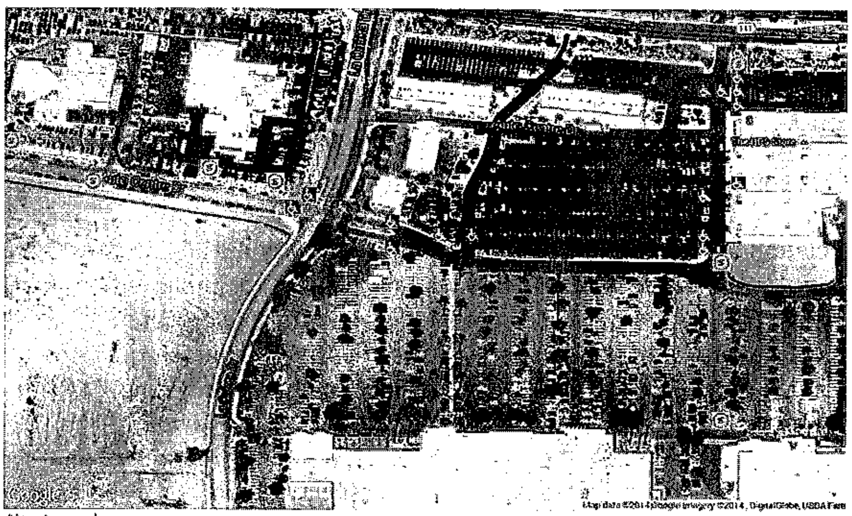
a) DAC will develop, in collaboration with the City a comprehensive ADA Self-Evaluation and Transition plan for facilities, buildings, parks and public rights-of-way.
b) DAC will develop a first draft of the ADA Transition Plan with recommended priority levels.
c) DAC will meet with the City to review the draft document and incorporate any comments, changes or feedback.
d) DAC will assist the City to conduct public outreach activities that may include website announcements, postings, surveys, announcements, individual meetings and other activities as requested.
e) DAC will prepare and produce a second draft if necessary with a detailed description of the barrier and the proposed method for barrier removal.
f) DAC will train the City in the use of the DACTrak web-based accessibility management system to prepare reports as well as update and manage the ADA Plan.
g) DAC will provide an executive summary of the project.
h) If requested, DAC can present the draft ADA Transition Plan at a regularly scheduled council meeting for discussion and for informational purposes. DAC does not recommend that the plan be adopted by the City, as adoption is not required and may cause additional discussion regarding projected dates in the plan that are meant to be "projected and estimated dates" and not final dates of barrier removal.



i) DAC will provide the City with DACTrak, a web-based monitoring, tracking, and management system at project completion. DACTrak allows users to review and update progress in barrier removal, and to generate many different styles of reports to document progress. DACTrak contains one or more integrated photographs that are attached to the finding, eliminating the need to reference another area or report supplement. DACTrak is an actual accessibility management software, not just electronic database of items contained in the Facility Survey Report. DAC has found that an electronic database or Excel format does not provide the City with a tool containing integrated photographs needed to implement the plan, set priorities, make notes and print custom reports. If the City does not want to use the software, the data can be placed in an Excel spreadsheet.

- DAC will license DACTrak to the City for a period of two years at no cost to manage all of the field data collected, print custom reports, document progress, estimate costs and perform other management functions;
- Data collected will be the property of the City should the City decide for any reason not to continue to use the DACTrak accessibility intake and management software system;
- The California JPIA, of which the City is a member, has an agreement with DAC to pay for the use of DACTrak;
- DACTrak will include and provide correlation with field data collected, reports, transition plans, drawings, code references, estimated costs and photographs for each noncompliant accessibility item or element;
- Reference maps for GIS information will be provided in addition to a linked mapping system for each item;
- DACTrak provides a description, location and record number for each barrier that allows the user to access the information and location

j) DAC will provide City staff with training regarding ADA Compliance from both a programmatic and administrative point of view and also for facility management and maintenance.



Map Legend:
Bus Stop Curbramp Drinking Fountain Exhibit Fishing Pier Intersection Parking
Play Area Pole Stop Path of Travel Sidewalk Trail Viewing Area

COST PROPOSAL

The total cost proposal includes all expenses and there are no additional reimbursable charges.

1. Self-Evaluation assistance, public input and policy review at $4,900*
   **Note: DAC will provide sample documents and training at <u>no cost</u> if the City decides it can complete this portion of the study, thus resulting in a cost savings.*

2. Survey of City facilities and 25 parks at $48,600.

3. Survey of an estimated 62 miles of City roadway miles, including sidewalks and curb ramps at a not to exceed cost of $21,700 using the rate of $350 per linear mile of sidewalk. DAC will calculate the number of miles of sidewalk surveyed to calculate a total fee based upon the miles surveyed only. For example, if

the amount of sidewalk miles is less than the amount allocated, the City will only be invoiced for the linear miles of sidewalk surveyed. If the amount of linear sidewalk miles exceeds the allocated amount, DAC will contact the City for further direction upon reaching the not to exceed amount of $21,700. The information from the survey will be placed into DACTrak.

The above costs reflect a discounted price for members of the California Joint Powers Insurance Authority. Costs were calculated using the CJPIA property schedule.

In addition, the CJPIA has a Master Agreement with DAC for an hourly rate of $98.00 per hour, plus expenses. Time and expenses can be calculated and the City provided with either an hourly rate, plus expenses or a total fixed price, whichever is less.

Possible Cost Saving Options

Cost savings options may be available and may include portions of the study being conducted by City staff. For example, the Self-evaluation, policy review and public input may be conducted by the City ADA Coordinator with guidance and assistance from DAC to result in a cost savings.

In addition, although selected non-public areas were deleted from the CJPIA Property Schedule (i.e. pump houses, lift stations), there may be other sites that may be eliminated, thus resulting in a cost savings.

DAC has found that a combination of training in the classroom and in the field for practical, hands on application works best. DAC has trained several public entity clients to conduct their own inspections using the DACTrak tablet. The DACTrak tablet guides the user through the inspection and asks for specific measurements. If a measurement is not taken and added to the electronic intake sheet, the software prompts the user to add the required information and touch the camera icon to take one or more pictures of each item. Thus, the "smart technology" of the software improves the consistency and quality of the inspection and lends itself to users other than DAC inspectors for a cost savings.
Reports are generated after completion of the field intake, offering a quick turnaround and report generation. The quick turnaround time and easy access of password protected data is valuable for public entities that need to fast track information and reports. The methodology also provides a cost effective process. DACTrak also provides the opportunity for City of Seaside staff to be trained to use the DACTrak intake tablet to capture field data, which can then be viewed by an off-site City of Seaside staff member accessing DACTrak.com. Photographs are automatically captured using the intake software and are easily viewed online. Several photos may be added for supporting documentation of each noncompliant finding. Additional photographs can be added for other areas that may or may not be related to accessibility. Reports can be accessed in multiple formats, depending upon the needs of the City of Seaside. Costs can easily be adjusted and maintained. DACTrak has seven preset priority findings. DAC will apply the state and federal recommended priority levels, but will also further customize the priority levels based upon the magnitude of impact and use by individuals with disabilities in public areas.

Due to the severe shortfall of funding for City of Seaside and other City governments, DAC proposes alternatives to DAC completing the entire ADA transition plan. DAC has worked with numerous City and County governments and has provided individualized programs to meet their needs, sometimes in phases, to enhance compliance with the ADA within the constraints of their budgets. Several strategies that the City of Seaside might utilize include, but are not limited to:

- DAC conducting accessibility surveys in phases, prioritizing the facility inspections for sites that have high public use or high use by individuals with disabilities
- Using our DAC pc tablet, City of Seaside employees can conduct their own inspections
- DAC conducts some of the inspections while City of Seaside employees follow and receive in field training
- DAC completes all project components in additional phases over multiple budget years

- Or a combination of the above alternatives

The cost saving alternative of City staff using the DACTrak tablet to complete the public right-of-way inspections may be a viable alternative that will produce a cost savings.

SCHEDULE: SCOPE OF SERVICES SUMMARY BY ESTIMATED TIMELINES

Based upon experience, a project milestone chart is provided in weeks. It is estimated that the project will be completed in five months, or sooner. The chart below is a summary of major milestones and is not necessarily representative of all of the individual project activities.

Scope of Service –Activity or Task	**Weeks 1-4**	**Weeks 5-8**	**Weeks 9-12**	**Weeks 13-16**	**Weeks 17-20**
DAC Team Meetings with City; survey methodologies, deliverables and schedule confirmation					
Project planning, scheduling, procedures review					
Field inspection data compiled (compiled on a daily basis and available for review throughout the inspection process)					
First Draft of ADA Transition Plan					
Solicit and record feedback from the City, and members of the community					
Presentation to ADA Compliance Team of second draft ADA Transition Plan					
Final Draft					
Deliverables completed and presentation to the City					

Consultant Responsibilities

DAC will arrange all project management activities for an efficient process to develop the ADA Transition plan and provide the City with an anticipated project schedule prior to commencement of work.

DAC will perform all work in conformance with current City policies and procedures and carry out the instructions received from the City, in cooperation with other City approved and involved agencies.

Additional Information

Conflict of Interest Statement

DAC does not have any financial, business or other relationship with the City that may have an impact upon the outcome of this contract and does not have any current clients that may have a financial interest in the outcome of this contract. Disability Access Consultants has no conflict of interest with the City of Seaside, any associates, representative, consultants, sub consultants, or others.

DAC does not have any conditions that would affect our ability to perform the services described in this proposal. DAC does not have any previous, pending or current litigation. Our firm has not been debarred, suspended or declared ineligible to contract with any federal state or local public agency. The firm, owners or president is not in the Federal Excluded parties List System (EPLS) for Ineligible Professionals and Debarred Contractors.

Insurance Coverage and Stability

Disability Access Consultants carries all the necessary insurance coverage, such as general liability, automobile liability, worker's compensation and employer's liability, and professional errors and omissions malpractice liability insurance. DAC has a no claims record on all policies for our entire 17 years in business and does not have any pending, previous or current litigation.

DAC has the financial, operational and staff stability to complete a quality and comprehensive project on time. DAC has no adverse conditions.

Minority Utilization and Affirmative Action

DAC is an equal opportunity employer and has recruited minorities and veterans. DAC's quality control team leader is a Vietnam veteran with a disability.

Background Checks and Fingerprinting

All employees of Disability Access Consultants have been fingerprinted and have background checks. DAC has FBI and DOJ fingerprint clearances on file for DAC staff. We have conducted studies for school districts, state and local governments, the Federal Government, Judicial Chambers and Correctional Institutions that require background checks. DAC has found that background checks are important especially in situations where inspection staff may be working near children, and are required in certain situations.

Supplemental Materials

Sample DACTrak Screen Shots and Information

These samples are generated from the DACTrak Accessibility Management web-based software program. The following screen shots are recent examples of the DACTrak Management software prepared for several public entity clients.

DACTrak

Reports Tools

Clients: City of La Quinta | Projects: Buildings

Buildings

Project Information

Address : 78-495 Calle Tampico La Quinta, CA 92253

Start Date : 7/6/2011

Facility List

Boys & Girls Club	49995 Park Avenue La Quinta, CA 92253
City Of La Quinta Sports Complex	Sports Complex La Quinta, CA 92253
Civic Center	78-495 Calle Tampico La Quinta, CA 92253
Fire Station #70	54001 Madison Street La Quinta, CA 92253
Fire Station #93	44555 Adams Street La Quinta, CA 92253
La Quinta Library	78-275 Calle Tampico La Quinta, CA 92253
La Quinta Museum	77-885 Avenida Montezuma La Quinta, CA 92253
La Quinta Senior Center	78-450 Avenida La Fonda La Quinta, CA 92253
La Quinta YMCA Daycare	49-955 Avenue 50 La Quinta, CA 92253
New Fire Station (Fire Station #32)	78111 Avenue 52 La Quinta, CA 92253
Police Substation	51351 Avenida Bermidas La Quinta, CA 92253
Public Works & Maintenance	78109 Avenue 52 La Quinta, CA 92253
Silver Rock Temporary Clubhouse	79-179 Ahmanson Lane La Quinta, CA 92253
Silverrock Maintenance Building	79-600 54 Avenue La Quinta, CA 92253

Fair Oaks Recreation and Parks District

Project Information

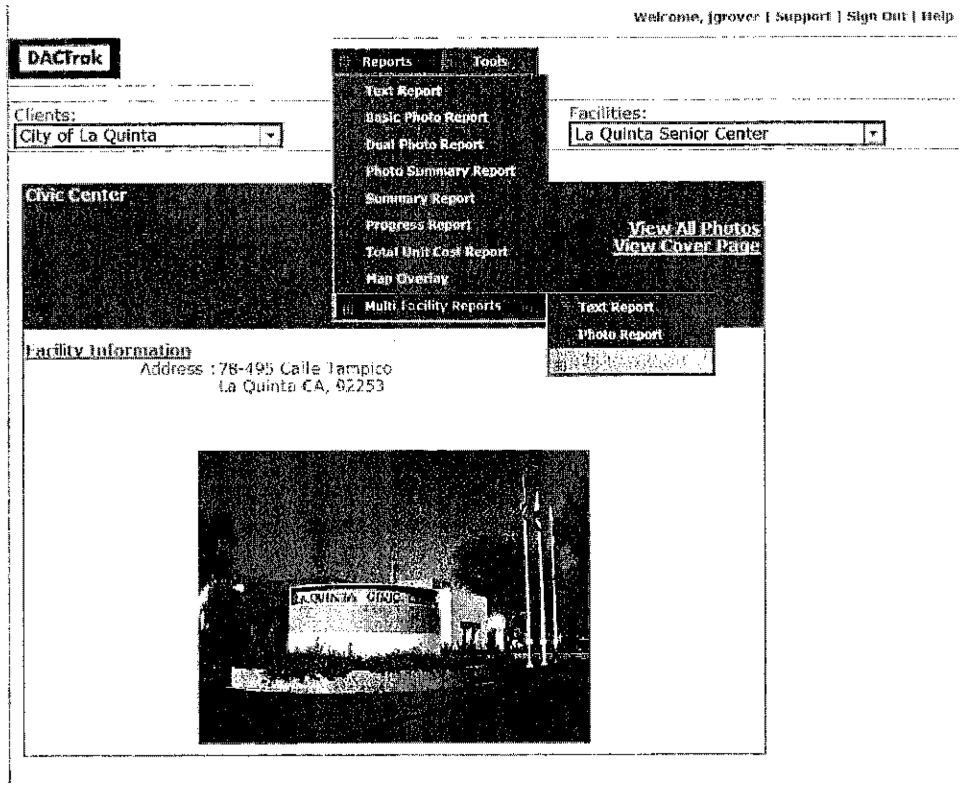
Address : 4150 Temescal Street Fair Oaks, CA 95628

Start Date : 4/8/2011

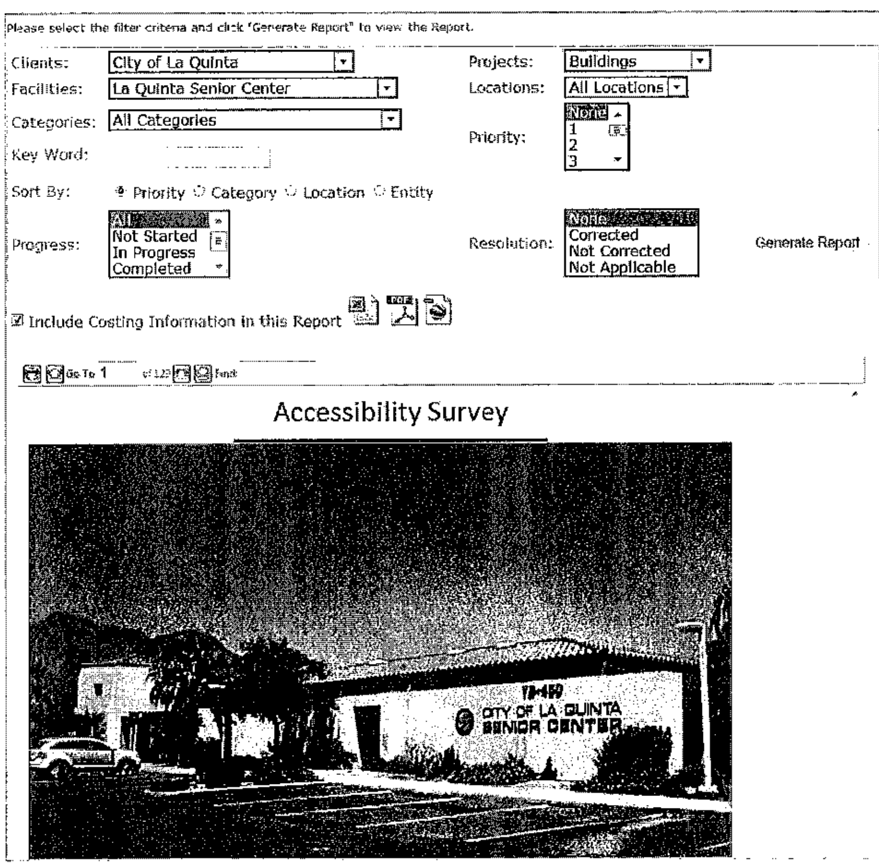
Facility List

Arts & Crafts Building	7997 California Avenue Fair Oaks, CA 95628
Bannister Park	3820 Bannister Road Fair Oaks, CA 95628
Community Clubhouse	7997 California Avenue Fair Oaks, CA 95628
District Office	4150 Temescal Street Fair Oaks, CA 95628
Fair Oaks Park	11549 Fair Oaks Boulevard Fair Oaks, CA 95628
Fair Oaks Preschool	8090 Grand Avenue Fair Oaks, CA 95628
Little Phoenix Park	9041 Phoenix Avenue Fair Oaks, CA 95628
McMillan Center	8020 Temple Park Road Fair Oaks, CA 95628
Miller Park	8480 Sunset Avenue Fair Oaks, CA 95628

Upon logging in to the secure DACTrak website, you are able to choose the facility you would like to view and manage. These two screen shots are examples of facility lists for two recent public entity transition plan projects.



After choosing a facility, you are able to use Reports drop down menu to choose which report style to view. You may also choose to view multiple facilities in one report.



This screenshot is an example of the home page for a Basic Photo Report. The sort and filter panel allows users to quickly run reports that generate findings for specified locations or categories, or by progress, priority or resolution status.

La Quinta Library

Doors - Chamber Of Commerce : Door , Hardware

Door Between Library & Chamber Of Commerce

Push Bar / Lever

Door , Hardware : Door Opening Pressure

Finding

The door opening force for this door is greater than allowed.

On-Site Finding 10.00 pounds

Recommendation

Adjust the closer on the door to meet the door opening force requirements.

Recommendation Up to 5.00 pounds

Costing Info (Estimated)

Adjust door closer pressure. $25

Code Reference CA 1133B.2.5, ADA 404.2.9

Progress

Record Number	43596		
Progress	Not_Started	**Resolution**	None
Projected Date	06/30/2013	**Actual Date**	
Actual Cost	$0.00	**Priority**	Two
Contractor			
Comments	No Comments		

These two screenshots are examples of a finding page in a Basic Photo Report. This type of report shows the user the finding, with accompanying recommendation to correct the non-compliant item, the associated photo, code reference(s), estimated cost to remove the barrier, and any progress that has been added to update the transition plan.

La Quinta Museum

Doors - Museum 1st Floor : Door , Hardware

Archives 102

Lever

Door , Hardware : Door Opening Pressure

Finding

The door opening force for this door is greater than allowed.

On-Site Finding 8.00 pounds

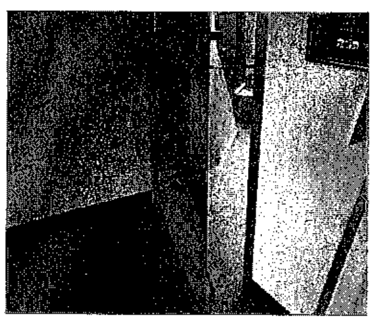
Recommendation

Adjust the closer on the door to meet the door opening force requirements.

Recommendation Up to 5.00 pounds

Costing Info (Estimated)

Adjust door closer pressure. $25



Code Reference CA 1133B.2.5, ADA 404.2.9

Progress

Record Number	43936		
Progress	Not_Started	**Resolution**	None
Projected Date		**Actual Date**	
Actual Cost	$0.00	**Priority**	Two
Contractor			
Comments	No Comments		

Fair Oaks Park

Path of Travel - Exterior : Path Of Travel , Walking Surfaces

Path Of Travel At The Basketball Court

Exterior Walkway

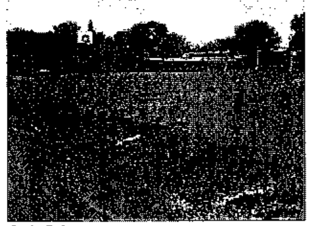
Walking Surface Slope

Finding
There are slopes greater than allowed maximum slope on the primary path of travel.
On-Site Finding 14.70 percent

Recommendation
Provide compliant sidewalk.
Recommended Up to 5.00 percent

Costing Information (Estimated)
Install compliant pathway. $1,840

Path Of Travel , Walking Surfaces : Walking Surface Slope



Code Reference:
ADA 4.3.7, CA 1133B.7.3

Record Number: 988033

Path of Travel - Exterior : Path Of Travel , Walking Surfaces

Path Of Travel At The Entrance To The Horticultural Center

Exterior Walkway

Walking Surface Slope

Finding
There are slopes greater than allowed maximum slope on the primary path of travel.
On-Site Finding 6.40 percent

Recommendation
Provide compliant sidewalk.
Recommended Up to 5.00 percent

Costing Information (Estimated)
Install compliant pathway. $1,840

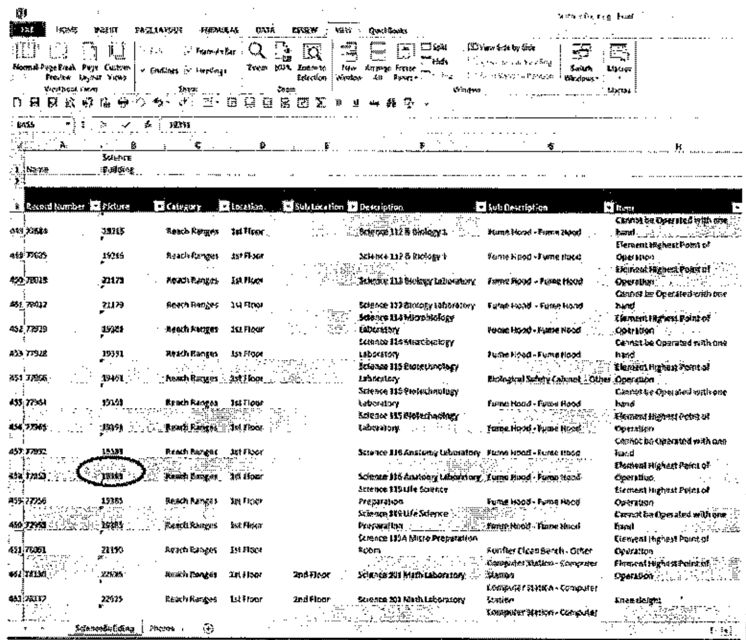
Path Of Travel , Walking Surfaces : Walking Surface Slope

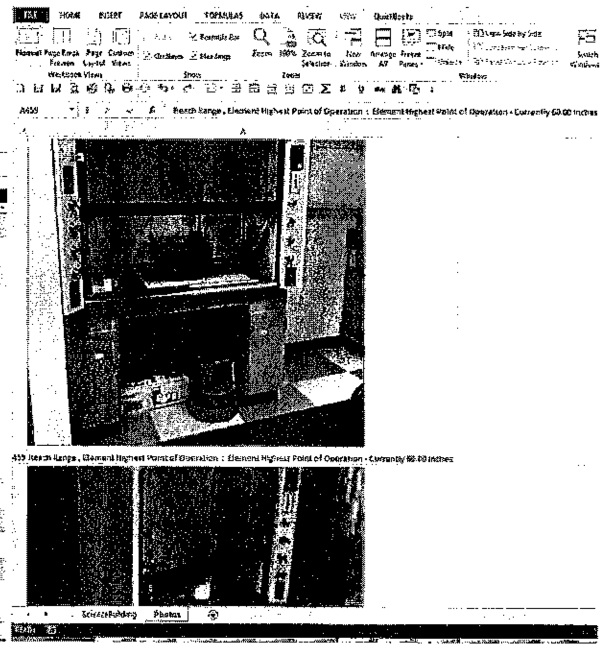
Code Reference:
ADA 4.3.7, CA 1133B.7.3

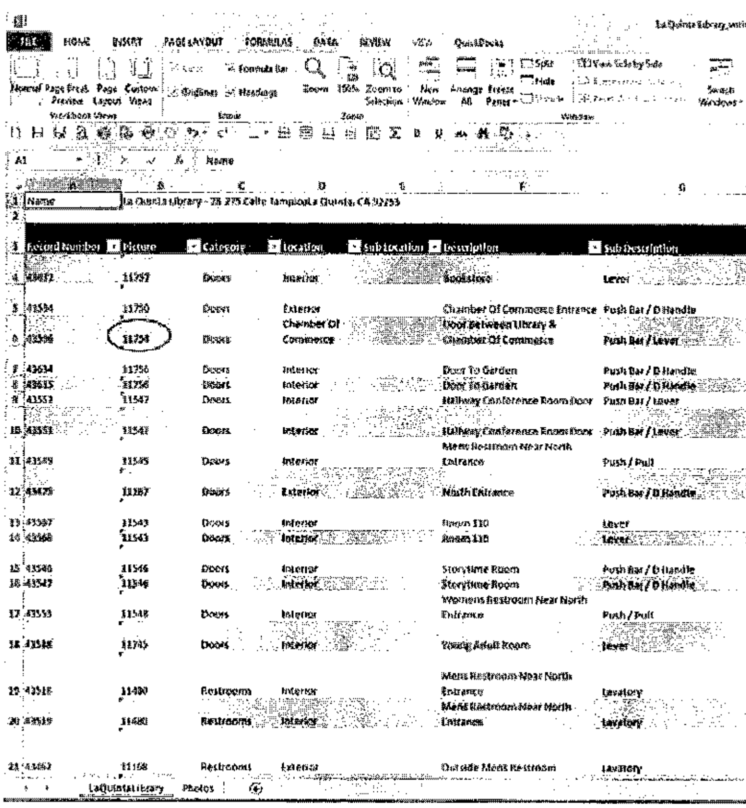
Record Number: 987873

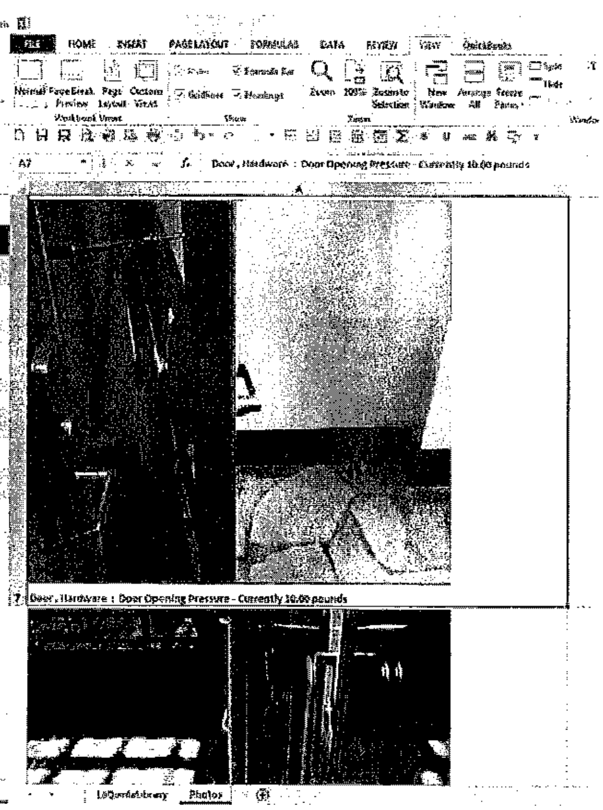
This screenshot is an example of a finding page in a Dual Photo Report. This type of report shows the user two findings per page, with accompanying recommendations to correct the non-compliant item, the associated photo, code reference(s), and estimated cost to remove the barrier.

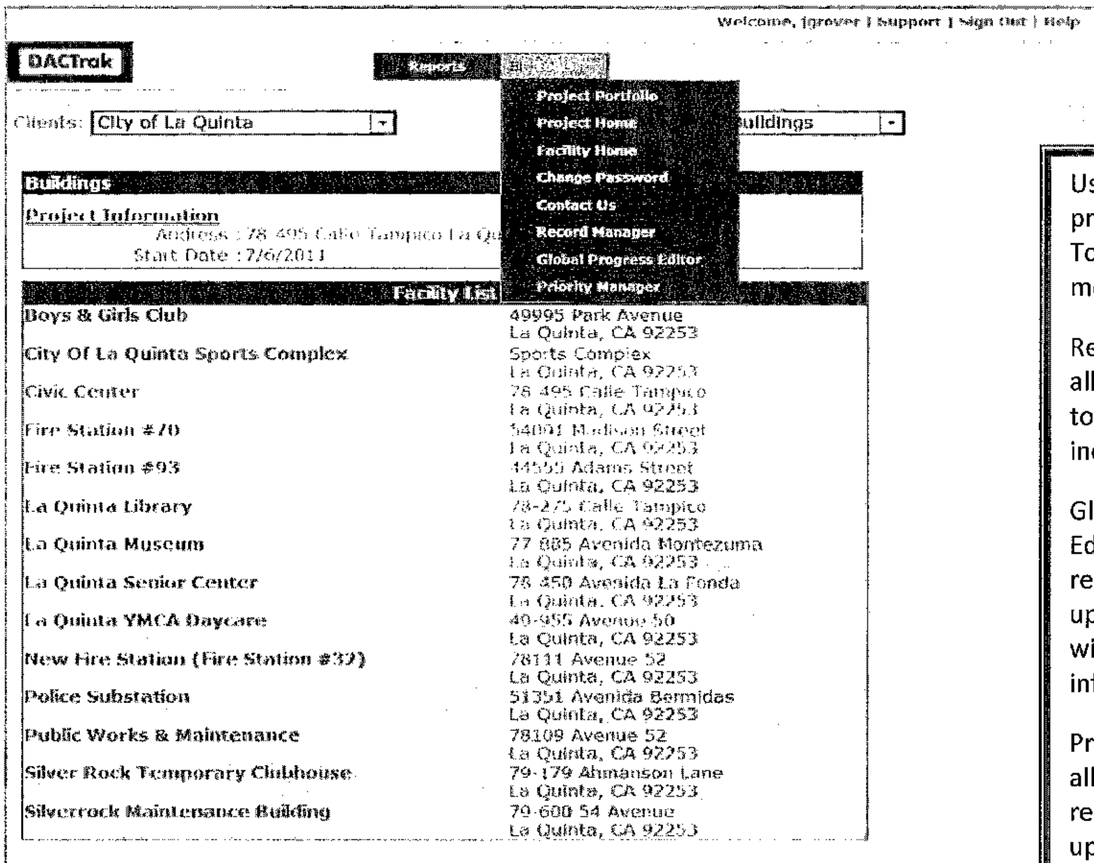
The Dual Photo and Basic Photo Reports may be exported to an Excel workbook for easy management of the transition plan data. The Excel workbook exports into a pre-formatted table with the filter function atop each data column. The report is a fully functioning Excel spreadsheet that may be sorted, filtered and manipulated by the user. The column for Picture identification numbers includes cells that are live links to the second tab of the workbook which contains report photos. Clicking the cell for a particular report finding will bring up the associated picture on the Photos tab.









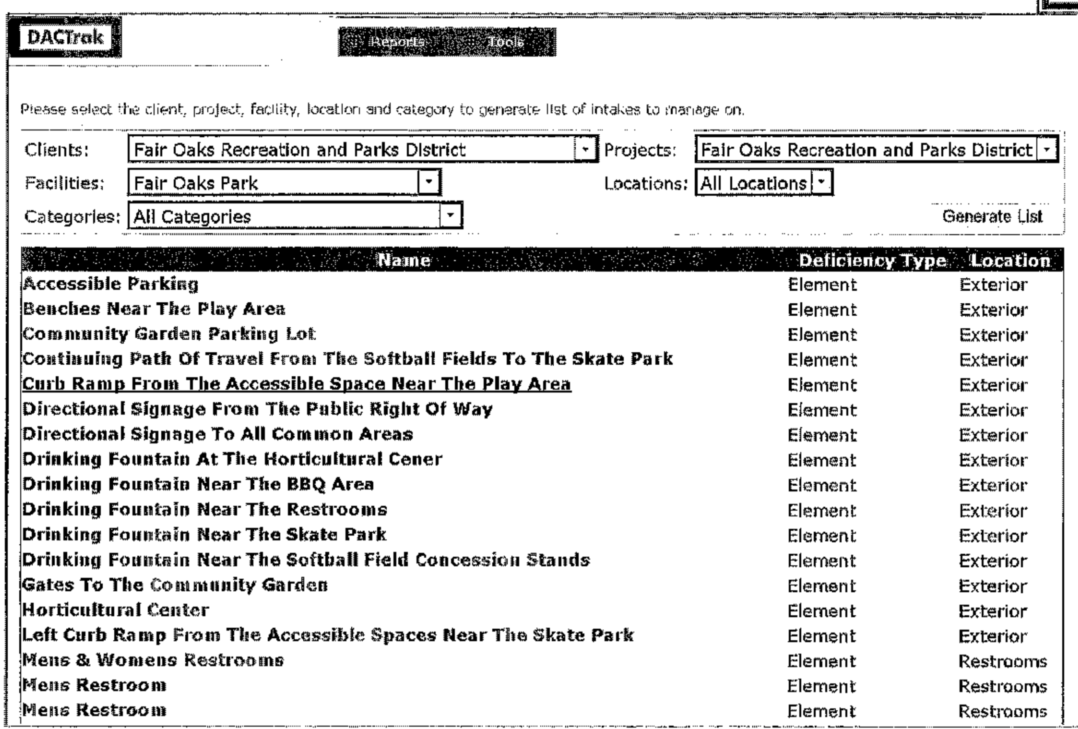


Users can update progress using the Tools drop down menu.

Record Manager allows each record to be updated individually.

Global Progress Editor allows many records to be updated at once with identical information.

Priority Manager allows many records to be updated at once with unique information.



Record Manager allows the user to choose which record to update individually.

DACTrak Reports Tools

1 2 of 2

Facility: Fair Oaks Park — Back to List

Curb Ramps - Exterior : Curb Ramp

Curb Ramp From The Accessible Space Near The Play Area

No Detectable Warnings

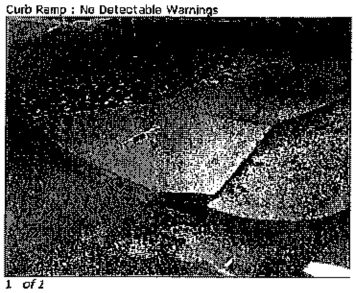
Finding
The curb ramp does not provide a detectable warning surface which includes truncated domes.
On Site Finding: Not Found

Recommendation
Provide compliant detectable warnings to surface.
Recommended: See Above

Costing Information
Provide detectable warning to surface. $144.00

Citations
CA 1127B.5.8
ADA 4.7.7

Curb Ramp : No Detectable Warnings



1 of 1

Priority	None	Projected Date of Completion	
Progress	Not Started	Actual Date of Completion	
Resolution	Select One	Actual Cost	
New Comment			

Update Cancel

1 2 of 2

Once a record is chosen in Record Manager, the user can set the priority, select the status of progress, add projected and actual dates of completion and also document any notes regarding the record.

Drinking Fountains - Exterior : Drinking Fountains

Drinking Fountain Near The Skate Park

Clear Floor Space Slope

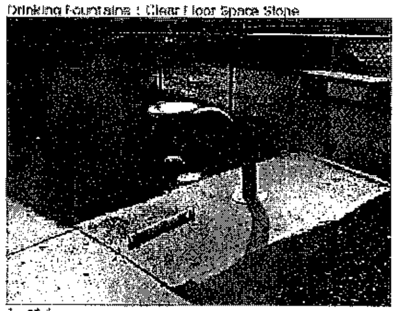
Finding
The Clear Floor Space Slope is not compliant.
On Site Finding: 8.40 percent

Recommendation
Provide compliant Clear Floor Space at the drinking fountain.
Recommended: Up to 2.00 percent

Costing Information
(None) $0.00

Citations
ADA 4.15.5

Drinking Fountains : Clear Floor Space Slope



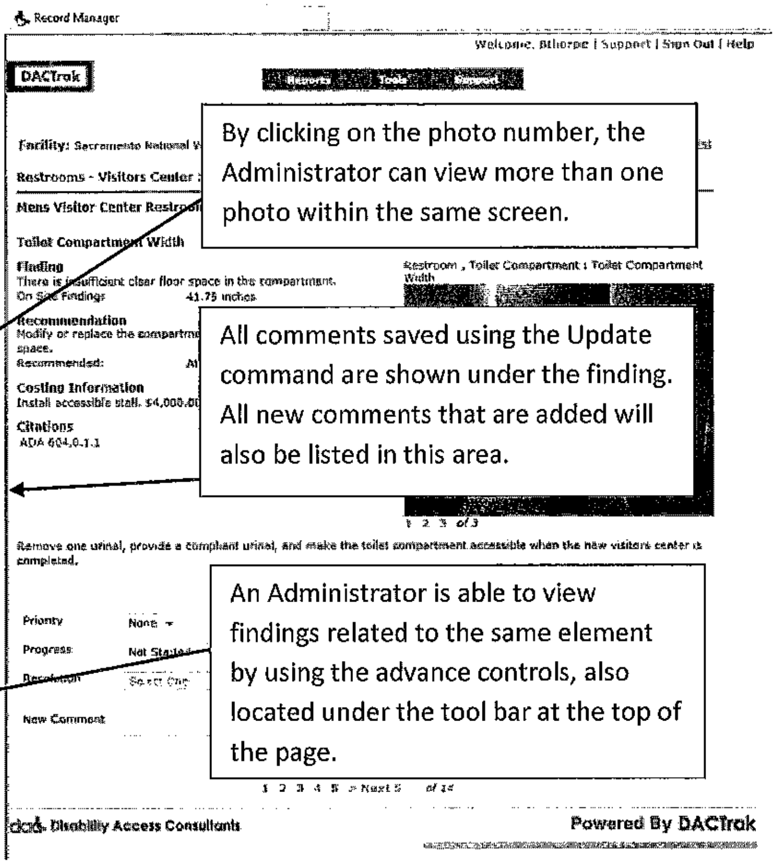
1 of 1

Drinking fountain not operational at time of inspection.

Priority	1	Projected Date of Completion	6/1/2011
Progress	Completed	Actual Date of Completion	7/8/2011
Resolution	Corrected	Actual Cost	565.33
New Comment	Slope corrected and verified to be compliant by inspector #36. Repair grass area near fountain.		

Update Cancel

This screen shot represents an example of a record with progress, updates and comments added.

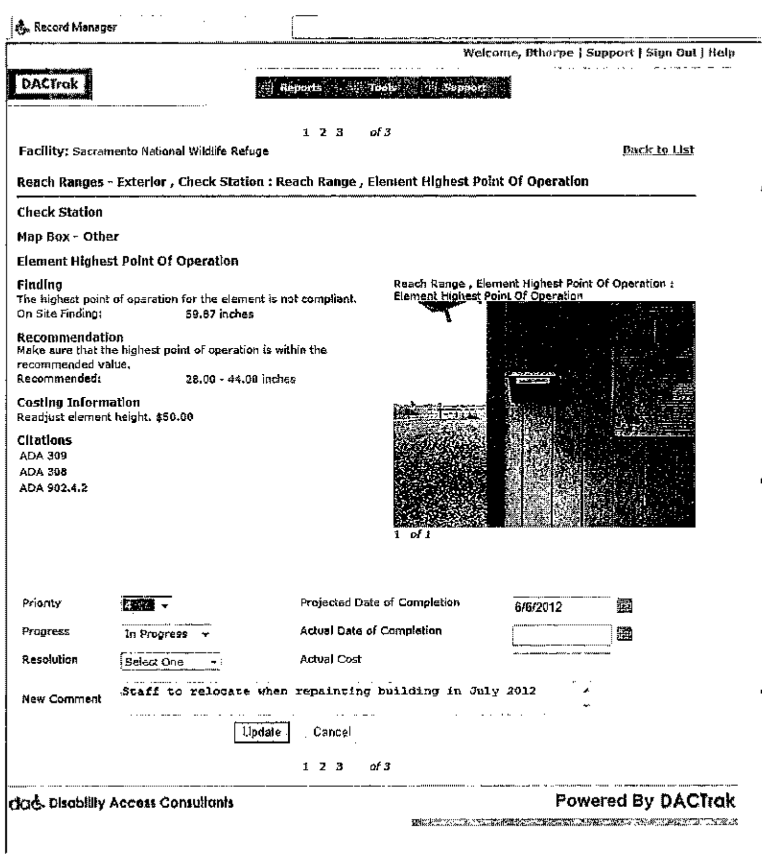


Record Manager gives an Administrator the most options to examine, manage and update the transition plan for the selected site.

By clicking on the photo number, the Administrator can view more than one photo within the same screen.

All comments saved using the Update command are shown under the finding. All new comments that are added will also be listed in this area.

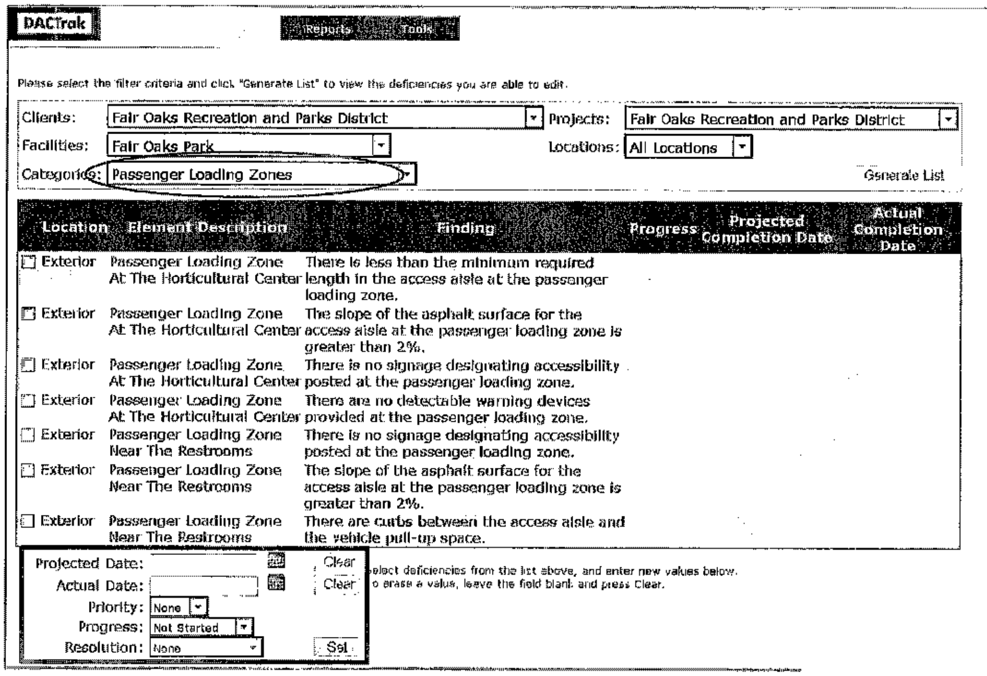
An Administrator is able to view findings related to the same element by using the advance controls, also located under the tool bar at the top of the page.



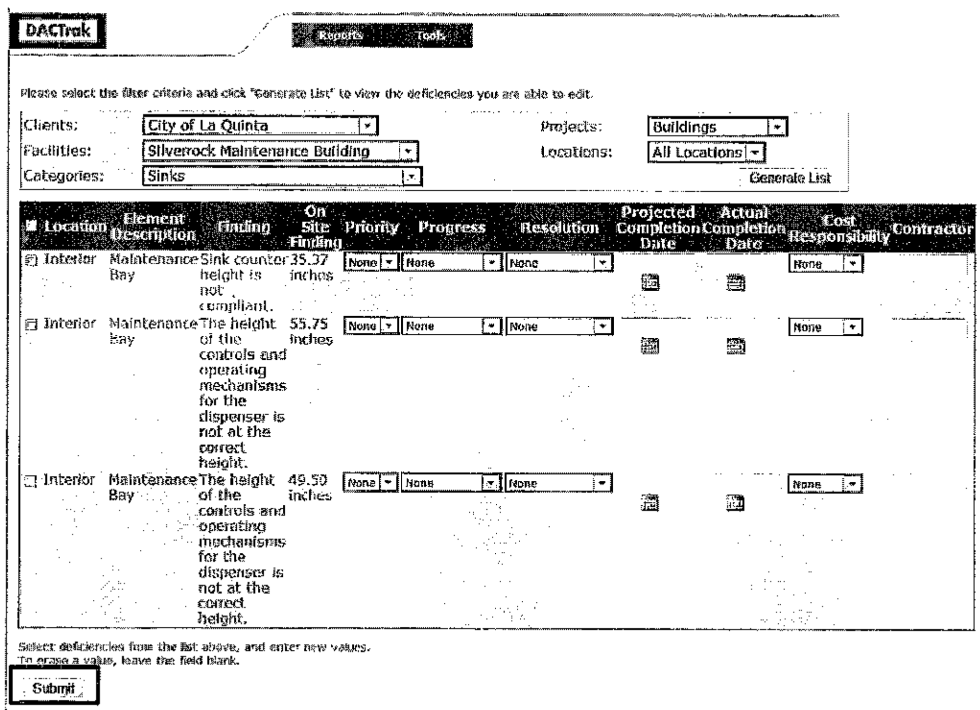
A priority level of 1 through 7 can be assigned to the element.

Projected and actual dates of completion are entered here. The Administrator can also add the actual cost of bringing the element into compliance for budgeting and expense reporting.

New Comments can be added here and saved using the Update command.

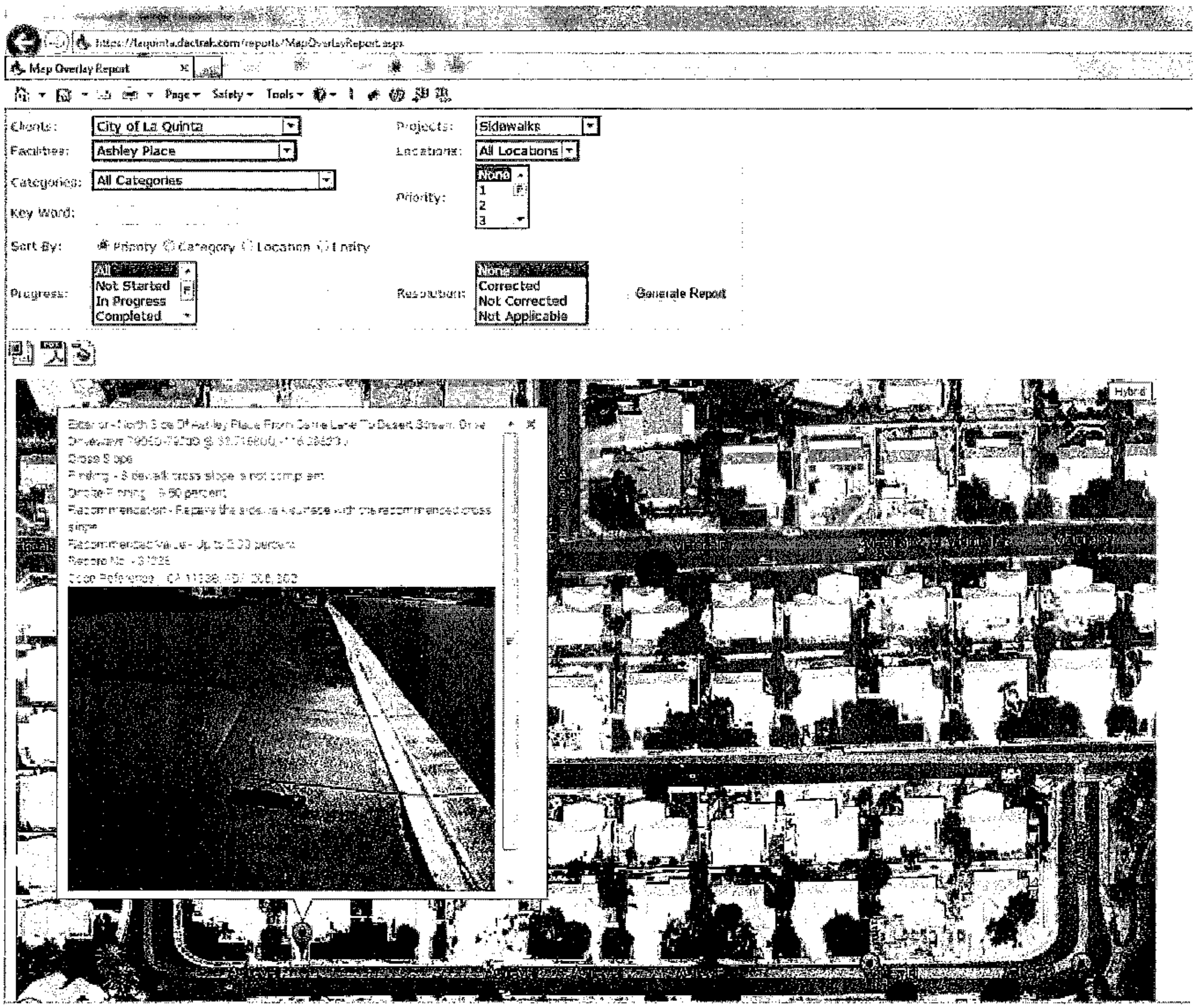


This is an example of Global Progress Editor, where the user may select many records to update at one time. In this example, the category has been filtered to Passenger Loading Zones using the Categories drop down menu.



This is an example of Priority Manager, where the user may select many records to update with unique information from one screen. The user may select progress information from the drop down menus and enter dates for each line item. All information is updated with one click of the Submit button. In this example, the category has been filtered to Sinks using the Categories drop down menu.

When GPS information is recorded for the location of an outdoor finding, such as the sidewalk report below, a Map Overlay report is available to view on DACTrak. This report shows a map of the area where the survey was performed, and pinpoints the location of the finding. Clicking on the pinpoint brings up a screen showing the finding, recommendation to bring the item into compliance, a photo of the finding and the associated code references.



CITY OF SEASIDE
STAFF REPORT

Item No.: 9.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Diana Ingersoll, Deputy City Manager Resource Management Services
Sharon Mikesell, Administrative Analyst

DATE: March 3, 2016

SUBJECT: **CONSIDERATION OF A THIRD AMENDMENT TO THE EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH MONTEREY DOWNS, LLC FOR POTENTIAL DEVELOPMENT OF APPROXIMATELY 550 ACRES IN THE FORMER FORT ORD FOR A PERIOD OF TWELVE (12) MONTHS.**

PURPOSE

The purpose of this item is for the City Council to consider a Third Amendment to the ENA with Monterey Downs, LLC for the proposed Monterey Downs and Monterey Horse Park in the former Fort Ord for a period of twelve (12) months in order for the City to complete it's compliance with the California Environmental Act (CEQA); to obtain the project entitlements; and to complete negotiations of the Disposition and Development Agreement (DDA).

RECOMMENDATION

It is recommended that the City Council approve the Third Amendment to the ENA with Monterey Downs, LLC to extend the ENA Period for twelve (12) months, until March 3, 2017.

BACKGROUND

September 16, 2010, Monterey Downs, LLC entered into an ENA with the City to develop a 550-acre, mixed use development in the former Fort Ord. The ENA provides the development team time to refine the development plans, complete a market feasibility study, submit a development application and performance schedule, negotiate a Disposition and Development Agreement (the "DDA"), and complete the California Environmental Quality Act (the "CEQA") process for the proposed project.

The term of the ENA was for twelve (12) months, with various administrative options to allow the City Manager to extend the ENA Period. All of the allowed options for administrative options were exhausted. On May 16, 2013, the City Council approved the First Amendment to the ENA, which extended the ENA Period to December 12, 2014, with one, ninety (90) day extension allowed by the City Manager. The Developer requested the ninety (90) day extension in December 2014, which was approved by the City Manager on December 12, 2014, extending the ENA Period to March 12, 2015. On March 5, 2015, a Second Amendment to the ENA was approved by City Council, extending the ENA period for twelve months to March 12, 2016.

APPLICATION AND CEQA PROCESSING UPDATE

The City is currently processing the following applications submitted by the Applicant.

- Specific Plan (SPL-12-01);
- City of Seaside Sphere-of-Influence Amendment (SOI-12-01)
- Prezoning (PZ-12-01) and Annexation (ANX-12-01)
- General Plan Amendment (GPA-12-01)
- Zoning Amendment (ZA-12-02)
- Tentative Subdivision Map (TM12-01)

On August 2, 2012, all of the applications were deemed "complete" with the exception of the Tentative Subdivision Map application. Staff continues to work with the Applicant on the tentative map. The applicant has completed a draft specific plan.

The draft Environmental Impact Report (EIR) has been released and the public comment period has closed. The City staff and special legal counsel continue to work with Michael Baker on the responses to comments.

Associated with the sphere-of-influence amendment and annexation application, Monterey County Local Agency Formation Commission has requested a pre-annexation agreement and tax sharing agreement between the City and the County of Monterey. City staff and Monterey County staff are currently negotiating the terms of these agreements.

TERMS OF THIRD AMENDMENT

The Third Amendment extends the ENA Period and revises deliverable dates under Attachments Nos. 2 and 4.

Term: Under the Third Amendment, a twelve (12) month extension of the ENA Period would be granted to allow the additional time needed for the City to complete its compliance with CEQA and to continue processing project applications, and for both parties to prepare and agree to a DDA with the negotiated business terms. Approval of this Agreement extends the ENA Period until March 3, 2017, subject to further administrative extension by the City Manager for ninety (90) days provided that the Developer is not then in default under the ENA as amended all terms of the DDA have been negotiated and agreed to by City staff, and the extension is necessary in order to complete compliance with CEQA and obtain DDA approval.

Specific Developer and Specific City Tasks: Attachments Nos. 2 and 4 of the Second Amendment of the ENA are rescinded and replaced with revised attachments including modified dates for remaining Developer and City tasks.

NEXT STEPS

The timing of the processing of the applications is tied to the completion of the CEQA process, and City/County pre-annexation and tax sharing agreements. Once the final EIR is prepared, the Planning Commission will consider and provide a recommendation to the City Council regarding the project's entitlement applications and environmental review documents. The Board of Architecture Review will consider the draft specific plan's architectural design guidelines. The final step for the City in the approval process is for the Council to consider the final EIR, all development applications, and the final draft Disposition and Development Agreement. Upon receiving the above city approvals, staff will prepare a request for the Fort Ord Reuse Authority Board to consider a determination of the project's consistency with the Base Reuse Plan.

The final step is to submit an application for the sphere-of-influence amendment and annexation of County lands by the City to the Monterey County Local Agency Formation Commission (LAFCO). Both the City Council and the Monterey County Board of Supervisors must approve pre-annexation and tax sharing agreements, prior to submitting the application to LAFCO.

FISCAL IMPACT

There is no fiscal impact associated with this item. With the execution of the ENA in September 2010, the Developer provided a $100,000 deposit to cover the City's costs associated with obtaining project entitlement and the negotiation of DDA. An additional deposit of $100,000 was received in December 2011 to commence CEQA preparation. The Developer deposit account is current with no outstanding invoices.

ATTACHMENTS

1. Third Amendment to ENA-Monterey Downs
2. Resolution-Third Amendment to ENA Monterey Downs

Reviewed for Submission to the
City Council by:

Meeting Date: March 3, 2016

____

Craig Malin, City Manager

THIRD AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT

This THIRD AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT (this "THIRD Amendment") is made and entered into as of March 3, 2016 (the "Effective Date"), by and between the CITY OF SEASIDE, a municipal corporation (the "City") and MONTEREY DOWNS, LLC, a California limited liability company (the "Developer").

R E C I T A L S

A. City and Developer entered into that certain Exclusive Negotiating Agreement dated September 16, 2010 (the "ENA") for the potential development of approximately 550 acres of land in the former Fort Ord by the Developer.

B. The proposal consists of three components: the Monterey Downs, the Monterey Horse Park, and the Central Coast Veterans Cemetery. The Monterey Downs would consist of the following: 225,000 square feet of visitor-serving uses that would be comprised of a track and stabling area, ancillary buildings, and a 6,500 seat sports arena and grandstand; a 330,000 square foot commercial center including a 200-room hotel; a 205,000 square foot commercial area including a 100,000 square foot, 200-room business traveler hotel, a 100,000 square foot commercial office center, and 5,000 square feet designated for a neighborhood serving tennis and swim recreation center; 1,280 residential units ranging from apartments to single-family residential homes, including parks, trails, and open space; a parcel for relocating the City's corporation yard; and a 73-acre habitat preservation area. The Monterey Horse Park would be comprised of a 111-acre non-profit horse park that would be include venues to accommodate equestrian competition, and would also include a visitor's center, office space, and horse stables. The Central Coast Veterans Cemetery component includes 106,000 burial sites, an administration building, a maintenance yard and building, memorial areas, veterans' hall, cultural history museum, chapel and an amphitheater for special events. An adjacent 45.9-acre parcel is proposed as a habitat restoration area.

C. The Developer and City staff are negotiating the key terms and conditions of a Disposition and Development Agreement ("DDA") for the City Council's consideration.

D. The term of the ENA was for twelve (12) months (September 16, 2011) with the provision of up to four (4), three (3) calendar month extensions. Paragraph 2 of the ENA includes provisions for other extensions. All of the extensions provided by the ENA were exhausted.

E. On May 16, 2013, the City Council approved a First Amendment to the ENA, which extended the ENA Period to December 12, 2014, providing an extension by the City Manager of one ninety (90) day extension.

F. On December 9, 2014, Developer submitted a request to extend the ENA Period for ninety (90) days. On December 12, 2014, the City Manager approved the request, extending the term of the ENA Period to March 12, 2015.

G. On March 5, 2015, the City Council approved a Second Amendment to the ENA , which extended the ENA period to March 12, 2016, subject to further administrative extension by the City Manager for ninety (90) days provided that the Developer is not then in default under the ENA as amended, all terms of the DDA have been negotiated and agreed to by City staff and the developer, and the extension has been necessary in order to complete compliance with CEQA and to obtain approval of the DDA by the City Council.

H. The ENA Period is to be extended in order for the City to complete its compliance with the California Environmental Quality Act ("CEQA"), to complete its processing of the entitlement applications, and to complete the negotiations of the DDA.

H. The ENA, as amended by this Third Amendment, shall hereinafter be referenced to as the "Agreement".

NOW, THEREFORE, in consideration of the terms, conditions and covenants set forth below and in furtherance of the understanding and intent of City and Developer, the Parties hereto agree as follows:

1. The capitalized terms not otherwise defined herein shall have the meanings given in the ENA.

2. The ENA Period is hereby extended for a period of one year to March 3, 2017, subject to further administrative extension by the City Manager for ninety (90) days provided that the Developer is not then in default under the ENA as amended, all terms of the DDA have been negotiated and agreed to by City staff and the Developer, and the extension is necessary in order to complete compliance with CEQA and to obtain approval of the DDA by the City Council.

3. Attachments Nos. 2 and 4 of the ENA are rescinded and replaced with the revised Specific Developer Tasks and Specific City Tasks attached to this Agreement.

4. Except as expressly modified by the terms of this Third Amendment, the terms and conditions of the Agreement shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms of this Third Amendment and the terms of the Original Agreement and/or the First Amendment or Second Amendment, the terms of this Third Amendment shall control.

5. This Third Amendment may be executed in counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

6. Time is of the essence for each and every provision hereof in which time is a factor.

IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be executed as of the day and year first above written.

CITY:

MONTEREY DOWNS, LLC
A California limited liability company

____

CITY OF SEASIDE,
a municipal corporation

____

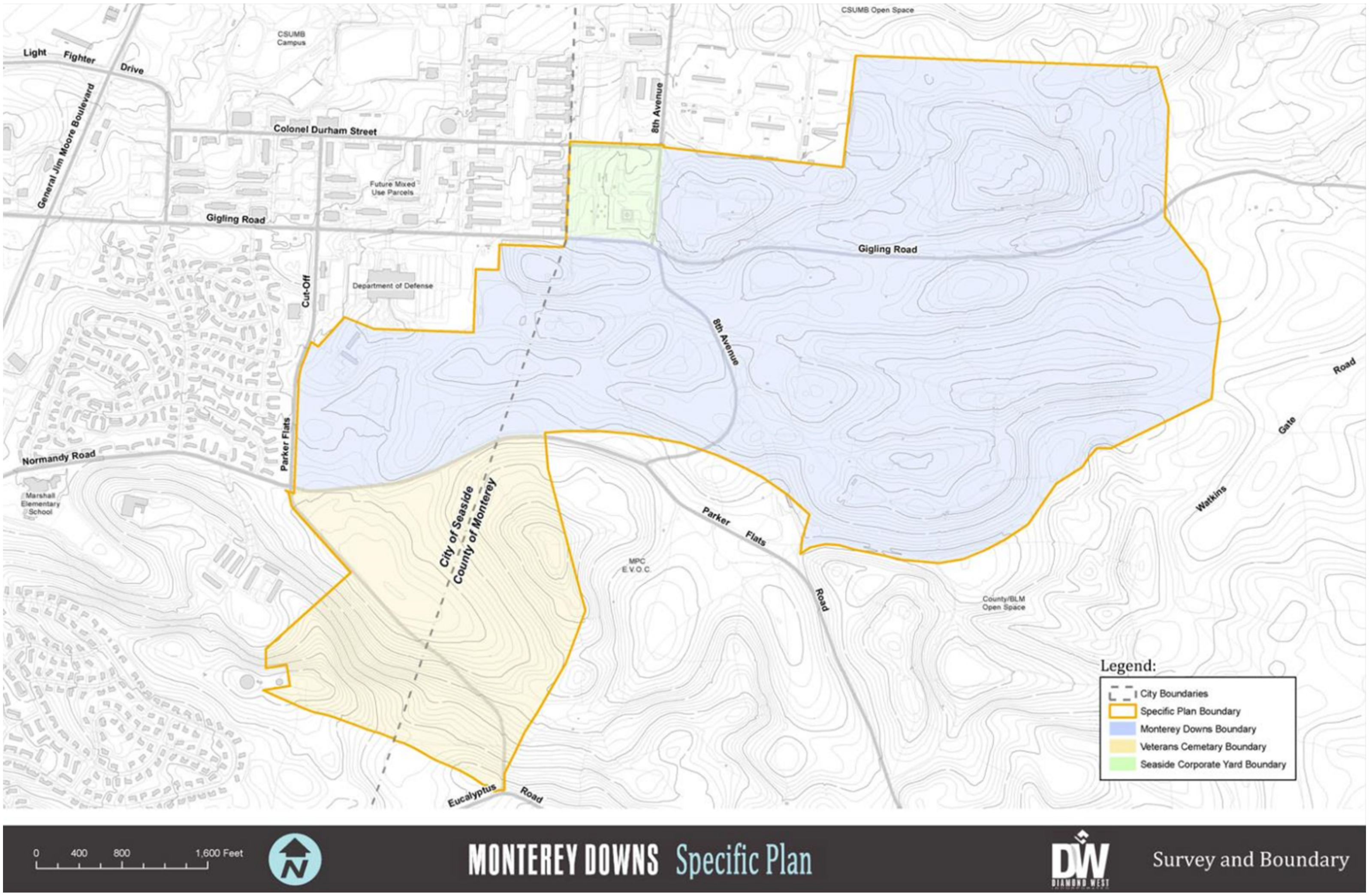
By: Monterey Bay Ventures, LLC
a California limited liability company Its Managing Member

Approved as to Form

____

Bruce Galloway of Richards Watson Gershon
Counsel to City

ATTACHMENT No. 1
SITE MAP



ATTACHMENT NO. 2

MATERIALS TO BE DELIVERED BY DEVELOPER TO THE CITY

SPECIAL DEVELOPER TASKS

1. Within four (4) calendar months after the date of this Agreement, Developer shall deliver to City for City staff review and approval, an *updated* financing plan for the proposed Project. The updated financing plan shall include a pro forma of a comprehensive line item budget for the Project, a table of sources and uses of funds for the Project, (and such "sources and uses" shall include both construction period and post-completion sources of funds, including so-called "permanent financing "that may be contemplated).

   The budgets shall include, but shall not be limited to:

   - backbone of infrastructure costs
   - entitlement costs
   - vertical improvement costs

   The updated financing plan shall also include a detailed phasing schedule for entitlements, land purchase, construction of infrastructure improvements, sale of pads, construction of vertical improvements, and sale/lease of finished improvements.

2. Within four (4) calendar months after the date of this Agreement, Developer shall submit to City a *revised* schedule of development setting forth the proposed timetable for the commencement, substantial completion and final completion of the Project (the "Development Schedule").

3. Developer shall use good faith efforts to diligently complete negotiation, approval and execution of a DDA.

4. Prior to execution of the transaction documents, the Developer shall submit to the City for its review and approval all organizational documents for the entities signing the documents (and, to the extent requested by City, information, certifications and/or documents relating to the ownership, control and signing authority of the direct and indirect owners, members or partners of each such entity).

ATTACHMENT NO. 4

SPECIFIC CITY TASKS

1. As soon as they are available, the City shall provide the Developer with copies of contracts entered into between the City and its consultants for the Project. Developer shall have the right to review and provide input to any and all consultant contracts procured on its behalf prior to execution by the City.

2. City shall use good faith efforts to diligently prepare and process the required CEQA reports and documents. City agrees to submit an EIR status report to the Developer monthly during the term of this Agreement as mutually determined by the Parties.

3. City staff will review the Developer's submissions in a timely manner. For material listed under Items 1-3 of Attachment No. 2 staff shall review and provide comments and/or approvals within thirty (30) days after receipt from Developer. In the event of City default in meeting its obligations to timely review and comment or approve Developer submissions, Developer's sole remedy shall be to add time to its own performance obligations affected by the delay in an amount equivalent to the City's delay. The term of this Agreement will also be extended accordingly.

4. City shall use good faith efforts to diligently complete negotiation, approval and execution of a DDA.

5. No consents, approvals or comments by City staff shall diminish, affect or waive either: (i) rights of the City to later impose conditions and requirements under CEQA; (ii) the rights of the City not to approve the DDA; (iii) the City's governmental rights, powers and obligations.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

AUTHORIZING THE CITY MANAGER TO EXECUTE A THIRD AMENDMENT TO THE EXCLUSIVE NEGOTIATING AGREEMENT (THE "ENA" OR "AGREEMENT") WITH MONTEREY DOWNS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR POTENITAL DEVELOPMENT ON APPROXIMATELY 550 ACRES LOCATED IN THE FORMER FORT ORD

WHEREAS, on September 16, 2010, the City Council entered into an ENA with Monterey Downs, LLC (the "Developer") for the potential development on approximately 550 acres of land ("the Project"); and

WHEREAS, on May 16, 2013, the City Council approved the First Amendment to the ENA extending the ENA Period to December 12, 2014, with one ninety (90) day extension by the City Manager; and

WHEREAS, on December 12, 2014, the City Manager extended the ENA Period to March 12, 2015, and

WHEREAS, on March 5, 2015, the City Council approved the Second Amendment to the ENA extending the ENA Period to March 5, 2016, and

WHEREAS, the ENA provides the development team time to refine the development plans, complete a market feasibility study, submit a development application and performance schedule, negotiate a Disposition and Development Agreement (the "DDA"), and complete the California Environmental Quality Act (the "CEQA") process for the proposed project; and

WHEREAS, the Developer has submitted the necessary applications, a draft specific plan, completed a market feasibility study, submitted a draft fiscal and economic impact report, and is negotiating a DDA with City staff; and

WHEREAS, additional time is needed for City staff to complete the California Environmental Quality Act ("CEQA") to process project entitlements and to negotiate the DDA with the Developer; and

WHEREAS, the ENA Period expires on March 5, 2016, and all administrative extensions by the City Manager allowed by the ENA and the First and Second Amendment to the ENA have been exhausted.

NOW THEREFORE, be it resolved that the City Council of the City of Seaside authorized the City Manager to execute the Third Amendment of the ENA with Developer (Exhibit "A") to extend the ENA period to March 3, 2017 with provision of an administrative extension by the City Manager of ninety (90) days provided that the Developer is not then in default under the ENA, all terms of the DDA have been negotiated and agreed to by City staff, and the extension is necessary in order to complete compliance with CEQA and obtain Project and DDA approvals. Attachments Nos. 2 and 4 of the ENA are rescinded and replaced with revised attachments including modified dates for remaining Developer and City tasks.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside duly held on the 3rd day of March, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley E. Milton-Rerig, City Clerk

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Diana Ingersoll, Deputy City Manager Resource Management Services
Teri Wissler Adam, City of Seaside Contract Project Manager

DATE: March 3, 2016

SUBJECT: **RECEIVE THE MONTEREY DOWNS FISCAL AND ECONOMIC IMPACT ANALYSIS AND PEER REIVEW AND SUPPLEMENTAL SENSITIVITY ANALYSIS**

PURPOSE

The purpose of this item is for the City Council to receive the *Monterey Downs Fiscal and Economic Impact Analysis Final Draft Report* dated August 2015 prepared by Willdan Associates for Monterey Downs, LLC (Applicant) and the peer review and supplemental sensitivity analysis conducted by Economic & Planning Systems (EPS) on behalf of the City.

RECOMMENDATION

It is recommended that the City Council receive the applicant's presentation of the report, EPS's presentation of their peer review and supplemental analysis, take public comment and accept the reports or provide direction to staff, if necessary.

BACKGROUND

On September 16, 2010, the City and the Applicant entered into an Exclusive Negotiating Agreement (the "ENA") for the potential development of approximately 550 acres of land in the former Fort Ord. Proposed development includes a 225,000 square foot race horse training facility that would be comprised of a track and stabling area, ancillary buildings, and a 6,500 seat sports arena and grandstand; a 330,000 square-foot commercial center; a 15,000 square-foot horse park that would be comprised of a visitors center, office space, veterinary clinic, and horse stables; 1,280 residential units ranging from apartments to single family residential homes; a 100,000 square foot office park; two 200-room hotels; a 5,000 square foot tennis and swim club; a 73-acre habitat preservation area; a parcel for relocating the City's corporation yard; and 74 acres dedicated to open space and parks and infrastructure.

FISCAL AND ECONOMIC IMPACT ANALYSIS

Willdan Associates, under contract to the Applicant, prepared the *Monterey Downs Fiscal and Economic Impact Analysis Final Draft Report* (August 2015) (the "Report") included as Attachment 1. The *fiscal* analysis is an estimation of the project's net impact on the City's general fund. The *economic* analysis is an estimate of the new expenditures that will occur in the City as a result of the development of the project.

The Report projected the net *fiscal* impact to the City's general fund in six phases, under the following three scenarios for providing fire services: 1) Presidio Fire Station Alternative (current conditions) ($1.36 million); 2) Monterey Regional Fire Alternative ($1.93 million); and 3) New Seaside Fire Station Alternative ($0.7 million). The net fiscal impact by phase is presented in Table 1.

City of Seaside — Monterey Downs Fiscal and Economic Impact Study

Table 1: City of Seaside Net Fiscal Impact

Annual General Fund Impact[1]	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Presidio Fire Station Alternative (Current Condition)							
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 636,499	$ 305,393	$ 84,471	$ 506,856	$ 331,251	$ 339,633	$ 2,204,103
Net Impact	**$ 763,658**	**$ (46,952)**	**$ (36,235)**	**$ 979,981**	**$ (61,423)**	**$ (238,269)**	**$ 1,360,760**
Cumulative	**$ 763,658**	**$ 716,706**	**$ 680,471**	**$ 1,660,452**	**$ 1,599,029**	**$ 1,360,760**	
Monterey County Regional Fire Alternative							
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 471,457	$ 226,206	$ 62,568	$ 375,430	$ 245,359	$ 251,567	$ 1,632,587
Net Impact	**$ 928,700**	**$ 32,235**	**$ (14,332)**	**$ 1,111,407**	**$ 24,469**	**$ (150,203)**	**$ 1,932,276**
Cumulative	**$ 928,700**	**$ 960,935**	**$ 946,603**	**$ 2,058,010**	**$ 2,082,479**	**$ 1,932,276**	
New Fire Station Alternative							
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 804,857	$ 360,519	$ 135,942	$ 817,052	$ 420,579	$ 329,242	$ 2,868,190
Net Impact	**$ 595,301**	**$ (102,078)**	**$ (87,707)**	**$ 669,785**	**$ (150,751)**	**$ (227,877)**	**$ 696,673**
Cumulative	**$ 595,301**	**$ 493,223**	**$ 405,516**	**$ 1,075,301**	**$ 924,550**	**$ 696,673**	

[1] Annual General Fund impact at build out in 2014 dollars.
[2] See Table 13
[3] See Table 20

Source: Willdan Financial Services

WILLDAN Financial Services — iii

The Report projected the *economic* impact during the project construction period at $261.1 million, and $26 million annually after the end of the construction period.

PEER REVIEW AND ADDITIONAL SENSITIVITY ANALYSIS

EPS, the City's consultant, along with City staff, reviewed the Report for adequacy and concluded that overall, the Report is technically sound and it applies industry-standard methodologies and metrics to evaluate the economic and fiscal impact generated by development of the project. However, EPS and City staff did have concerns regarding certain analysis inputs and the presentation of analysis results. Therefore, EPS conducted additional fiscal "sensitivity" analysis to present what may occur using other assumptions (Attachment 2). EPS's analysis included the following scenarios:

- no hotels;
- only one hotel;
- reduced assessed property values;
- FORA extension beyond 2020;
- tax sharing with County of Monterey; and
- accelerated provision of public safety services.

EPS also conducted additional economic "sensitivity" analysis to present how the economics may change with a decrease in the projected visitors to the Monterey Horse Park. Each of these sensitivity scenarios provide a "what if" for the City Council to consider the fiscal and economic impacts of the proposed project.

RECOMMENDATION/NEXT STEPS

The Fiscal and Economic Impact Analysis was prepared by the applicant for the City to understand the net fiscal impact on the City's finances, as well as the economic impact to the City resulting from development of the project. The fiscal impact analysis would also be used by the Local Agency Formation Commission (LAFCO) when considering the sphere of influence amendment and annexation requests. The purpose of the peer review and sensitivity analysis was for the City to independently review the analyses and provide additional analysis for the City Council to consider in their deliberations on the project at a future meeting.

Staff recommends that the Council receive the presentation by Willdan Associates (Applicant) and the presentation by EPS (City consultant), ask questions regarding the analyses, take public comment, and accept the analyses as is, or give staff additional direction.

The next step includes completion of the final environmental impact report (EIR); the appraisal; the memorandum of understanding (MOU) between the City, the County, and FORA; and the Disposition and Development Agreement (DDA).

FISCAL IMPACT

There is no fiscal impact to the General Fund. With the execution of the ENA in September 2010, the Applicant provided a $100,000 deposit to cover the City's costs associated with obtaining project entitlement and the negotiation of DDA. An additional $100,000 to cover all costs incurred by the City associated with the preparation of all CEQA required environmental review documents was deposited by the Applicant in December 2012. Therefore, there is no fiscal impact to the General Fund.

ATTACHMENTS

1. Draft Fiscal and Economic Analysis Report-Monterey Downs
2. Monterey Downs Fiscal and Economic Impact Analysis Peer Review

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Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

Monterey Downs

Fiscal and Economic Impact Analysis

Final Draft Report

August 2015

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Table of Contents

Executive Summary

This report identifies the estimated fiscal and economic impacts of the Monterey Downs Project. Although included in one report, there are essentially two separate reports included; these are the Fiscal Impact Analysis and the Economic Impact Analysis.

A **Fiscal Impact Analysis** means the estimation of the net **impact** on government of a particular project. This is done by estimating the increase in revenues and expenditures to a city. For Monterey Downs, the estimated revenues that will be increased include a variety of taxes including, but not limited to, property taxes, sales tax, transient occupancy taxes (TOT) from the hotels planned for the project and utility user taxes. Table 13 of this report shows the different tax categories and estimated annual revenues for each phase. Expenditures are calculated by estimating costs to the city for services, including police, fire and recreation due to an increased service population.

An **economic impact analysis** examines the effect of a particular project on the **economy** in a specified area, ranging from a single neighborhood to the entire globe. It usually measures changes in business revenue, business profits, personal wages, and/or jobs. Visitor estimates are utilized to calculate hotel, restaurant and retail sales. Costs of construction, including labor and materials, are also used in the calculation of economic impacts to a particular area.

Background and Study Objectives

The project applicant, Monterey Downs, LLC (Monterey Downs) proposes to construct a mixed use development that will include equestrian facilities, an indoor arena and sports complex, and residential, commercial and hotel development. The project will be located on the former Fort Ord, and for the purposes of this analysis is expected after completion to be within the City of Seaside.

Summary of Fiscal Impact Results

Following is a summary of the fiscal impact analysis, explained in further detail (including definitions) in the body of the report.

- *At build out, as shown on Table 1 and in more detail in Table 13, the project will generate fiscal revenue to the City of Seaside of $3.56 million annually.*
- *Part of the $3.56 million annual revenue that will be generated by the project will be used to cover the cost of services provided to the project by the City. The analysis by Willdan Financial Services (Willdan) provides estimates of the costs to the City, but ultimately the cost will depend upon budget and service level decisions by the City Council as part of its annual budget process for the City as*

a whole. Depending on how fire services are provided, at build-out, as shown on Table 1, if the project is serviced by the Monterey County Regional Fire Station the project will generate a fiscal surplus of $1.9 million annually. If the project is served by the Presidio Fire Station, which is the station that is currently closest to the project, the fiscal surplus would be approximately $1.6 million annually. If the City of Seaside decided to instead build a new fire station and the project accounts for 58.7% of the service from that new station, the fiscal surplus would be $697,000 annually. Again, any decisions on whether a new station is built, or how services will be provided, will be made by the City Council each year as part of its annual budget process. This report simply analyzes the various alternatives.

Table 1: City of Seaside Net Fiscal Impact

Annual General Fund Impact[1]	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Presidio Fire Station Alternative (Current Condition)							
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 636,499	$ 305,393	$ 84,471	$ 506,856	$ 331,251	$ 339,633	$ 2,204,103
Net Impact	**$ 763,658**	**$ (46,952)**	**$ (36,235)**	**$ 979,981**	**$ (61,423)**	**$ (238,269)**	**$ 1,360,760**
Cumulative	**$ 763,658**	**$ 716,706**	**$ 680,471**	**$ 1,660,452**	**$ 1,599,029**	**$ 1,360,760**	
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Net Impact	**$ 928,700**	**$ 32,235**	**$ (14,332)**	**$ 1,111,407**	**$ 24,469**	**$ (150,203)**	**$ 1,932,276**
Cumulative	**$ 928,700**	**$ 960,935**	**$ 946,603**	**$ 2,058,010**	**$ 2,082,479**	**$ 1,932,276**	
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Net Impact	**$ 595,301**	**$ (102,078)**	**$ (87,707)**	**$ 669,785**	**$ (150,751)**	**$ (227,877)**	**$ 696,673**
Cumulative	**$ 595,301**	**$ 493,223**	**$ 405,516**	**$ 1,075,301**	**$ 924,550**	**$ 696,673**	

[1] Annual General Fund impact at build out in 2014 dollars.

[2] See Table 13

[3] See Table 20

Source: Willdan Financial Services

Summary of Economic Impact Results

Following is a summary of the economic impact analysis, explained in further detail (including definitions) in the body of the report. The economic analysis is an estimate of the new expenditures that will occur in the City as a result of the development of the project. For example, the new residents at Monterey Downs will spend money in the City on goods and services, which in turn will create new employment.

- *During construction of the project, Monterey Downs and other entities will expend approximately $199 million on labor, materials and related services in the zip code that includes the City.*
- *On an annual basis, total expenditures within Seaside's zip code from the project are estimated at $20.4 million.*
- *In addition to direct construction expenditures, the development of the project will indirectly generate approximately $32.1 million in economic output in local businesses during the construction period (10 years). Once the project is completed, it will indirectly generate $2.7 million in economic output.*[1]
- *The onsite employees at the facility will expend a portion of their income derived from the project in the local economy. This induced effect in turn has an additional indirect impact on the economy. The sum of these impacts is commonly referred to as the "multiplier effect" of expenditures. In total, the induced economic activity is estimated to create approximately $30.9 million in economic output during construction (over ten years) and $2.9 million in economic output annually thereafter.*
- *Once completed, the development will employ approximately 2,758 persons on site, with 1,743 non-equestrian jobs and equestrian jobs estimated at 1,015.*
- *Total economic impacts to Seaside's zip code, during the 10 years of construction activity, total $262 million and are $26 million annually thereafter.*

[1] Definitions of direct and indirect economic impact are provided in the body of this report.

Table 2: Summary of Economic Impacts

Impact Type	During Construction Econ. Activity	Annual after Construction Econ. Activity
Direct	$198,600,000	$20,400,000
Indirect	32,100,000	2,700,000
Induced	30,900,000	2,900,000
Total	$261,600,000	$26,000,000

Sources: IMPLAN, Willdan Financial Services

Willdan Financial Services, 2014

1. Introduction

This report identifies the fiscal and economic impacts that would be generated by the development of the proposed project. This chapter explains the study's approach under the following sections:

- Background and study objectives;
- Fiscal and Economic Impact Analysis; and
- Organization of the report.

Background and Study Objectives

The proposed Monterey Downs development program is detailed in Table 3. The proposed project is a master planned community on approximately 550 acres, of which 478 acres are located in unincorporated Monterey County and the remaining 72 acres are located within the City of Seaside. The location of the project is indicated on Figure 1. The proposed Monterey Downs community includes the following elements, broken down into phases: [2]

- Phase 1: 400 single family homes located within the current City of Seaside; a hotel; and the beginning of development of the Monterey Horse Park, an equestrian event facility with 100 horse stalls, several sand based arenas, training, and veterinary facilities. The development of the Monterey Horse Park will begin in Phase 1 and continue through the six phases of the project;
- Phase 2: 197 single family homes;
- Phase 3: A commercial center consisting of 100,000 square feet of office development, and a tennis and swim center;
- Phase 4: Country Walk, a mixed-use center of over 200,000 square feet with retail, recreational and cultural uses, a hotel, 400 apartments, and 26 single family homes;
- Phase 5: 257 single family homes; and

[2] The phasing is used in the analysis below, while Table 3 shows the total development plan. A more complete description of the project can be found in the Environmental Impact Report.

- Phase 6:
  - A sports arena and training track; and
  - A Qualified Worker Housing complex with 256 rooms that will house visiting staff for equestrian and other events.

In addition, the Monterey Horse Park will develop gradually throughout all of the phases. It is important to note, however, that the phasing plan is flexible and therefore may change to accommodate City policies or market conditions.

For further clarification, the Horse Park and Training Facilities are two separate components of the Monterey Downs project. The Horse Park will be owned and operated by the Monterey Horse Park, a 501(c)(3) organization, and will occupy approximately 110 acres of land within the larger Monterey Downs project. It will have horse stalls and arenas for training and competition purposes. The Horse Park will host amateurs in all equestrian disciplines in local, regional, national and international competitions throughout the year.

The Training Facilities include an outdoor grandstand and horse track where thoroughbred horses can train for racing. It also has the potential for live racing. The facilities can be used for many activities other than horse training and racing, including concerts, music festivals and youth athletic fields.

For additional information on the various components that make up the Monterey Downs project, and for further clarification between the differences between the Horse Park and Training Facilities, please see the Monterey Downs and Monterey Horse Park and Central Coast Veterans Cemetery Environmental Impact Report as well as the Monterey Downs and Monterey Horse Park and Central Coast Veterans Cemetery Specific Plan.

Typically sports arenas provide significant municipal revenue on an ongoing basis from ticket fees, sales taxes, parking tax, and other sources. In the interest of providing a conservative assessment of the fiscal impact of Monterey Downs, this analysis does not include any of these revenue sources but does include an estimate of costs the City will incur from the extra employees on the site. Any additional revenue realized by the City from the sports arena and track would improve the results of this analysis. Monterey Downs, LLC, will provide a separate fiscal and economic impact analysis report to the

City Council before recordation of the final subdivision tract map that includes the sports arena and track. This same report will analyze the economic effect of any social impacts from racing as well as use the then-current property tax sharing agreement between all relevant governmental agencies.

Table 3: Monterey Downs Development Program

Development Type	Acres	Square Feet	Units	Units/Acre or Rooms
Non-Equestrian Land Uses				
County Walk	22.2	330,000		
Retail		85,000		
Museum/Cultural		30,000		
Restaurant		20,000		
Office		60,000		
Theatre		35,000		
Hotel		100,000		200 Rooms
Qualified Worker Housing				
Complex 1	6.9		256	37/Acre
Residential	120.7		1,280	
Apartments	20.0		400	20/Acre
Courtyard Homes	9.0		82	9/Acre
Single Family Homes	21.7		210	9.5/Acre
Single Family Homes 2	16.0		109	7/Acre
Single Family Homes (Seaside)	54.0		479	9/Acre
Office Park/Hotel/Tennis and Swim	18.0	205,000		
Office		100,000		
Hotel		100,000		200 Rooms
Tennis and Swim		5,000		
Aquatic Center				Olympic Pool
Fire Station Site				
Equestrian Land Uses				
Training Facility (1)	117.6	225,000		
Track and Stabling				1,500 Stalls
Ancillary Buildings		50,000		
Sports Arena and Grandstand		175,000		6,500 Seats
Horse Park	111.0	15,000		
Visitor Center and Office Space		7,500		
Veterinary Clinic		7,500		
Public Stables				100 Stalls
Open Space and Infrastructure				
Habitat Preservation Area	73.0			
Oak Oval				
Open Space/Parks/Backbone Roads	70.0			
Monterey County	51.6			
City of Seaside	18.4			
Water District	4.0			
Water Tank Site				
TOTALS	**536.5**	**775,000**	**1,280**	

(1) Not included in the analysis, provided for illustrative purposes only.

Source: Monterey Downs LLC

Table 4: Development Phasing

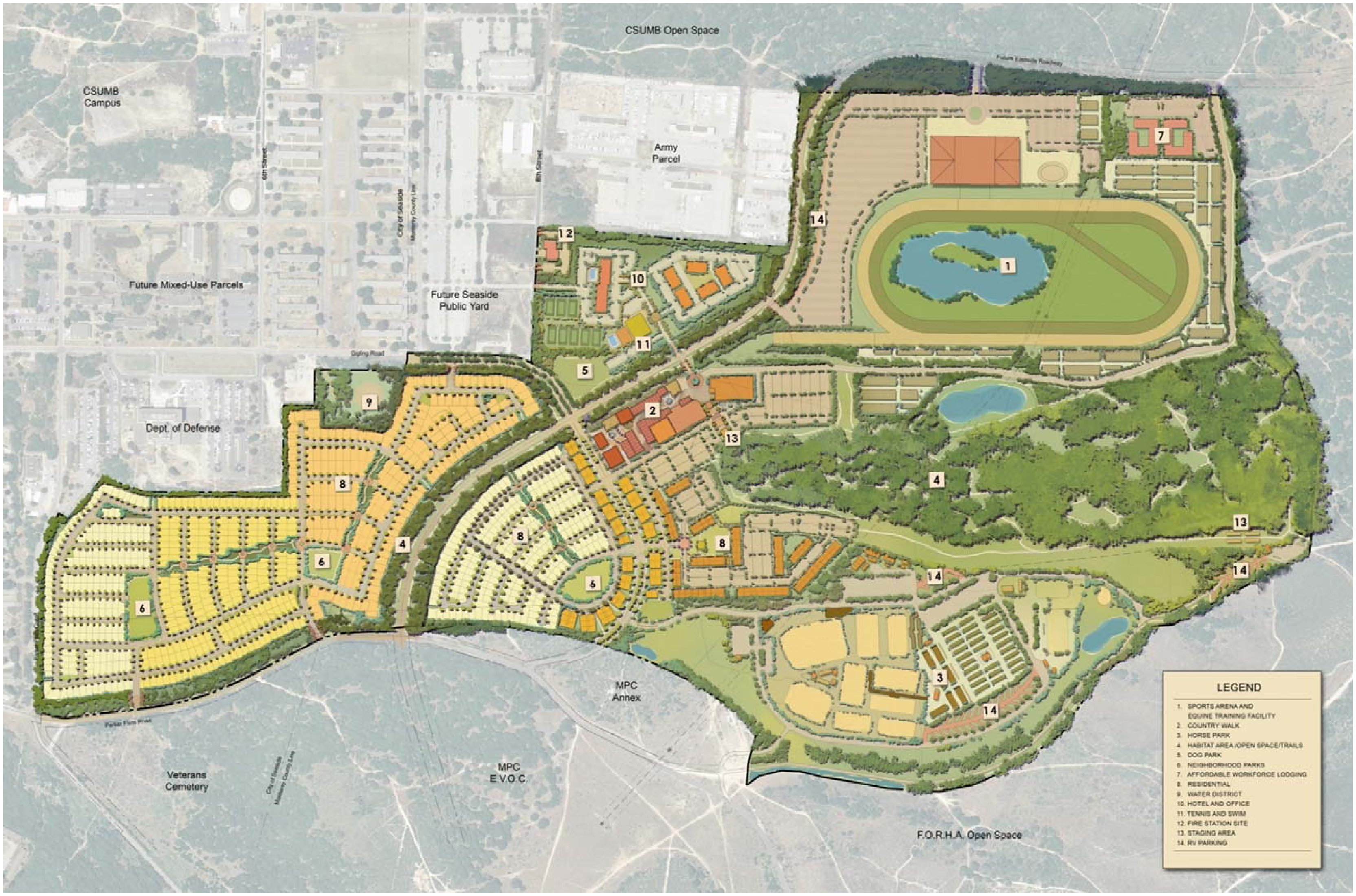
Type	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Retail/Commercial Uses							
County Walk							
Retail				85,000			85,000
Museum/Cultural				30,000			30,000
Restaurant				20,000			20,000
Office				60,000			60,000
Theatre				35,000			35,000
Hotel				200			200
Qualified Worker Housing							
Complex 1						256	256
Residential							
Apartments				400			400
Courtyard Homes				26	56		82
Single Family Homes		9			201		210
Single Family Homes 2		109					109
Single Family Homes (Seaside)	400	79					479
Office Park/Hotel/Tennis and Swim							
Office			100,000				100,000
Hotel	200						200
Tennis and Swim			5,000				5,000
Aquatic Center			0				0
Fire Station Site							

Source: Monterey Downs, LLC

Willdan, 2015

Monterey Downs has proposed construction of a mixed use development at the former Fort Ord (as shown in Figure 1).

Figure 1: Project Site Map



Organization of the Report

The remainder of the report details the results of Willdan's research and analysis:

1. Background and Introduction
2. Overview of Fiscal and Economic Impact Methodology
3. Fiscal Impacts
4. Economic Impact of the Project
5. Recommendations

2. Overview and Methodology

This chapter discusses the methodology of the data gathering and analysis, the means used to calculate the results reported in the summary, above, and in more detail later in this report.

Fiscal Impact Methodology

This section details the underlying methodology used to estimate the fiscal impact of the proposed Monterey Downs development on the City of Seaside.[3] The fiscal impact analysis uses a combination of techniques to estimate the increases in revenues and expenditures. Where possible, the increases in revenues and expenditures are modeled following the manner in which they are collected and allocated, referred to as the case study methodology. For example, increases in property tax revenues are based on an estimate of the increase in assessed valuation associated with a given project component. In other cases, where this type of detailed modeling is not possible due to lack of adequate data, Willdan utilized revenue multipliers that represent the current average per service population. Generally, this methodology presents a reasonably conservative analysis of the potential fiscal impacts of the proposed development.

In addition to applying case study-based or service population-based estimates of General Fund revenues and expenditures, certain municipal line item revenues or costs vary more with growth and development than others. For example, on the expenditures side, Public Assistance and Education costs vary more with population growth than General Government costs. Therefore, a percent variable factor was included in the analysis of the major line items.

To generate the fiscal impact model, Willdan used the adopted budget for fiscal year 2014-2015 to extrapolate revenues and expenditures that could result from the Monterey Downs development. All results of the analysis are presented in current dollars, rather than inflated to a future nominal value. It is important to note that the analysis does not consider excess capacity that may exist for particular city services or the possibility that the proposed development might fall at a service threshold level, requiring major new capital construction to accommodate increased growth. Rather, it applies current fiscal conditions and municipal service levels to anticipate future costs upon completion and operation.

[3] For the purposes of this analysis Willdan assumes that the entire project is located in the City of Seaside. The ultimate revenue and service arrangements are subject to approval by LAFCO through an annexation process, so for the purposes of this report Willdan has assumed that the project will eventually be fully integrated into the City's services, and that property tax rates will be comparable to elsewhere in the City.

Economic Impact Methodology

The economic impact analysis conducted for this report utilizes IMPLAN (Impact Analysis for Planning), an Input-Output (I/O) model developed by the Minnesota IMPLAN Group. Based upon certain inputs and assumptions, and utilizing appropriate local data sets, the IMPLAN model calculates the relationships among industries, consumers, government suppliers, and other economic actors, and synthesizes data from a variety of sources, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Census Bureau. The IMPLAN model divides the US economy into 440 sectors and can be tailored down to individual zip codes depending upon specific project parameters and drawing from data and relationships for that defined area.

For each analytical task the model is tailored to a particular region or geography. In this case, the model estimates impacts for Seaside's zip code only. The IMPLAN model is regularly used all over the country to measure the impacts of development and many other activities that affect employment or expenditures in the economy.

Models such as IMPLAN are particularly useful for measuring the total economic effects of a particular project or program, and yield estimates of the number and types of jobs created, the amount of wages associated with those jobs, and the total economic output or "final sales" generated within particular industries. I/O models like IMPLAN rely upon economic "multipliers" that mathematically represent the relationship between the initial change in one sector of the economy and the corresponding effect of that change on other interdependent industry sectors, as well as the effect of that subsequent change on further sectors. These effects are commonly described as "direct," "indirect," and "induced" and are generally defined as follows:

- The "direct" effect is the initial change in economic activity from local payroll and construction expenditures in a specific industry or sector. For the Monterey Downs project, for example, the direct effects to Seaside's zip code are the wages and other expenditures at the site (and with County businesses), both during construction and operation of the proposed facility.
- The "indirect" effect results from industry-industry transactions required to support the direct activity. This effect is a measure of the change in the output of suppliers linked to the industry being evaluated. In the case of the Monterey Downs project, for example, construction will result in an increase in purchases of building materials, engineering and consulting services, and other goods from "business to business" suppliers in Seaside's zip code.
- The "induced" effect consists of employee spending in Seaside's zip code by employees, created by direct and indirect impacts, spending their earnings on local goods and services, such as food, clothing, real estate, education, health services, etc.

The total economic impact of the project is the sum of the direct, indirect, and induced impacts, offset by any economic loss related to the change in the use of the land. The IMPLAN model is designed to identify the types and magnitudes of impacts within a specified geographic area, and can be tailored by station, county, zip code and other parameters. For this analysis the IMPLAN model has been set up to measure impacts within the economy of Seaside's zip code.

Within each type of economic impact the IMPLAN model estimates several subcategories or components. "Earnings" consists of the actual compensation, including benefits, paid to employees. "Value Added," which is not detailed in this report, is the total revenue generated less the cost of the inputs used to generate that revenue. For example, the Value Added for a retail store would be the total sales of the store after subtracting the cost of labor (Earnings), rent, payments to wholesalers, etc. In rough terms, the "Value Added" is the profit of a business. "Economic Output" is the sum of Earnings and Value Added.

Several points are important to make as caveats to the IMPLAN estimates. First, the IMPLAN model calculates economic relationships based on 2011 data (the latest available for this purpose), and therefore the analysis assumes that no fundamental changes have occurred in the economic relationships within the City since then, and that those relationships are a reasonable basis to predict future relationships. Willdan is not aware of any fundamental changes in the Seaside zip code that would invalidate the results of analysis based on more current economic relationships.

Second, I/O modeling generally assumes that demand for goods and services by industries or households increases in relation to an increase in income, and that an increase in demand results in a proportional increase in local supply and employment. This implies that local suppliers satisfy this initial demand by increasing their output and hiring additional workers rather than shifting their goods or services from one set of consumers to another. This assumption may not hold in areas with tight labor or capital markets since suppliers may find it difficult to obtain these labor or material inputs or other resources necessary to expand production. Considering the scale of the proposed project and the size of the economic study area (Seaside's zip code) this is not likely to be a factor.

2. Fiscal Impacts

Assumptions and Key Drivers

Assumptions

The following list documents additional land use, demographic, and other development-related assumptions used in this fiscal impact analysis:

- **Existing Population and Employment Estimates** – Demographic data used to estimate existing population and employment in the City of Seaside came from the California Department of Finance, California Employment Development Department, and the Association of Monterey Bay Area Governments (AMBAG).
- **Seaside FY 2014-15 Budget** – The analysis utilizes the most recently available adopted budget for the City at the time of the preparation of this report. Budgets vary so Willdan has also provided alternative analysis at the end of this report exploring the impact of changes in the fiscal assumptions underlying the model.
- **Future Population and Employee Estimates** – Population projections are calculated using average persons-per-household factors derived from the U.S. Census. Employee estimates are based on average square feet per employee factors for nonresidential land uses.
- **Residential Assessed Value** – The estimated assessed valuation of residential development is based on Redfin sales records from the six month period ending in September 2014, of comparable residential properties within the region. Willdan has also surveyed nearby projects, such as East Garrison, as an additional check on the reasonableness of the assumptions. In Willdan's opinion the estimated residential values are reasonable and reflect current and foreseeable market conditions. At the end of this report Willdan has prepared a sensitivity analysis to examine the impacts of lower assessed value on the fiscal impact of the project.
- **Nonresidential Assessed Value** – Valuation of the project's nonresidential land uses is based on sales prices of comparable land uses listed on LoopNet, the primary online listing service for sales and leases of commercial real estate. Willdan believes these values are reasonable estimates of the assessed valuation of the project, which is the basis of property tax assessments. At the end of this report Willdan has prepared a sensitivity analysis to examine the impacts of lower assessed value on the fiscal impact of the project.
- **Sports Arena and Racetrack Complex** – The Sports Arena and Race Track will provide their own onsite security and maintenance of all public facilities. In addition, Willdan expects that revenues generated, such as property tax, ticket fees, parking taxes, etc., will be needed to fund construction and operations. For

this reason revenues generated are not included in the calculated fiscal impact. Willdan does expect, however, that the employees at these facilities may have a general impact upon City operations, so the employees have been included in the calculation of "persons served" in Table 7.

General assumptions and land use assumptions are presented in Tables 4 and 5. The paragraphs that follow provide detailed explanations of each table utilized in the model.

Table 5: Seaside Fiscal Impact Analysis General Assumptions

Item	Assumption
General Assumptions	
Base Fiscal Year[1]	FY 2014-2015
Property Turnover Rate (% per year)[2]	
Apartments	5%
Courtyard Homes	10%
Single Family Homes	10%
Non-Residential	5%
General Demographic Characteristics	**Estimates**
City of Seaside	
City of Seaside Population[3]	33,534
City of Seaside Employees[4]	16,000
City of Seaside Persons Served[5]	41,534

Sources: California Department of Finance, California Employment Development Department, AMBAG, Willdan Financial Services

[1] Revenues and expenditures are in 2014 dollars.

[2] Property turnover rates based on Willdan research.

[3] Based on January 2014 estimates from the California Department of Finanace.

[4] Based on 2012 annual average estimates from the California Employment Development Department.

[5] Defined as total population plus 50% of employees.

Table 6: Seaside Fiscal Impact Analysis Land Use Assumptions

Land Use	Development at Build Out Units/Rooms	Square Feet	Estimated Unit Size (Sq Ft)[1]	Estimated Assessed Value Per Sq Ft	Estimated Assessed Value Per Unit, Sq Ft OR Room[2]	Total Estimated Assessed Value
Residential	*Units*				*Per Unit*	
Apartments	400		1,000	$239	$239,181	$95,672,269
Courtyard Homes	82		1,400	$304	$425,210	$34,867,227
Single Family Homes	210		1,900	$252	$478,361	$100,455,882
Single Family Homes 2	109		2,800	$224	$627,185	$68,363,151
Single Family Homes (Seaside)	479		2,200	$248	$544,907	$261,010,320
Residential Subtotal	**1,280**		**1,776**	**$253**		**$560,368,850**
Nonresidential (Non Equestrian)	*Rooms*				*Per Sq Ft or Room*	
Country Walk						
Retail		85,000			$200	$17,000,000
Museum/Cultural[3]		30,000			0	0
Restaurant		20,000			$200	$4,000,000
Office		60,000			$250	$15,000,000
Theatre[3]		35,000			0	0
Hotel	200				$180,000	$36,000,000
Qualified Worker Housing						
Complex 1	256				$120,000	$30,720,000
Office Park/Hotel/Tennis and Swim						
Office		100,000			$200	$20,000,000
Hotel	200				$180,000	$36,000,000
Tennis and Swim		5,000			N/A	N/A
Nonresidential Subtotal						**$158,720,000**
Horse Park						
Equestrian Facilities						**$0**
Total						**$719,088,850**

[1] Estimated unit sizes based on Willdan research.
[2] Estimated assessed values per square foot or room based on Willdan research.
[3] These uses may be owned and operated by non profit entitites and therefore are not included in the AV calculation.

Sources: Monterey Downs Land Uses Table, Willdan Financial Services

Key Drivers and Interrelationships of Analysis Results

As will be discussed further below, there are several factors that are key drivers for the results of the fiscal impact analysis:

- Assessed Value. Willdan has used a combination of market analysis and comparables to project the likely assessed value of development. The assessed value determines the property tax paid by development. A reduction in the projected market value of development would result in lower property tax revenues.
- Hotel. The two hotels planned for the project are significant sources of revenue, notably from transient occupancy tax. If the hotels are delayed or not constructed it will significantly alter the fiscal impact of the project.

- City share of ad valorem property tax. A portion of the project is currently in the County of Monterey but is expected to be annexed into the City. It has not yet been determined what the City's share of ad valorem property tax will be in the area of the project currently under the jurisdiction of the County of Monterey. This analysis assumes that the City will receive the same share of property tax in the annexed area as in the rest of the City. The eventual tax sharing agreement will be the subject of a negotiation of the City and County, facilitated by MCAG. A lower tax rate for the City in the annexed area will result in lower property tax revenues from the project.
- FORA Sunset. Willdan examined the possibility that the Fort Ord Reuse Authority (FORA) does not sunset as currently scheduled in 2020. FORA has been extended once and, although unlikely, may be extended again. The main effect of this for the purposes of the fiscal analysis is that so long as it continues to exist FORA retains its share of incremental property tax revenue and the City receives approximately six percent of ad valorem taxes, resulting in a reduction in the revenue available to the City to fund services at Monterey Downs.
- Retail sales tax. Retail sales tax is a relatively small part of the projected revenue for the project, and is therefore not a key driver. The retail development does not depend upon the construction of the horse park and event center.
- Interdependencies. The residential development projected for the project is not dependent on the horse park and event center, nor is the retail. The offices, and a portion of the qualified worker housing units, would likely not be feasible without development of the track. With the proximity of California State University at Monterey Bay (CSUMB), with enrollment currently at approximately 6,000 students, the Department of Defense and the National Monument, the first hotel appears to be feasible without the development of the horse park and event center. The second hotel would likely require additional development in the area for it to be feasible. This additional development can be the tennis/swim center, the horse park and/or the sports arena/training track components within the project, but additional development not related to Monterey Downs can also create the need. Currently, East Garrison and The Dunes projects are both under construction, CSUMB released its updated master plan with its student population increasing to 12,000 students, and Seaside is planning its Main Gate project as well as projects on Gigling Road and General Jim Moore Boulevard. Because the second hotel would likely require additional development, whether in or around Monterey Downs to support it, this hotel is not planned until Phase 4.

Later, Willdan provides a sensitivity analysis examining these key drivers and the implications for the fiscal impact of the project in the event of variation in these drivers.

Project Demographics

The estimated number of persons served includes new residents and employees anticipated at the Monterey Downs development at build out. Willdan assumed that the on-site residential units would be occupied by households that range from 1.8 to 4.0 persons per household, based on an average household size of 3.12 in Monterey County from 2007 to 2011, according to the U.S. Census. Occupancy at the Qualified Worker Housing complex is estimated at 1.5 persons per room. The factors used to estimate the number of employees by land use range from 250 square feet per employee for office uses to 1,500 square feet per employee for theatre uses. Willdan assumes that each employee has approximately one half the impact of a resident on the cost of providing municipal services. Therefore, the total number of persons served is equal to the on-site residential population plus half the on-site employee population. The fiscal analysis uses this "total persons served" figure to estimate municipal service revenue and cost increases.

Table 7: Seaside Estimated Persons Served at Build Out

Description	Total Units/SF	Persons/HH OR Employees/SF[1]	Residents OR Employees
Residential Population at Build Out	*Units*		
Apartments	400	2.0	800
Courtyard Homes	82	3.0	246
Single Family Homes	210	3.3	693
Single Family Homes 2	109	4.0	436
Single Family Homes (Seaside)	479	3.8	1,820
Qualified Worker Housing			
Complex 1	256	1.5	384
Total Residential Population at Build	**1,536**		**4,379**
On-site Employees at Build Out	*Square Feet*		
Country Walk			
Retail	85,000	400	213
Museum/Cultural	30,000	350	86
Restaurant	20,000	300	67
Office	60,000	250	240
Theatre	35,000	1,500	23
Hotel	100,000	600	167
Office Park/Hotel/Tennis and Swim			
Office	100,000	250	400
Hotel	100,000	600	167
Tennis and Swim	5,000	350	14
Total On-site Employees at Build Out			**1,376**
Total Equestrian Employees			**1,015**
Total Persons Served[2]			**5,575**

[1] Based on Willdan research and industry standards.

[2] Defined as total population plus 50% of employees.

Sources: Monterey Downs Land Uses Table, Willdan Financial Services

Table 8 below calculates the person served by phase based on the phase plan in Table 4 and the demographic factors in Table 7.

Table 8: Seaside Estimated Persons Served by Phase

Item	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Residential Population at Build Out							
Apartments	0	0	0	800	0	0	800
Courtyard Homes	0	0	0	78	168	0	246
Single Family Homes	0	30	0	0	663	0	693
Single Family Homes 2	0	436	0	0	0	0	436
Single Family Homes (Seaside)	1,520	300	0	0	0	0	1,820
Qualified Worker Housing Complex 1	0	0	0	0	0	384	384
Total Residential Population	**1,520**	**766**	**0**	**878**	**831**	**384**	**4,379**
On-site Employees at Build Out							
Country Walk							
Retail	0	0	0	213	0	0	213
Museum/Cultural	0	0	0	86	0	0	86
Restaurant	0	0	0	67	0	0	67
Office	0	0	0	240	0	0	240
Theatre	0	0	0	23	0	0	23
Hotel	0	0	0	167	0	0	167
Office Park/Hotel/Tennis and Swim							
Office	0	0	400	0	0	0	400
Hotel	167	0	0	0	0	0	167
Tennis and Swim	0	0	14	0	0	0	14
Total On-site Employees at Build Out	**167**	**0**	**414**	**795**	**0**	**0**	**1,376**
Total Equestrian Employees	**13**	**13**	**13**	**13**	**13**	**950**	**1,015**
Total Persons Served	**1,610**	**772**	**214**	**1,282**	**838**	**859**	**5,575**

Wildan Financial Services, 2015

Impact Analysis

General Fund Revenues

A listing of all General Fund revenue sources and the corresponding methodology used to forecast future project revenues is shown in Table 9. For some categories, such as property and sales tax, Willdan prepared a case study consisting of detailed revenue projections. For other categories where the impact of the project on revenues is more diffuse, Willdan has calculated the revenue the City receives on a per capita basis. To account for the fact not all revenue is directly related to population, Willdan has applied a “percent variable” factor to each of the per capita estimates, ranging from ten percent for revenue from other agencies to fifty percent for utility user taxes. It is important to note that these factors are estimates based on the nature of the project, its size relative to the City, and Willdan’s experience with other projects.

Table 9: Seaside General Fund Revenues and Estimating Methodologies

Description by Entity	Budgeted Revenue Amount	Methodology	Factors Gross	Factors Percent Variable	Factors Net
Annual General Fund Revenues					
Property Tax	$ 4,751,000	Case Study	-	-	-
Property Transfer Tax	$ 50,000	Case Study	-	-	-
Sales Tax	$ 9,758,000	Case Study	-	-	-
Transient Occupancy Tax	$ 2,520,000	Case Study	-	-	-
Franchise Fee	$ 1,255,000	Per Persons Served	$ 30.22	25%	$ 7.55
Business License Tax	$ 570,000	Per Persons Served	$ 13.72	25%	$ 3.43
Utility User Tax	$ 2,384,000	Per Persons Served	$ 57.40	50%	$ 28.70
Licenses and Permits	$ 459,900	Per Persons Served	$ 11.07	25%	$ 2.77
Fines	$ 127,000	Per Persons Served	$ 3.06	25%	$ 0.76
Income from Investments	$ 171,000	Not Applicable	-	-	-
Revenue from Other Agencies	$ 53,800	Per Persons Served	$ 1.30	10%	$ 0.13
Fees and Charges	$ 609,920	Per Persons Served	$ 14.68	25%	$ 3.67
Miscellaneous	$ 362,303	Per Persons Served	$ 8.72	50%	$ 4.36
Total Revenues	$ 23,071,923				

Source: City of Seaside Budget 2014-2015

Property Tax and Transfer Tax

The property taxes the City will receive from the project are derived from the total assessed value of new development and the City's property tax allocation share of the one percent ad valorem property tax. Any allocation of property tax for the areas that would have to be annexed into the City will be subject to a tax sharing agreement between the City and the County of Monterey. Because of the uncertainties of these factors, Willdan has focused on the long-term fiscal picture. Accordingly, for the areas currently within the City Willdan derived the City's property tax allocation factor by averaging the City's share of the Tax Rate Areas (TRAs) located within the project area. Willdan adjusted the property tax rates to account for the Educational Revenue Augmentation Fund (ERAF) distribution, which averaged 14.85 percent countywide in 2012.

Of the one percent property tax, the City is anticipated to receive 18.4 percent of ad valorem property tax revenue, as shown in Table 10. For areas that are currently not within the City, Willdan assumed that the City would receive property taxes at the same rate.[4]

[4] It is important to note, however, that the eventual rate applied will depend on a tax sharing agreement between the City and County of Monterey in connection with annexation of the area into the City. If the tax sharing agreement results in a lower effective tax rate for the City, property tax revenues will be lower than those shown in this report.

Table 10: Seaside Estimated Annual Property Tax Revenue

		Assessed Value						
Item	**Rate**	**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**	**Phase 6**	**Total**
Retail/Commercial Uses								
County Walk								
Retail		0	0	0	17,000,000	0	0	17,000,000
Museum/Cultural		0	0	0	0	0	0	0
Restaurant		0	0	0	4,000,000	0	0	4,000,000
Office		0	0	0	15,000,000	0	0	15,000,000
Theatre		0	0	0	0	0	0	0
Hotel		0	0	0	36,000,000	0	0	36,000,000
Qualified Worker Housing								
Complex 1		0	0	0	0	0	30,720,000	30,720,000
Residential								
Apartments		0	0	0	95,672,269	0	0	95,672,269
Courtyard Homes		0	0	0	11,055,462	23,811,765	0	34,867,227
Single Family Homes		0	4,305,252	0	0	96,150,630	0	100,455,882
Single Family Homes 2		0	68,363,151	0	0	0	0	68,363,151
Single Family Homes (Seaside)		217,962,689	43,047,631	0	0	0	0	261,010,320
Office Park/Hotel/Tennis and Swim								0
Office		0	0	20,000,000	0	0	0	20,000,000
Hotel		36,000,000	0	0	0	0	0	36,000,000
Tennis and Swim		0	0	0	0	0	0	0
Aquatic Center		0	0	0	0	0	0	0
Fire Station Site		0	0	0	0	0	0	0
Horse Park		0	0	0	0	0	0	0
Total Assessed Value		**253,962,689**	**115,716,034**	**20,000,000**	**178,727,731**	**119,962,395**	**30,720,000**	**719,088,850**
Project Assessed Value								
Property Tax Revenue (1% of Assessed Value)	1.0%	2,539,627	1,157,160	200,000	1,787,277	1,199,624	307,200	7,190,888
Estimated Property Tax								
Seaside General Fund (Avg of Seaside TRAs)	18.4%	466,135	212,391	36,709	328,046	220,185	56,385	$ 1,319,850
Total Estimated Annual Property Tax Revenue								
PROPERTY TRANSFER TAX								
Turnover Rate	Varies							
Rate per $1,000 of AV (City of Seaside)	$0.55							
Estimated Annual Property Transfer Tax Revenue		$12,978	$6,364	$550	$5,219	$6,598	$845	**$32,554**

Source: http://www.californiacityfinance.com/, Willdan Financial Services, 2015

Property Transfer Tax

Property transfer tax is based on the assessed value of the development's land uses and the anticipated turnover rate of properties over time. This fiscal impact analysis is based on the assumption that the project's apartments and nonresidential property will turn over once every 20 years (five percent per year) and courtyard homes and single family homes will turn over about once every ten years (10 percent per year). The City earns $0.55 for every $1,000 of assessed value for properties that turn over. Property transfer tax calculation for Seaside is presented in Table 10.

Sales Tax

Sales tax revenue generated by the new development is based on an estimate of the taxable sales generated by stores and restaurants in the project. Because the contemplated retail and restaurant development is relatively small compared to the number of housing units and the activity that will be generated by other uses on the site, Willdan believes that the retail will be feasible. Willdan has not conducted a market study specific to the project, but instead has used conservative industry-standard estimates of sales per square foot for retail establishments and restaurants. Estimated sales tax revenue for the City is presented in Table 11.

Table 11: Estimated Annual Sales Tax Revenue

	Square Feet	Retails Sales Per Sq Ft[1]	Total Sales	Taxable Percentage	Taxable Sales	City Sales Tax @ 1.00%
Retail	85,000	$250	$21,250,000	95%	$20,187,500	$201,875
Restaurant	20,000	$250	$5,000,000	95%	$4,750,000	$47,500
Total Annual New Development Sales Tax Revenues					**$24,937,500**	**$249,375**

[1] Retail sales per square foot based on Willdan research.

Source: California Board of Equalization, Willdan Financial Services, Monterey Downs LLC

Transient Occupancy Tax

The Transient Occupancy Tax (TOT) rate in Seaside is 12 percent of room revenues. TOT is assessed on lodging for which the period of stay is less than 31 days; therefore, the Qualified Worker Housing complex was not included in the calculation for anticipated TOT revenue. Estimated TOT revenue for Seaside is presented in Table 12. Based on an examination of the competitive landscape, locational factors, and interviews with local experts Willdan believes the hotels are feasible. Key factors in this assessment are the continuing expected growth of California State University Monterey Bay, demand from the adjacent Department of Defense facility, and demand created by the project itself. In order to maintain a conservative approach to the fiscal analysis, however, Willdan has specified relatively conservative factors in the analysis, including an average daily rate of $145 and an occupancy rate of 66 percent.

Table 12: Seaside Estimated Annual Transient Occupancy Tax Revenue

Estimated Transient Occupancy Tax	
Number of Hotel Rooms	400
Average Occupancy Rate[1]	66%
Average Number of Daily Occupied Rooms	264
Annual Occupied Room Nights	96,360
Average Daily Rate[2]	$145
Total Annual Room Revenues	$13,972,200
Transient Occupancy Tax Rate	12.00%
Total Annual TOT Revenues	**$1,676,664**

[1] Average occupancy rate based on PKF publication.

[2] Average daily rate based on Willdan research.

Source: Willdan Financial Services

A summary of General Fund revenues for the City of Seaside, based on the factors discussed above, is presented in Table 13.

Table 13: Seaside Summary of Estimated Annual General Fund Revenues

Description by Entity	Net Factor	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Annual Revenues at Build Out
Annual General Fund Revenues								
Property Tax	-	466,135	212,391	36,709	328,046	220,185	56,385	$ 1,319,850
Property Transfer Tax	-	12,978	6,364	550	5,219	6,598	845	32,554
Sales Tax	-	-	-	-	249,375	-	-	249,375
Transient Occupancy Tax	-	838,332	-	0	838,332	-	-	1,676,664
Franchise Fee	$ 7.55	12,161	5,835	1,614	9,684	6,329	6,489	42,111
Business License Tax	$ 3.43	5,523	2,650	733	4,398	2,874	2,947	19,126
Utility User Tax	$ 28.70	46,201	22,167	6,131	36,791	24,044	24,653	159,988
Licenses and Permits	$ 2.77	4,456	2,138	591	3,549	2,319	2,378	15,432
Fines	$ 0.76	1,231	590	163	980	640	657	4,261
Income from Investments	-	0	0	0	0	0	0	-
Revenue from Other Agencies	$ 0.13	209	100	28	166	109	111	722
Fees and Charges	$ 3.67	5,910	2,836	784	4,706	3,076	3,154	20,466
Miscellaneous	$ 4.36	7,021	3,369	932	5,591	3,654	3,747	24,314
Total Revenues		**$ 1,400,157**	**$ 258,441**	**$ 48,236**	**$ 1,486,837**	**$ 269,828**	**$ 101,365**	**$ 3,564,863**

Source: City of Seaside Budget 2014-2015, Willdan Financial Services

General Fund Expenditures

In this fiscal impact analysis, expenditures that are expected to be affected by the proposed development are forecasted by using the average cost per service population methodology. As with revenues above, Willdan has calculated the per capita budgets and applied a variable factor depending on the degree to which expenditures will be affected by increased service population. For general government, for example, Willdan expects the project will have a minimal effect; for direct services such as police, fire, and recreation, on the other hand, Willdan expects a significant impact and has therefore applied variable factors ranging from seventy to eighty percent. As with revenues, these factors are combination of the characteristics of the project, the type of expenditure, and Willdan's experience in other jurisdictions. All General Fund expenditure items are listed in Table 14.

Table 14: Seaside General Fund Expenditures and Estimating Methodologies

Description	Budgeted Expenditures	Departmental Revenues	Net City Costs	Methodology	Factors: Gross	Factors: Percent Variable	Factors: Net
Annual General Fund Expenditures							
General Government	$ 2,866,327	$ 3,600	$ 2,862,727	Per Person Served	$ 68.92	10%	$ 6.89
Police Department	9,321,786	390,625	8,931,161	Case Study	NA	NA	NA
Fire Department	4,547,032	288,920	4,258,112	Case Study	$ 102.52	100%	$ 102.52
Resource Management	211,312	-	211,312	Per Person Served	$ 5.09	70%	$ 3.56
Building Code and Enforcement Div	310,032	234,700	75,332	Fees Cover Cost	-	-	-
Community and Economic Dev	840,047	240,200	599,847	Per Person Served	$ 14.44	60%	$ 8.67
Public Works and Engineering Div [1]	3,812,779	102,178	3,710,601	Per Person Served	$ 89.34	30%	$ 26.80
Recreation Division	1,476,350	-	1,476,350	Per Person Served	$ 35.55	80%	$ 28.44
Total Expenditures	**$ 23,385,665**	**$ 1,260,223**	**$ 22,125,442**				

[1] The project will have privately maintained streets.

Source: City of Seaside Budget 2014-2015, Willdan Financial Services

For two categories, police and fire, Willdan has calculated the expenditures on a case study basis, with input from the City. Table 15 estimates the annual costs of police services for the project provided by the City. The estimate includes additional sworn patrol officers at the existing City ratio of 1.1 officers per 1,000 residents, along with an investigator and one additional administrative staff person. Table 15 shows the expenditures for these officers, but as with fire the final determination on expenditures will be made by the City Council each year as part of its annual budget process. In addition, the City anticipates that activity at the site will generate additional impacts on police services elsewhere in the City, but these cannot be quantified.

It should also be noted that Monterey Downs will be located on land that is not currently serviced by Seaside police. There are also additional projects in the same vicinity, including a mixed use project on Gigling Road, that are also being planned on land that is not currently serviced by Seaside police. New projects and service areas, along with existing service capacity issues of Seaside police, could likely mean that there may be an accelerated need for officers at the beginning of projects rather than the pro-rata growth analyzed. As stated above, the needs of police, and its related expenditures, will be analyzed by the City Council each year as part of its annual budget process. Additionally, Monterey Downs will be drafting a future Police Protection Plan that will analyze these issues in detail at the appropriate time.

Table 15: Estimated Police Expenditures

Item	Amount
Seaside Officers Per 1,000 Residents	1.1
Monterey Downs Residents (1)	4,915
Officers Needed	5.4
Cost Per Officer	$175,093
Sworn Officer Costs	$946,679
Investigator	$183,848
Admin	$87,547
Total Costs	$1,218,073
Cost Per Person Served	$219

(1) City of Seaside Police Residents Served Calculation at 3.2 residents per HH at direction of Police Dept. According to California Department of Finance and most recent ACS the population per HH in Seaside is 3.12. Monterey Downs has a higher proportion of MF dwellings and Qualified Worker Housing units that will have an average of 1.5 residents each. If these population numbers were used the total number of officers would be 4.8 instead of the 5.4 above. This adjustment would bring the total cost down to $1.1 million, a reduction of approximately $100,000. The final determination on expenditures will be made by the City Council each year as part of its annual budget process.

Source: City of Seaside

Willdan, 2015

For fire services, there is currently uncertainty about how they will be provided to Monterey Downs in the long term. At the moment the closest fire station is the Presidio station, but that may not be true in the long term.

One possibility is that the Monterey County Regional Fire District (MCRFD) will provide fire protection. If this is the case the district will primarily receive funding from property taxes generated by the development at Monterey Downs. Willdan does not have any specific information about the amount of the funding or how much fire protection for Monterey Downs would cost MCRFD.[5] The final disposition of the funding of fire services in this case would be subject to further negotiations but Willdan expects that the source of revenue would be independent of the City; the revenues would come from the project and would go MCRFD directly. This could have a large positive fiscal impact for the City, as the City would be relieved of the responsibility to fund fire services but would keep the revenue generated by the project.

The second possibility is that the Presidio fire station would continue to provide fire protection on a long-term basis. Willdan expects that this would necessitate some financial contribution from the City to cover the increased costs. Willdan has no way to determine what this would be, but as a rough estimate Willdan has calculated the average cost on a per capita basis for existing fire services in the City. This assumes that the additional costs would be proportional to existing costs. As shown on Table 16, the cost to provide fire services calculated on this basis is $571,000 at completion of the project, with lesser amounts before then.

Table 16: Fire Services Cost Estimate - Presidio Station

Description	Net Factor	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Build Out
Persons Served		1,610	772	214	1,282	838	859	5,575
Fire Department - per capita	$102.52	$165,042	$79,187	$21,903	$131,426	$85,892	$88,066	$571,516
Cumulative		$165,042	$244,229	$266,132	$397,558	$483,450	$571,516	

Source: City of Seaside Budget 2014-2015, Willdan Financial Services

The third possibility is that a new fire station will be built to serve several new developments in the eastern portion of the City, including Monterey Downs. Monterey Downs would be responsible for its fair share of the annual operating costs of the fire station, based on estimated call volume. Table 17 below calculates the call volume for existing and planned development in the service area of the likely station, including

5 Willdan understands that at East Garrison fire services are paid for through property taxes.

Monterey Downs. As shown in Table 17 Monterey Downs represents approximately 58.7 percent of the calls for fire services to be generated.

Table 17: Fire Services Cost Allocation

Project	FORA Polygon	SF/Units	Acres Comm	Tranient Units	Resid. Units	Total Calls	Percentage	Call Rate Factor
Retail								
The Projects at Main gate	15	591,500	54			50	25.4%	0.912
Seaside Renaissance Center	20h	300,000	28			25	12.9%	0.912
University Village	20e	100,000	9			8	4.3%	0.912
Hotel								
Hotel	15	110		110		7.5	3.8%	0.068
Office								
Chartwell School	20d	18,000	4			3.7	1.9%	0.914
Monterey College of Law	20e	13,100	1			0.9	0.5%	0.914
The Projects at Main gate	15	27,000	2			2.3	1.2%	0.914
Seaside Pointe	20h	75,000	7			6.3	3.2%	0.914
Industrial								
Seaside Corp Yard		25,320	0.5			0.5	0.2%	0.914
University Village	20e	100,000	9			8.4	4.3%	0.914
Residential								
The Lofts	20e				90	13.3	6.8%	0.148
The Views	20e				100	14.8	7.6%	0.148
Seaside Village	20e				370	54.6	28.0%	0.148
Total			**115.1**	**110.0**	**560.0**	**195.1**	**41.3%**	
Monterey Downs								
Commercial Acreage	18, 19a		40.2			36.7	13.3%	0.914
Transient	18, 19a			656		44.6	16.1%	0.068
Resid Units	18, 19a				1,280	195.6	70.6%	0.153
Total						**276.9**	**58.7%**	
Grand Total						**472.0**		

Source: City of Seaside; Main Gate Draft EIR, Appendix J, Update to Fee Analysis, April 18, 2008; Monterey Downs LLC

Willdan, 2015

Using the allocations calculated in Table 17, Willdan estimated the annual cost of operating the planned fire station attributable to the Monterey Downs project, as shown in Table 18, below.

Table 18: Monterey Downs Fire Services Cost

Item	Amount
Annual Station Operation Cost	$2,106,171
Call Allocation	
Monterey Downs	59%
Other Development	41%
Monterey Downs Cost	$1,235,603
Cost Per Annual Call	$4,462

Sources: City of Seaside

Willdan, 2014

Table 19: Fire Call Phased Allocation

Item	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Residential							
Apartments	0	0	0	61	0	0	61
Courtyard Homes	0	0	0	4	9	0	13
Single Family Homes	0	1	0	0	31	0	32
Single Family Homes 2	0	17	0	0	0	0	17
Single Family Homes (Seaside)	61	12	0	0	0	0	73
Qualified Worker Housing Complex 1	0	0	0	0	0	17	17
Total Residential Fire Calls	**61**	**30**	**0**	**65**	**39**	**17**	**213**
Non-Residential							
Country Walk	0	0	0	20	0	0	20
Country Walk Hotel	0	0	0	14	0	0	14
Office Park/Tennis and Swim	0	0	16	0	0	0	16
Hotel	14	0	0	0	0	0	14
Total Non-Residential Fire Calls	**14**	**0**	**16**	**34**	**0**	**0**	**64**
Total Calls	**75**	**30**	**16**	**99**	**39**	**17**	**277**

Wildan Financial Services, 2015

Based on the expenditure factors calculated above, Willdan has estimated an increase in expenditures for the City with the development of the project. This estimate is presented both for the total project and on a phased basis on Table 20.

Table 20: Seaside Summary of Estimated Annual General Fund Expenditures

Description	Net Factor	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Build Out
Annual General Fund Expenditures								
General Government	$ 6.89	11,096	5,324	1,473	8,836	5,775	5,921	$ 38,423
Police Department	218.50	351,754	168,772	46,682	280,108	183,062	187,694	1,218,073
Fire Department	4,461.98	333,399	134,313	73,375	441,622	175,220	77,674	1,235,603
Fire Department - per capita	102.52	165,042	79,187	21,903	131,426	85,892	88,066	$ 571,516
Resource Management	3.56	5,733	2,751	761	4,565	2,984	3,059	19,853
Building Code and Enforcement	-	0	0	0	0	0	0	-
Community and Economic Development	8.67	13,950	6,693	1,851	11,109	7,260	7,444	48,306
Public Works and Engineering	26.80	43,146	20,702	5,726	34,358	22,454	23,023	149,409
Recreation Division	$ 28.44	45,778	21,964	6,075	36,454	23,824	24,427	$ 158,522
Total Expenditures (New Station)		**$ 804,857**	**$ 360,519**	**$ 135,942**	**$ 817,052**	**$ 420,579**	**$ 329,242**	**$ 2,868,190**
Total Expenditures (Presidio Fire Station)		**$ 636,499**	**$ 305,393**	**$ 84,471**	**$ 506,856**	**$ 331,251**	**$ 339,633**	**$ 2,204,103**
Total Expenditures (County Fire)		**$ 471,457**	**$ 226,206**	**$ 62,568**	**$ 375,430**	**$ 245,359**	**$ 251,567**	**$ 1,632,587**
Persons served at Build Out	**5,575**							

Source: City of Seaside Budget 2014-2015, Willdan Financial Services

It is impossible to say which of the three fire services scenarios is the most likely. Because of this Willdan has calculated the net fiscal impact of the project under each of the three. In the sense of cost the new station alternative is the most conservative, a “worst case scenario”, in that is the most expensive.

Net Fiscal Impact

Based on the analysis of revenues and expenditures detailed above, Willdan has estimated the net fiscal impact of the Monterey Downs Project, both overall and on a phased basis. As shown on Table 21 below, the overall net fiscal impact ranges from $1.9 million to $697,000 annually once the project is completed. Individual phases vary considerably depending on the mix of development and the provision of fire services, as discussed above.

Table 21: Net Fiscal Impact

Annual General Fund Impact[1]	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Presidio Fire Station Alternative (Current Condition)							
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 636,499	$ 305,393	$ 84,471	$ 506,856	$ 331,251	$ 339,633	$ 2,204,103
Net Impact	**$ 763,658**	**$ (46,952)**	**$ (36,235)**	**$ 979,981**	**$ (61,423)**	**$ (238,269)**	**$ 1,360,760**
Cumulative	**$ 763,658**	**$ 716,706**	**$ 680,471**	**$ 1,660,452**	**$ 1,599,029**	**$ 1,360,760**	
Monterey County Regional Fire Alternative							
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 471,457	$ 226,206	$ 62,568	$ 375,430	$ 245,359	$ 251,567	$ 1,632,587
Net Impact	**$ 928,700**	**$ 32,235**	**$ (14,332)**	**$ 1,111,407**	**$ 24,469**	**$ (150,203)**	**$ 1,932,276**
Cumulative	**$ 928,700**	**$ 960,935**	**$ 946,603**	**$ 2,058,010**	**$ 2,082,479**	**$ 1,932,276**	
New Fire Station Alternative							
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 804,857	$ 360,519	$ 135,942	$ 817,052	$ 420,579	$ 329,242	$ 2,868,190
Net Impact	**$ 595,301**	**$ (102,078)**	**$ (87,707)**	**$ 669,785**	**$ (150,751)**	**$ (227,877)**	**$ 696,673**
Cumulative	**$ 595,301**	**$ 493,223**	**$ 405,516**	**$ 1,075,301**	**$ 924,550**	**$ 696,673**	

[1] Annual General Fund impact at build out in 2014 dollars.

[2] See Table 13

[3] See Table 20

Source: Willdan Financial Services

Sensitivity Analysis

To provide a more refined understanding of the assumptions behind the fiscal impact analysis, Willdan has prepared the fiscal impact under several alternative scenarios. This sensitivity analysis examines the implications of changes in some of the assumptions and other factors that are considered key drivers that have a significant chance of variance from the assumptions detailed above.

First, Willdan examined the impact of the Presidio Fire station remaining in place and continuing to provide fire protection. It is impossible to say with certainty the details of this eventuality, but in order to provide an estimate of the fiscal implications Willdan has assumed that the City would have fire services costs in proportion to the growth in residents and employees at Monterey Downs. As shown on Table 22 this would result in overall net fiscal impacts at build out of $1.36 million, an increase of $660,000.

Table 22: Seaside Summary of Estimated Annual General Fund Expenditures with Presidio Fire Station

Annual General Fund Impact[1]	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 636,499	$ 305,393	$ 84,471	$ 506,856	$ 331,251	$ 339,633	$ 2,204,103
Net Impact	**$ 763,658**	**$ (46,952)**	**$ (36,235)**	**$ 979,981**	**$ (61,423)**	**$ (238,269)**	**$ 1,360,760**
Cumulative	**$ 763,658**	**$ 716,706**	**$ 680,471**	**$ 1,660,452**	**$ 1,599,029**	**$ 1,360,760**	

[1] Annual General Fund impact at build out in 2014 dollars.

[2] See Table 12

[3] See Table 17

Source: Willdan Financial Services

Second, Willdan considered the possibility that fire protection at Monterey Downs would be provided by the County, rather than the City of Seaside. To evaluate this Willdan has assumed that the pattern at East Garrison would be followed, in which fire services are funded through a special tax or assessment. If this were the case the City would not fund fire services and therefore would have no fire services costs associated with Monterey Downs. As shown in Table 23 this would result in a net fiscal impact to the City of $1.9 million, an increase of $1.2 million.

Table 23: Seaside Summary of Estimated Annual General Fund Expenditures with Fire Services Provided by County

Annual General Fund Impact[1]	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Revenues[2]	1,400,157	258,441	48,236	1,486,837	269,828	101,365	3,564,863
Expenditures[3]	$ 471,457	$ 226,206	$ 62,568	$ 375,430	$ 245,359	$ 251,567	$ 1,632,587
Net Impact	**$ 928,700**	**$ 32,235**	**$ (14,332)**	**$ 1,111,407**	**$ 24,469**	**$ (150,203)**	**$ 1,932,276**
Cumulative	**$ 928,700**	**$ 960,935**	**$ 946,603**	**$ 2,058,010**	**$ 2,082,479**	**$ 1,932,276**	

[1] Annual General Fund impact at build out in 2014 dollars.

[2] See Table 12

[3] See Table 17

Source: Willdan Financial Services

Third, Willdan considered the possibility of lower assessed values for the property once it is developed. Willdan calculated the net fiscal impacts with a twenty percent reduction in total property tax revenues. As shown in Table 24 this would result in an overall fiscal impact of between $1.7 million and $427,000, a reduction of approximately $264,000 annually in each case.

Table 24: Seaside Summary of Estimated Annual General Fund Expenditures with Reduced Property Tax

Annual General Fund Impact[1]	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Presidio Fire Station Alternative (Current Condition)							
Revenues[2]	1,306,930	215,962	40,894	1,421,228	225,791	90,088	3,300,893
Expenditures[3]	$ 636,499	$ 305,393	$ 84,471	$ 506,856	$ 331,251	$ 339,633	$ 2,204,103
Net Impact	**$ 670,431**	**$ (89,431)**	**$ (43,577)**	**$ 914,371**	**$ (105,460)**	**$ (249,546)**	**$ 1,096,790**
Cumulative	**$ 670,431**	**$ 581,001**	**$ 537,424**	**$ 1,451,796**	**$ 1,346,336**	**$ 1,096,790**	
Monterey County Regional Fire Alternative							
Revenues[2]	1,306,930	215,962	40,894	1,421,228	225,791	90,088	3,300,893
Expenditures[3]	$ 471,457	$ 226,206	$ 62,568	$ 375,430	$ 245,359	$ 251,567	$ 1,632,587
Net Impact	**$ 835,473**	**$ (10,243)**	**$ (21,674)**	**$ 1,045,797**	**$ (19,568)**	**$ (161,480)**	**$ 1,668,306**
Cumulative	**$ 835,473**	**$ 825,230**	**$ 803,556**	**$ 1,849,354**	**$ 1,829,786**	**$ 1,668,306**	
New Fire Station Alternative							
Revenues[2]	1,306,930	215,962	40,894	1,421,228	225,791	90,088	3,300,893
Expenditures[3]	$ 804,857	$ 360,519	$ 135,942	$ 817,052	$ 420,579	$ 329,242	$ 2,868,190
Net Impact	**$ 502,074**	**$ (144,556)**	**$ (95,048)**	**$ 604,176**	**$ (194,788)**	**$ (239,154)**	**$ 432,703**
Cumulative	**$ 502,074**	**$ 357,518**	**$ 262,469**	**$ 866,645**	**$ 671,857**	**$ 432,703**	

[2] See Table 13

[3] See Table 20

Source: Willdan Financial Services

Fourth, Willdan considered the possibility that the two proposed hotels would not be constructed and the resulting fiscal impact from the absence of transient occupancy taxes. The analysis supporting the first hotel does not assume construction of the horse park and event center, but instead relies upon local demand factors. As shown on Table 25 this results in an overall negative fiscal impact at build out ranging from $303,000 to $968,000.

Table 25: Seaside Summary of Estimated Annual General Fund Expenditures without TOT

Annual General Fund Impact[1]	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Presidio Fire Station Alternative (Current Condition)							
Revenues[2]	553,262	258,441	48,236	639,941	269,828	101,365	1,871,073
Expenditures[3]	$ 607,019	$ 305,393	$ 84,471	$ 506,856	$ 331,251	$ 339,633	$ 2,174,623
Net Impact	**$ (53,757)**	**$ (46,952)**	**$ (36,235)**	**$ 133,085**	**$ (61,423)**	**$ (238,269)**	**$ (303,550)**
Cumulative	**$ (53,757)**	**$ (100,710)**	**$ (136,944)**	**$ (3,859)**	**$ (65,282)**	**$ (303,550)**	
Monterey County Regional Fire Alternative							
Revenues[2]	553,262	258,441	48,236	639,941	269,828	101,365	1,871,073
Expenditures[3]	$ 441,977	$ 226,206	$ 62,568	$ 375,430	$ 245,359	$ 251,567	$ 1,603,107
Net Impact	**$ 111,285**	**$ 32,235**	**$ (14,332)**	**$ 264,511**	**$ 24,469**	**$ (150,203)**	**$ 267,966**
Cumulative	**$ 111,285**	**$ 143,520**	**$ 129,188**	**$ 393,699**	**$ 418,169**	**$ 267,966**	
New Fire Station Alternative							
Revenues[2]	$ 553,262	$ 258,441	$ 48,236	$ 639,941	$ 269,828	$ 101,365	1,871,073
Expenditures[3]	$ 775,377	$ 360,519	$ 135,942	$ 817,052	$ 420,579	$ 329,242	$ 2,838,710
Net Impact	**$ (222,115)**	**$ (102,078)**	**$ (87,707)**	**$ (177,110)**	**$ (150,751)**	**$ (227,877)**	**$ (967,638)**
Cumulative	**$ (222,115)**	**$ (324,193)**	**$ (411,899)**	**$ (589,010)**	**$ (739,760)**	**$ (967,638)**	

[1] Annual General Fund impact at build out in 2014 dollars.
[2] See Table 13
[3] See Table 20

Source: Willdan Financial Services

3. Economic Impacts

Willdan has estimated the County-level impact of the project by inputting the expected employment and expenditures from the project into IMPLAN v.3.

For the economic analysis Willdan and the project proponent have prepared an estimate of the visitors to the Horse Park and indoor arena and sports complex for the events that will be held there, summarized in Table 26. The number of horse shows is based on comparable facilities, with some extrapolation.

Table 26: Visitor Estimates

Item	Number of Events	Duration (days)	Daily Visitors	Visitor-days	Outside County %	Total
Horse Shows						
Local Horse Shows	20	7	300	42,000	0%	0
Regional Shows	20	4	600	48,000	10%	4,800
State Shows	15	4	1,400	84,000	65%	54,600
National Shows	5	14	4,000	280,000	95%	266,000
Total Horse Shows			6,300	454,000		325,400
Concerts	40	1	2,500	100,000	20%	20,000
Music Festival	1	7	6,500	45,500	40%	18,200
Misc Events[1]	40	1	4,125	165,000	10%	16,500
TOTAL				764,500		380,100

[1] Includes basketball, hockey, and a variety of traveling productions.

Sources: Monterey Downs, Monterey Horse Park, Willdan Financial Services

Monterey Horse Park provided the visitation estimates for the Horse Shows. The numbers were drawn from surveys and studies prepared for similar facilities around the country. Monterey Horse Park intends to host events in both English and Western equestrian disciplines, as well as other disciplines recognized by the Federation Equestrian International (FEI).

Table 27, below, details the estimated costs of construction and the expenditures associated with the operation of the Horse Park and its other facilities. As shown in Table 27, hard construction costs are estimated to total $789 million, with $199 million of that total estimated to be expended within Seaside's zip code. Once the project is completed, Willdan has prepared an estimate of ongoing economic activity. As shown on Table 27, Willdan has included only expenditures spent within Seaside's zip code.[6] The figures in Table 27 have been provided by the applicant, with estimates of local expenditures prepared by Willdan. Willdan has assumed average per person hotel costs (including lodging and onsite expenditures such as meals) of $80 and other expenditures (primarily retail and restaurants) of $50. These are intended to be rough estimates of overall expenditures based on the low end of national averages for event venues.

Table 27: Estimated Project Expenditures

Item					Amount	Zip Code 93955 Proportion	Zip Code Expenditures
CONSTRUCTION COSTS							
	units	**sf**	**total sf**	**cost/sf**			
Residential Construction							
Seaside	479	2,200	1,053,800	$175	$184,415,000	25%	$46,103,750
Monterey County	1,280	1,776	2,273,280	$175	$397,824,000	25%	$99,456,000
Total Residential							
Commercial Construction			1,035,000	$175	$181,125,000	25%	$45,281,250
Horse Park and Track					26,000,000	30%	7,800,000
TOTAL CONSTRUCTION COSTS					**$789,364,000**		**$198,641,000**
OPERATING EXPENDITURES	**# visitor days**		**exp per visitor**				
Visitor Expenditures							
Hotel Expenditures	380,100		$80		30,408,000	35%	$10,642,800
Visitor Misc Expenditures	380,100		$50		19,005,000	30%	5,701,500
Horse Park Operations							
Visitor Revenues (shows, rent, facilities)					6,050,246	35%	2,117,586
Horse Park Operating Expenditures					1,921,750	100%	1,921,750
Total Operating Expenditures					**$57,384,996**		**$20,383,636**
Retail Sales					**$21,250,000**		
Restaurant Sales					**$5,000,000**		

Sources: Monterey Downs LLC; Willdan Financial Services

Willdan Financial Services, 2014

6 For example, for construction costs Willdan has assumed that soft costs (such as engineering, planning, finance, etc.), are largely expended outside the area, since the firms most likely to perform the work are located outside the City.

Table 28 summarizes the results of the economic impact analysis. As shown in Table 28, during construction, the project is estimated to generate $262 million in economic output. Table 28 also details the estimated annual economic impacts once the project is completed, totaling $26 million in economic output.

Table 28: Summary of Economic Impacts

			Estimated Seaside Impacts		
Phase	**Activity**	**Impact Type**	**Jobs**	**Earnings**	**Econ. Output**
Construction					
	Project Development	Direct	1,177	$84,500,000	$198,600,000
	Local Business Activity	Indirect	289	13,900,000	32,100,000
	Employee Expenditures	Induced	247	10,100,000	30,900,000
		Total	1,714	$108,500,000	$261,600,000
Operations (Annual)					
	Operations	Direct	245	$8,300,000	$20,400,000
	Local Business Activity	Indirect	22	$1,000,000	$2,700,000
	Employee Expenditures	Induced	23	$900,000	$2,900,000
		Total	290	$10,200,000	$26,000,000

Sources: IMPLAN, Willdan Financial Services

Willdan Financial Services, 2014

Direct Impacts

The estimated direct impacts of the project come from the construction expenditures within Seaside's zip code and ongoing operations of the facility over the first 25 years. The data is largely supplied by Monterey Downs with some modifications, including construction expenditures by category, and estimates of the proportion of each that would be spent within the County. Willdan has not audited the data, but has independently verified it through comparison to other projects in California.

Construction

As shown in Table 28, construction on the project will result in direct economic impacts of $199 million in economic output during the 10 year construction period.

Operations

As shown in Table 28, activity at Monterey Downs is expected to generate annual direct impacts of $20.4 million in economic output.

Indirect Impacts

Although a portion of the project costs are expected to be expended outside the Seaside zip code (as detailed in Table 27), Willdan estimates that approximately $199 million will be spent on labor, goods, and services within the Seaside zip code during construction. As shown in Table 28, these expenditures within the zip code are projected to generate indirect impacts of approximately $32.1 million in economic output during construction. After completion, project will generate indirect impacts $2.7 million in economic output.

Induced Impacts

Employees of the project and employees of local businesses indirectly impacted by the project will in turn spend a portion of their earnings in the Seaside zip code on goods and services. For example, employees at Monterey Downs will purchase food from the local grocery store, and a portion of that spending will go to employees of the grocery store, the workers for the company that supplies products to the store, and so on. Table 28 also summarizes these estimated induced impacts generated by construction and activity at Monterey Downs. As shown in Table 28, construction of the project is projected to generate induced impacts of $30.9 million in economic output. Annual activity at Monterey Downs is projected to generate induced impacts of $2.9 million in economic output.

MEMORANDUM

To: Diana Ingersoll, City of Seaside

From: David Zehnder, Ellen Martin, and Sean Fisher

Subject: Monterey Downs Fiscal and Economic Impact Analysis Peer Review; EPS #132049

Date: February 18, 2016

The Economics of Land Use

Introduction

Monterey Downs, LLC (Project Applicant) proposes to construct a mixed-use development project comprising equestrian facilities; an indoor arena and sports complex; and residential, commercial, and hotel uses (Monterey Downs or Project). The proposed Project is located on the former Fort Ord military installation and in the City of Seaside (City) and County of Monterey (County). It is anticipated that the entire Project ultimately will be annexed into the City.

The Project Applicant is seeking the City's approval of the Monterey Downs and Horse Park and Central Coast Veterans Cemetery Specific Plan (Specific Plan). As part of the entitlement application, the City required the Project Applicant to prepare an analysis documenting the fiscal and economic impacts of the proposed Project. The Project Applicant retained Willdan Financial Services to prepare the Monterey Downs Fiscal and Economic Impact Report (Willdan Report).

The City retained Economic & Planning Systems, Inc. (EPS) to conduct an independent, third-party peer review of the Willdan Report. Working closely with the City, EPS evaluated several iterations of the Willdan Report. EPS, Willdan, the City, and the Project Applicant have worked together to refine the analysis methodology and key assumptions. Overall, EPS finds the current draft report, dated August 2015, technically sound, and it applies industry-standard methodologies and metrics to evaluate the economic and fiscal impacts generated by development of the proposed Project. EPS and the City do, however, have continued specific concerns regarding certain analysis inputs and the presentation of analysis results. EPS and City staff determined that it would be most appropriate for EPS to conduct additional sensitivity analysis and to synthesize the range of possible outcomes.

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Purpose of this Memorandum

The purpose of this memorandum is to offer a synopsis of the Willdan Report findings that highlights key factors and variables that City staff and policymakers should consider as they evaluate the Project and as future stages of Project planning proceed. This memorandum therefore discusses and expands on the Willdan findings, offering key sensitivity analysis and narrative to identify areas of uncertainty and variability that could impact the fiscal and economic outcomes of the Project.

Purpose of Fiscal and Economic Impact Analysis

The Willdan Report provides two analysis elements that should be evaluated independently of one another because they have very distinct and different purposes:

1. The **Fiscal Impact Analysis** evaluates the impact of a proposed development project on a government entity, in this case, the City. Limited to the General Fund, the fiscal impact analysis compares the costs of providing public services to a project (e.g., police, fire, public works) to the discretionary revenues generated by that project and received, in this case, by the City (e.g., sales and property tax).

2. The **Economic Impact Analysis** provides a measure of the aggregate economic activity generated by the construction and operations of a proposed project. This type of analysis evaluates the ripple, or multiplier, effect of new spending in the study area, offering an estimate of new jobs, industry output, and income generated by that proposed project.

It is important to note that the Economic Impacts reported are separate and distinct from the Fiscal Impacts, and they do not have direct bearing on the City's budget or fiscal circumstances.

The purpose of these analyses is to provide the City with sufficient information to understand the budgetary implications of the proposed Project, as well as to understand how the Project will contribute to the City's overall economy. It is important to note that the analysis is conducted from the City's perspective and does not yet take County service costs or any future tax-sharing provisions into account. The objective of these analyses is to provide analysis supporting informed land use decisions and future stages of the entitlement process, which will include tax-sharing negotiations with the County.

Summary of Project Elements

As specified in the draft Specific Plan document dated November 2014 and the Willdan Report, the proposed Project comprises the following uses:

- Equestrian training facility with a track for training and potentially racing (Training Track).
- A grandstand and sports arena and entertainment center (Sports Arena).
- A horse park comprising a visitor's center, office space, veterinary clinic, horse stables, and show facilities (Horse Park).
- Approximately 330,000 square feet of commercial development designated as an outdoor shopping designation (the "Country Walk"), including retail, museum, restaurant, office, theatre, and hotel uses.

- An office park, including office, hotel, and recreational (tennis/swim and Aquatic Center) uses.
- 256 workforce lodging units.
- Up to 1,280 residential dwelling units.

Key Analysis Assumptions and Limitations

As one element of the Project entitlement process, the fiscal and economic impact analysis will need to be supported by additional analysis and documentation at future entitlement junctures. Some of this additional analysis likely will be needed to support tax-sharing discussions with the County. Based on discussions with the Project Applicant, Willdan, and the City, EPS understands the following key areas will be addressed through additional analysis and documentation as the entitlement process proceeds:

- **Analysis of Sports Arena and Training Track.** The fiscal impact analysis currently excludes all revenues generated by the Sports Arena and Training Track but does include the Sports Arena and Training Track employees in the calculation of public service expenditures. The Project Applicant has indicated that they intend to defer more detailed fiscal and economic impact analysis of the Sports Arena and Training Track uses until a more detailed Project description is completed. While this approach would appear very conservative, there are some unknowns that carry significant risks. The structure of construction and operations financing for these types of facilities can be very complex and will be the subject of substantial additional discussion and analysis between the Project Applicant and the City.

  While the analysis as currently presented does provide valuable and appropriate information at this stage of the Project, *this is a substantially unresolved issue that could have significant implications for the fiscal impact analysis results.* In addition to General Fund revenues generated by Sports Arena and Training Track development, the fiscal impact analysis of the Sports Arena and Training Track should include a detailed evaluation of public safety and other social impacts, coordinated with the appropriate City staff and departments. This analysis likely is needed before tax-sharing agreements with the County can be finalized.

- **Development Feasibility.** As is typical for economic and fiscal impact analyses, the report does not address the financial feasibility of the Project concept from the Project Applicant's (private-sector) standpoint, nor the viability of Project operations. While this is not a typical element of a fiscal and economic impact analysis, to the extent that assumptions regarding development feasibility have significant impacts on fiscal and economic impact results, supplemental information and analysis may be appropriate. EPS's concern is not the viability of the overall Project, but several important components (e.g., Sports Arena and hotels) that are important drivers of fiscal results. The appropriate response at this stage of the Project is to incorporate targeted sensitivity analysis, as presented in the Wildan Report this memorandum.

  Results of the fiscal and economic impact analysis are predicated on the assumption that the Project is viable and generally will develop in accordance with the current concept. As noted above, certain elements of the Project (e.g., the Sports Arena) will be the subject of ongoing discussions with the City to refine the Project description and associated construction and operations financing strategy, which will inform the viability of Project development.

- **Market Feasibility of Proposed Land Uses.** Because comprehensive market analyses typically are not completed as part of fiscal and economic impact studies, additional analysis to substantiate the market support for proposed uses may be warranted as details regarding Project financing and further entitlements are processed. In response to earlier comments, the fiscal impact analysis has been updated to include key sensitivity analyses and a section outlining key assumptions, analysis drivers, and the associated impacts on the fiscal impact results, should demand for key land uses not materialize as the Project Applicant expects. As noted below, there are key areas where including additional performance metrics may be appropriate and could offer initial indicators regarding market viability as tax-sharing and Development Agreement discussions move forward.

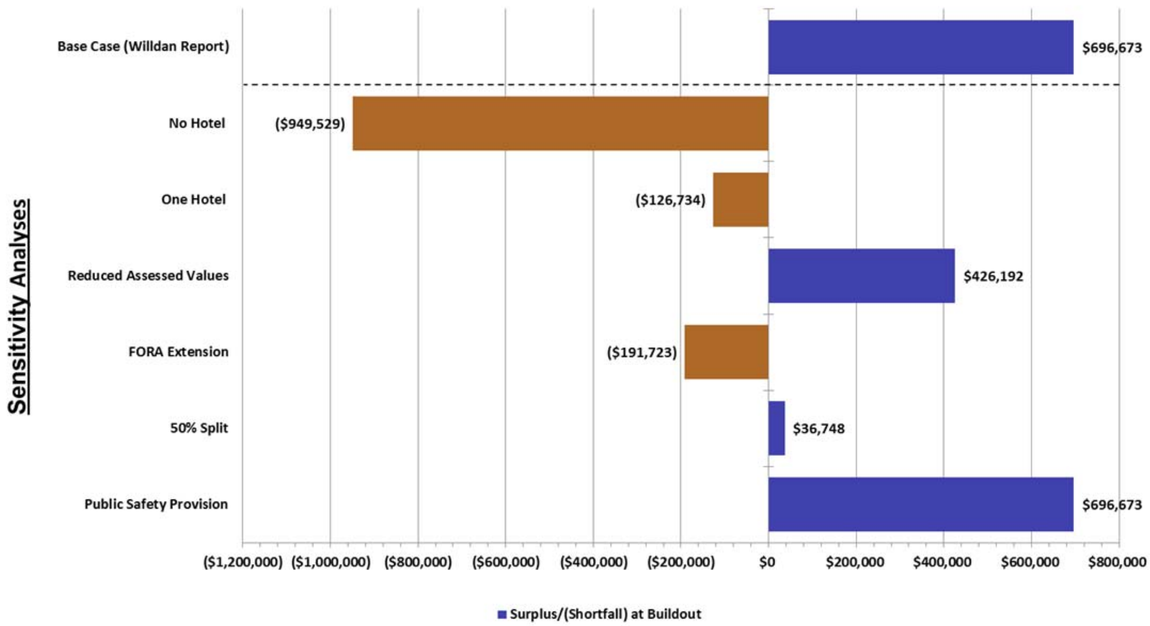
The sections to follow offer a synopsis of the fiscal and economic impact analyses, summarizing key assumptions and sensitivity analyses that should inform City policy decisions regarding the proposed Project.

Fiscal Impact Analysis

As described above, the fiscal impact analysis evaluates the costs the City is expected to incur to provide public services to the Project, and compares those costs to estimated revenues generated by the Project. This analysis helps the City to understand whether or not the Project as proposed will fully cover their service provision costs through the tax revenue generated, or if the City would have to use existing General Fund revenues to provide services to the Project. As documented previously, there are some analysis unknowns at this time that may affect the fiscal outcomes associated with the Project. To that end, the fiscal impact analysis results should be interpreted as a snapshot in time, and should be evaluated with the understanding that changes to key variables substantially may influence the findings.

This section offers a summary of Willdan's fiscal impact findings and EPS's evaluation/ interpretation of those findings, given several unknown and variable factors. **Figure 1** summarizes the fiscal impacts derived by Willdan, as well as the results of additional sensitivity analysis conducted by Wildan and EPS and discussed in the sections to follow.

Figure 1
Annual Fiscal Surplus/(Shortfall) at Buildout by Sensitivity



Summary of Willdan Findings

Using conservative assumptions regarding fire service provision, **Table 1** summarizes the results of the Willdan fiscal impact analysis by Project phase.[1] As shown, Willdan estimates that buildout of Monterey Downs will generate approximately $3.5 million in General Fund revenues for the City in the form of property tax, transient occupancy tax (TOT), sales tax, and other revenues. Willdan estimates that total public-service expenditures (police, fire, and other City service provisions) will be roughly $2.9 million annually, generating an estimated annual net General Fund surplus of approximately **$697,000** at buildout of the Project.

[1] Because the precise manner in which public safety services will be provided to the Project is unknown at this time, the Willdan Report considers 3 separate fire service provision alternatives. Fire services to the Project could be provided by the existing Presidio Fire Station, Monterey County Regional Fire, or by the City via construction of a new fire station.

From the City's General Fund expenditure standpoint, the most costly alternative is for the City to provide fire services to the Project via a new fire station. To simplify this evaluation, EPS is establishing this fire service provision alternative as the "base case" because it represents the most conservative assumption.

Table 1
Summary of Fiscal Impact Analysis by Phase

Item	Fiscal Impact at Buildout						
	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	**Buildout**
Net Revenues	$1,400,157	$258,441	$48,236	$1,486,837	$269,828	$101,365	$3,564,863
Net Expenditures	$804,857	$360,519	$135,942	$817,052	$420,579	$329,242	$2,868,190
Net Fiscal Impact Surplus/(Shortfall)	**$595,300**	**($102,078)**	**($87,706)**	**$669,785**	**($150,751)**	**($227,877)**	**$696,673**
Cumulative Impact	**$595,300**	**$493,222**	**$405,516**	**$1,075,301**	**$924,550**	**$696,673**	

net

Source: Willdan Financial Services.

As shown in **Table 1**, Phase 1 generates a fiscal surplus sufficient to mitigate the shortfalls generated by Phases 2 and 3 and to avoid shortfalls on a cumulative basis. Similarly, Phase 4 is estimated to generate a substantial surplus, which contributes to the resulting net surplus at buildout of the Project, despite shortfalls generated by subsequent phases (Phases 5 and 6).

The surpluses generated in Phases 1 and 4 are therefore integral to the fiscal impact analysis findings for the Project as a whole. As will be discussed in detail below, each of these phases includes development of a 200-room hotel—this assumption is a key driver of the fiscal impact analysis results.

General Fund Revenues

Table 2 provides additional detail regarding the projected General Fund revenues by phase, identifying revenues by category and phase. Key findings include these:

- Property tax and TOT revenues combine to generate more than 84 percent of the total estimated General Fund revenues generated by the Project.
- Of the $3.6 million in General Fund revenues at buildout, Phase 1 generates $1.4 million (nearly 40 percent).
- Phase 4 generates nearly $1.5 million in General Fund revenues (more than 40 percent of General Fund revenues at buildout).
- Combined, Phases 1 and 4 (each of which includes a 200-room hotel) generate more than 80 percent of the total General Fund revenues generated by the Project.

The inclusion of a 200-room hotel in Phase 1 and another in Phase 4 are clear drivers of the positive fiscal results, as those phases generate most of the Project-related General Fund revenues. Hotel uses largely are a function of visitation levels. Given ongoing concerns regarding the assumed visitation levels, EPS conducted several sensitivities (documented later in this section) to evaluate the impacts should hotel development not materialize at the levels currently anticipated by the Willdan Report.

Table 2
Monterey Downs
Fiscal and Economic Impact Analysis
Summary of General Fund Revenues by Phase

	Phase 1		Phase 2		Phase 3		Phase 4		Phase 5		Phase 6		Buildout	
General Fund Revenues	Revenue	Percentage of Revenue	Revenue	Percentage of Revenue	Revenue	Percentage of Revenue	Revenue	Percentage of Revenue	Revenue	Percentage of Revenue	Revenue	Percentage of Revenue	Total Revenue	'ercentage o Revenue
Property Tax	**$466,135**	**33.3%**	**$212,391**	**82.2%**	**$36,709**	**76.1%**	**$328,046**	**22.1%**	**$220,185**	**81.6%**	**$56,385**	**55.6%**	**$1,319,850**	**37.0%**
Property Transfer Tax	$12,978	0.9%	$6,364	2.5%	$550	1.1%	$5,219	0.4%	$6,598	2.4%	$845	0.8%	$32,554	0.9%
Sales Tax	-	0.0%	-	0.0%	-	0.0%	$249,375	16.8%	-	0.0%	-	0.0%	$249,375	7.0%
TOT	**$838,332**	**59.9%**	**-**	**0.0%**	**-**	**0.0%**	**$838,332**	**56.4%**	**-**	**0.0%**	**-**	**0.0%**	**$1,676,664**	**47.0%**
Franchise Fee	$12,161	0.9%	$5,835	2.3%	$1,614	3.3%	$9,684	0.7%	$6,329	2.3%	$6,489	6.4%	$42,111	1.2%
Business License Tax	$5,523	0.4%	$2,650	1.0%	$733	1.5%	$4,398	0.3%	$2,874	1.1%	$2,947	2.9%	$19,126	0.5%
Utility User Tax	$46,201	3.3%	$22,167	8.6%	$6,131	12.7%	$36,791	2.5%	$24,044	8.9%	$24,653	24.3%	$159,988	4.5%
Licenses and Permits	$4,456	0.3%	$2,138	0.8%	$591	1.2%	$3,549	0.2%	$2,319	0.9%	$2,378	2.3%	$15,432	0.4%
Fines	$1,231	0.1%	$590	0.2%	$163	0.3%	$980	0.1%	$640	0.2%	$657	0.6%	$4,261	0.1%
Income from Other Investments	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Revenue from Other Agencies	$209	0.0%	$100	0.0%	$28	0.1%	$166	0.0%	$109	0.0%	$111	0.1%	$722	0.0%
Fees and Charges	$5,910	0.4%	$2,836	1.1%	$784	1.6%	$4,706	0.3%	$3,076	1.1%	$3,154	3.1%	$20,466	0.6%
Miscellaneous	$7,021	0.5%	$3,369	1.3%	$932	1.9%	$5,591	0.4%	$3,654	1.4%	$3,747	3.7%	$24,314	0.7%
Total Revenues	**$1,400,157**	**100.0%**	**$258,441**	**100.0%**	**$48,236**	**100.0%**	**$1,486,837**	**100.0%**	**$269,828**	**100.0%**	**$101,365**	**100.0%**	**$3,564,863**	**100.0%**
Revenue by Phase as Percent of Buildout Revenue		***39.3%***		***7.2%***		***1.4%***		***41.7%***		***7.6%***		***2.8%***		***100.0%***

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Source: Willdan Financial Services

General Fund Expenditures

Table 3 provides additional expenditure detail by phase, identifying the projected General Fund expenditures for public services demanded by Project residents and employees. The primary expenditure categories are related to the provision of public safety services—the police department and the fire department.[2] Combined, these two categories represent more than 85 percent of the total General Fund expenditures generated by Project development.

Willdan used an industry-accepted approach to estimating police and fire service costs, using a persons-served method that identifies the marginal cost required to provide public safety services to new residents and employees (with employees discounted to reflect their reduced demand for these services relative to a resident). Residential development is therefore a key driver of these expenditure categories, and Project phases adding substantial new residents generate the highest costs (e.g., Phase 1: 1,520 new residents, and Phase 4: 878 new residents). Employees also contribute to these expenditure estimates, but their impact is estimated to be only 50 percent of a resident, so their contribution to public safety expenditures is muted.

It should be noted that based on feedback from City, police department, and fire department staff, this industry-standard approach may not fully address the needs associated with providing public safety services to this Project, given existing service capacity and other issues. Additional specific case-study analysis will be necessary as the Public Safety Services Protection Plan is developed and the Project moves forward.

EPS Evaluation

By definition, a fiscal impact analysis is a deterministic model whereby the model results are fully determined by the parameter values and conditions supplied by the analyst. Such an analysis relies on several potentially variable assumptions and inputs. An accepted and appropriate method to evaluate the fiscal impacts of a project include targeted sensitivity analyses that document the effect of adjusting one or more variables and assessing the impact of the change on the analysis results. As part of the fiscal impact analysis, Willdan conducted several sensitivities to appropriately frame the results of the analysis. As part of this evaluation, EPS summarized those sensitivities and, in some cases, conducted additional analysis to tease out the budgetary implications associated with key variables that the City should consider when evaluating the Project.

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[2] As previously noted, Willdan evaluated 3 fire service provision alternatives. For simplicity, EPS is using the base case scenario whereby the City constructs an additional fire station to serve the Project, as this is the most conservative approach. Alternatives include providing fire services to the Project from the existing Presidio fire station (with a contribution from the City to cover increased fire service costs), or via the Monterey County Regional Fire District (funded by Monterey County Regional Fire District property tax allocations or other special tax/assessments).

Table 3
Monterey Downs
Fiscal and Economic Impact Analysis
Summary of General Fund Expenditures by Phase

	Phase 1		**Phase 2**		**Phase 3**		**Phase 4**		**Phase 5**		**Phase 6**		**Buildout**	
General Fund Expenditure	Expenditure	Percent of Expenditure	Expenditure	Percent of Expenditure	Expenditure	Percent of Expenditure	Expenditure	Percent of Expenditure	Expenditure	Percent of Expenditure	Expenditure	Percent of Expenditure	Total Expenditure	Percent of Expenditure
General Government	$ 11,096	1.4%	$ 5,324	1.5%	$ 1,473	1.1%	$ 8,836	1.1%	$ 5,775	1.4%	$ 5,921	1.8%	$ 38,423	1.3%
Police Department	**$ 351,754**	**43.7%**	**$ 168,772**	**46.8%**	**$ 46,682**	**34.3%**	**$ 280,108**	**34.3%**	**$ 183,062**	**43.5%**	**$ 187,694**	**57.0%**	**$ 1,218,073**	**42.5%**
Fire Department	**$ 333,399**	**41.4%**	**$ 134,313**	**37.3%**	**$ 73,375**	**54.0%**	**$ 441,622**	**54.1%**	**$ 175,220**	**41.7%**	**$ 77,674**	**23.6%**	**$ 1,235,603**	**43.1%**
Resource Management	$ 5,733	0.7%	$ 2,751	0.8%	$ 761	0.6%	$ 4,565	0.6%	$ 2,984	0.7%	$ 3,059	0.9%	$ 19,853	0.7%
Building Code and Enforcement	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Community and Economic Development	$ 13,950	1.7%	$ 6,693	1.9%	$ 1,851	1.4%	$ 11,109	1.4%	$ 7,260	1.7%	$ 7,444	2.3%	$ 48,306	1.7%
Public Works and Engineering	$ 43,146	5.4%	$ 20,702	5.7%	$ 5,726	4.2%	$ 34,358	4.2%	$ 22,454	5.3%	$ 23,023	7.0%	$ 149,409	5.2%
Recreation Division	$ 45,778	5.7%	$ 21,964	6.1%	$ 6,075	4.5%	$ 36,454	4.5%	$ 23,824	5.7%	$ 24,427	7.4%	$ 158,522	5.5%
Total Expenditures	**$ 804,857**	**100.0%**	**$ 360,519**	**100.0%**	**$ 135,942**	**100.0%**	**$ 817,052**	**100.0%**	**$ 420,579**	**100.0%**	**$ 329,424**	**100.0%**	**$ 2,868,190**	**100.0%**
Expenditures by Phase as Percent of Buildout Expenditures		***28.1%***		***12.6%***		***4.7%***		***28.5%***		***14.7%***		***11.5%***		***100.0%***

exp

Source: Willdan Financial Services

Fiscal impact analysis assumptions meriting additional analysis include the following items and assumptions:

- Scale and timing of hotel development.
- Assessed value assumptions.
- Property tax allocation assumptions.
- Tax-sharing agreement outcomes.
- Public safety service provision alternatives.

The following sections offer discussion and analysis of each of these elements.

Hospitality Uses

The initial phase of Project development generates a substantial General Fund surplus that mitigates for General Fund deficits generated by later phases of development. Primarily, this is driven by the assumption that one of the two hotels develops as the first project phase. This assumption concerns EPS because the market for hotel development in the City remains uncertain.

Willdan states that "[b]ased on an examination of the competitive landscape, locational factors, and interviews with local experts Willdan believes the hotels are feasible." The fiscal analysis cites growth of California State University Monterey Bay and the adjacent Department of Defense facility as key sources of demand. Visitation generated by the Horse Park and other events also is cited as supporting the level of hotel development proposed.

No metrics are presented, however, to support and confirm that latent demand for additional hospitality development exists. In addition, EPS has remaining concerns regarding the visitation estimates for the Horse Park and the Arena—to the extent that the viability of the second hotel depends on these unsubstantiated visitation estimates for the Horse Park, EPS is concerned that if revenues associated with hotel development are overstated, the Project's projected fiscal surplus could be substantially reduced.

As discussed above, two of the largest revenue categories include TOT and property taxes. TOT is generated exclusively by hotel development and will materialize commensurately with any hotel development that occurs. Hotels also contribute substantially to property tax revenues. Based on Willdan's assessed value assumptions, each hotel generates approximately 5 percent of the overall assessed value and associated property tax revenues generated by the Project.

It is therefore important for policymakers to understand the fiscal implications should one or both hotels not develop, or if the first hotel develops during a later phase of development. In response to concerns expressed by the City, Willdan's analysis includes a sensitivity analysis that excludes TOT revenues generated. The results of this sensitivity analysis and additional EPS analysis are offered below.

<u>Sensitivity Analysis—Hotel Development</u>

Table 4, below, identifies the net fiscal impact by phase should neither hotel be developed. As shown, the combined impact of no TOT revenues and reduced property tax revenues results in a

shortfall for each phase of Project development.[3] It is important to note that this sensitivity analysis continues to assume the most conservative fire service provision alternative—other assumptions would result in improved fiscal impact analysis results.

Table 4
Hotel Development Sensitivity Analysis—No Hotels

Item	Fiscal Impact at Buildout						
	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	**Buildout**
Net Revenues	$490,380	$258,389	$48,227	$577,093	$269,774	$101,351	$1,745,214
Net Expenditures	$721,447	$360,057	$133,955	$732,501	$419,366	$327,417	$2,694,743
Net Fiscal Impact Surplus/(Shortfall	**($231,067)**	**($101,668)**	**($85,728)**	**($155,408)**	**($149,591)**	**($226,066)**	**($949,529)**
Cumulative Impact	**($231,067)**	**($332,736)**	**($418,464)**	**($573,872)**	**($723,463)**	**($949,529)**	

NH summ

Source: Willdan Financial Services, and EPS

Table 5, below, summarizes the fiscal implications should only the Phase 1 hotel develop. The resulting reduction in TOT and property tax revenues generated by the Phase 4 hotel results in a shortfall of nearly $127,000 at buildout.[4]

Table 5
Hotel Development Sensitivity Analysis—Phase 1 Hotel Only

Item	Fiscal Impact at Buildout [1]						
	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	**Buildout**
Net Revenues	$1,400,044	$258,389	$48,227	$577,093	$269,774	$101,351	$2,654,878
Net Expenditures	$806,085	$360,057	$133,955	$734,732	$419,366	$327,417	$2,781,612
Net Fiscal Impact Surplus/(Shortfall	**$593,958**	**($101,668)**	**($85,728)**	**($157,639)**	**($149,591)**	**($226,066)**	**($126,734)**
Cumulative Impact	**$593,958**	**$492,290**	**$406,562**	**$248,923**	**$99,332**	**($126,734)**	

OH summ

Source: Willdan Financial Services, and EPS.

[1] In order to assess this scenario, EPS reproduced the model created by Wildan Financial Services. As a result, values on this table may vary from Table 1 attributable to differing rounding assumptions.

It also is important to consider the timing of hotel development. TOT and property tax revenues are integral to early phase surpluses that mitigate subsequent shortfalls. If the hotel does not develop in the first phase, there likely will be early phase shortfalls that will require mitigation measures to ensure no detrimental budgetary impacts for the City. It should be noted that City staff and the Applicant have discussed requiring construction of the hotel in Phase 1, but such a

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[3] Note that EPS also reduced the service population used to calculate General Fund expenditures to remove the hotel employees.

[4] Ibid.

requirement does not guarantee full market support and associated public revenue generation upon completion of construction.

Property Tax

Willdan's fiscal impact analysis makes several necessary assumptions to estimate projected property tax revenues. Key assumptions include the assessed value of new development and the proportion of property tax revenue that will be allocated to the City.

Reduced Assessed Values

Acknowledging the potential for assessed values and associated property tax revenues to be lower than currently anticipated, Willdan also evaluated the fiscal impacts should property tax revenue be reduced by 20 percent. EPS updated this sensitivity analysis to also adjust the property transfer tax revenues, as those also depend on assumed assessed values. **Table 6** summarizes the results of this sensitivity analysis, demonstrating that while the overall surplus would be reduced, the Project would still generate a cumulative surplus through buildout.

Table 6
Property Tax Sensitivity—Reduced Assessed Value

	Fiscal Impact at Buildout						
Item	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	**Buildout**
Net Revenues	$1,304,334	$214,690	$40,784	$1,420,184	$224,471	$89,919	$3,294,382
Net Expenditures	$804,857	$360,519	$135,942	$817,052	$420,579	$329,242	$2,868,190
Net Fiscal Impact Surplus/(Shortfall	**$499,477**	**($145,829)**	**($95,158)**	**$603,132**	**($196,108)**	**($239,323)**	**$426,192**
Cumulative Impact	**$499,477**	**$353,648**	**$258,490**	**$861,622**	**$665,515**	**$426,192**	

ra summ

Source: Willdan Financial Services, and EPS.

Fort Ord Reuse Authority Extension

EPS conducted an additional sensitivity analysis to evaluate the revenue implications associated with an extension of the Fort Ord Reuse Authority (FORA). Currently, property taxes for property within the boundaries of the FORA jurisdiction are apportioned in accordance with the FORA enabling statute, a rubric under which the City receives an approximately 6-percent share of property tax. Because FORA is due to sunset in 2020, and buildout of Monterey Downs will be much later, the Willdan Report assumed the City would receive approximately 18.4 percent of property tax revenues, consistent with the citywide average. While EPS concurs this is a reasonable assumption, it also is important to consider the implications should FORA be extended. **Table 7** summarizes the fiscal impact results under that scenario, demonstrating that if the City's share of property tax revenue is reduced from 18.4 percent to 6 percent, several Project phases will generate fiscal shortfalls, resulting in an overall shortfall of $192,000 at buildout.

Note that this scenario presumes that FORA is extended indefinitely, but it is impossible at this time to predict whether or not FORA will actually be extended and if so, for how long. In 2014, the State Legislature extended FORA's authorization from 2014 to 2020. It is possible that any future extensions of FORA (should they occur) would be for a limited timeframe anticipated to end prior to buildout of the Monterey Downs project.

Table 7
Property Tax Sensitivity—FORA Extension

Item	Fiscal Impact at Buildout Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Buildout
Net Revenues	$1,086,400	$115,480	$23,527	$1,266,028	$121,621	$63,412	$2,676,468
Net Expenditures	$804,857	$360,519	$135,942	$817,052	$420,579	$329,242	$2,868,191
Net Fiscal Impact Surplus/(Shortfall	**$281,543**	**($245,039)**	**($112,415)**	**$448,976**	**($298,958)**	**($265,830)**	**($191,723)**
Cumulative Impact	**$281,543**	**$36,504**	**($75,911)**	**$373,065**	**$74,107**	**($191,723)**	

fora summ

Source: Willdan Financial Services, and EPS.

Tax Sharing: Property and Sales Tax

Annexation of Monterey Downs into the City will require tax-sharing arrangements between the City and the County. These arrangements will be the subject of future negotiations between the two jurisdictions, and the fiscal impact analysis should provide the foundation for the City as they conduct these negotiations. To inform these negotiations, EPS prepared a sensitivity analysis documenting the results of a 50-percent reduction to property tax revenues received by the City, shown below in **Table 8**. This scenario is presented for illustrative purposes only, and should not be considered a proposal for the purpose of future tax-sharing negotiations.

Table 8
Tax Sharing Sensitivity—50% Reduction to Property Tax Revenues

Item	Fiscal Impact at Buildout Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Buildout
Net Revenues	$1,167,090	$152,245	$29,881	$1,322,814	$159,736	$73,173	$2,904,938
Net Expenditures	$804,857	$360,519	$135,942	$817,052	$420,579	$329,242	$2,868,190
Net Fiscal Impact Surplus/(Shortfall	**$362,233**	**($208,274)**	**($106,061)**	**$505,762**	**($260,844)**	**($256,069)**	**$36,747**
Cumulative Impact	**$362,233**	**$153,959**	**$47,898**	**$553,660**	**$292,817**	**$36,747**	

split summ

Source: Willdan Financial Services, and EPS.

As the City engages in tax-sharing negotiations with the County, both jurisdictions should consider opportunities to dedicate a portion of property tax or other revenues to fund key infrastructure improvements or other amenities that might improve visitation prospects and the associated viability of hotel development. Improving the prospects of Project elements supporting tourism and bolstering the economic base would be in the mutual interest of the City and the County.

Accelerated Public Safety Service Provision

The manner in which public safety services are provided to the Project remains to be determined. Given existing service capacity issues, police services, in particular, may need to be provided at a more accelerated rate than currently assumed by the fiscal impact report. As set forth in the Environmental Impact Report (EIR) mitigation measures, these issues will be addressed in a

Police Protection Services Plan, to be drafted in concert with the City police department prior to issuance of the first grading permit. The protection plan may consider other interim service provision alternatives, at which time the fiscal impact analysis may be updated to reflect revised public safety costs and timing.

In the absence of a completed Police Protection Services Plan, the Wildan Report estimates police service costs based on an estimated cost per person served, developed in conjunction with Police Department staff. This cost per person served is then applied on a linear basis to the persons served population generated by each phase of Project development. This is generally considered an acceptable methodology to estimate the costs associated with police services. The City and the Police department are concerned, however, that actual costs will be more heavily frontloaded on early phases of Project development, due to the existing service capacity issues mentioned above. Additionally, while police service costs are modeled on a linear basis, the City will actually incur costs on a "lumpier" basis, incurring substantial increases in costs as certain thresholds are reached and the City has to expand service capacity (i.e., hire new staff).

To evaluate the implications of this potential circumstance and to inform the future development of the Police Services Protection Plan, EPS evaluated the impact of accelerated police service costs. EPS assumed that 50 percent of the buildout cost for police services would be required at the outset of Project development, and the remaining 50 percent would be required commencing with Phase 3. It should be noted that this is a hypothetical scenario intended to demonstrate how accelerated public safety costs would impact the City's General Fund. As shown in **Table 9**, while the net impact at Project buildout remains unchanged, accelerated public safety costs could result in temporary shortfalls that would have to be backfilled by the City's General Fund or otherwise mitigated until future phases move forward and generate sufficient revenues to cover the costs.

Table 9
Public Safety Service Provision Sensitivity

	Fiscal Impact at Buildout						
Item	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	**Buildout**
Net Revenues	$1,400,157	$258,441	$48,236	$1,486,837	$269,828	$101,365	$3,564,863
Net Expenditures	$1,064,033	$191,997	$697,037	$537,671	$237,005	$140,447	$2,868,190
Net Fiscal Impact Surplus/(Shortfall)	**$336,124**	**$66,444**	**($648,801)**	**$949,166**	**$32,823**	**($39,082)**	**$696,673**
Cumulative Impact	**$336,124**	**$402,568**	**($246,233)**	**$702,933**	**$735,756**	**$696,673**	

PS Summ

Source: Willdan Financial Services, and EPS.

Summary of Fiscal Impact Sensitivity Analysis

Table 10 summarizes the results of each sensitivity scenario at Project buildout. Note that because this table evaluates Project buildout only, intervening deficits occurring in certain scenarios are not shown.

Table 10
Monterey Downs
Fiscal and Economic Impact Analysis
Summary of Sensitivity Analysis - at Buildout

		Sensitivity Scenarios					
		Hotel Scenarios		**Property Tax Scenarios**		**Tax Sharing**	**Accelerated Public Safety**
Item	**Base Case**	No Hotel	One Hotel	Reduced Assessed Values	FORA Extension	50% Split	**Service Provision**
Key Assumptions	*City constructs new fire station. Represents Willdan's Estimate*	*No TOT Revenue. Reduced Property Tax. Reduced Service Population.*	*Reduced TOT and Property Tax Revenues. Reduced Service Population.*	*Reduced Assessed Value of All Property by 20%. Reduction in Property Tax and Property Transfer Tax.*	*City retains 6% of Property Tax Revenue.*	*50% Split of Property and Sales Taxes between the City and County.*	*50% of all Police Department expenditures in Phase 1 and the remainder in Phase 3.*
Annual General Fund Revenues at Buildout							
Property Tax	$1,319,850	$1,187,408	$1,253,468	$1,055,880	$431,453	$659,925	$1,319,850
Property Transfer Tax	$32,554	$30,574	$31,564	$26,043	$32,554	$32,554	$32,554
Sales Tax	$249,375	$249,375	$249,375	$249,375	$249,375	$249,375	$249,375
Transient Occupancy Tax	$1,676,664	$0	$838,332	$1,676,664	$1,676,664	$1,676,664	$1,676,664
Franchise Fee	$42,111	$40,852	$41,481	$42,111	$42,111	$42,111	$42,111
Business License Tax	$19,126	$18,554	$18,840	$19,126	$19,126	$19,126	$19,126
Utility User Tax	$159,988	$155,205	$157,596	$159,988	$159,988	$159,988	$159,988
Licenses and Permits	$15,432	$14,970	$15,201	$15,432	$15,432	$15,432	$15,432
Fines	$4,261	$4,134	$4,198	$4,261	$4,261	$4,261	$4,261
Income from Investments	$0	$0	$0	$0	$0	$0	$0
Revenue from Other Agencies	$722	$701	$711	$722	$722	$722	$722
Fees and Charges	$20,466	$19,854	$20,160	$20,466	$20,466	$20,466	$20,466
Miscellaneous	$24,314	$23,587	$23,950	$24,314	$24,314	$24,314	$24,314
Total Revenues	**$3,564,863**	**$1,745,214**	**$2,654,878**	**$3,294,382**	**$2,676,467**	**$2,904,938**	**$3,564,863**
Annual General Fund Expenditures at Buildout							
General Government	$38,423	$37,274	$37,849	$38,423	$38,423	$38,423	$38,423
Police Department	$1,218,073	$1,181,657	$1,199,865	$1,218,073	$1,218,073	$1,218,073	$1,218,073
Fire Department	$1,235,603	$1,110,965	$1,173,429	$1,235,603	$1,235,603	$1,235,603	$1,235,603
Resource Management	$19,853	$19,260	$19,557	$19,853	$19,853	$19,853	$19,853
Building Code and Enforcement	$0	$0	$0	$0	$0	$0	$0
Community and Economic Development	$48,306	$46,862	$47,584	$48,306	$48,306	$48,306	$48,306
Public Works and Engineering	$149,409	$144,942	$147,176	$149,409	$149,409	$149,409	$149,409
Recreation Division	$158,522	$153,783	$156,153	$158,522	$158,522	$158,522	$158,522
Total Expenditures	**$2,868,190**	**$2,694,743**	**$2,781,612**	**$2,868,190**	**$2,868,190**	**$2,868,190**	**$2,868,190**
Surplus/(Shortfall) at Buildout	**$696,673**	**($949,529)**	**($126,734)**	**$426,192**	**($191,723)**	**$36,748**	**$696,673**

scen_summ

Source: Willdan Financial Services, and EPS.

Economic Impact Analysis

The economic impact analysis offers a framework to understand the contributions of a new development project to the local economy in terms of jobs, income, and industry output. Using an input-output modeling framework that identifies interindustry relationships, the economic impact analysis evaluates how activity in one sector of the local economy impacts other sectors as they purchase goods and services from intermediate suppliers and employ people that spend their income in the economy.

The analysis therefore quantifies the "multiplier" or "ripple" effect of new dollars in the local economy, measuring how new "direct" expenditures generate demand for other goods and services (indirect effects) and increase consumer spending through the employees of the directly and indirectly affected businesses (induced effects).

Development activity can generate two types of economic impacts:

- **Construction Impacts.** Construction activity generates a one-time infusion of economic activity that exists only for the construction period. Construction of a project requires hiring construction workers and purchasing building materials, some of which will be purchased from local businesses and suppliers. The economic impact analysis measures the total direct, indirect, and induced effects of the temporary economic activity associated with Project construction.
- **Project Operations.** Once a project is constructed, the operations of the commercial enterprises will generate ongoing economic impacts for as long as they remain in operation. For example, a new restaurant will hire workers and will purchase food, supplies, and services from their suppliers, some of which will be located in the local economy. Those suppliers, in turn, may have to hire additional workers and increase production capacity to accommodate the new demand. The economic impacts of Project operations are measured on an annual basis, and the impact is identified as ongoing.

Again, it is important to note that the economic impact analysis and its findings are separate and distinct from the fiscal impact analysis, although there are key areas of overlap in terms of inputs and assumptions. The economic impact results are a measure of the increased economic activity generated in the City, but they do not have direct bearing on the City's budget or the fiscal outcomes of the Project, which are documented in the fiscal impact analysis.

Summary of Wildan Report Findings

The Willdan Report documented the projected economic impacts occurring in the City as a result of development of Monterey Downs. Willdan found that the Project would generate the following economic impacts:

- **Project Construction.** Based on the estimated value of new construction, Willdan estimates the Project will generate the following effects distributed over the projected 10-year timeframe for construction:
  - 1,714 jobs, including 1,177 direct jobs, 289 indirect jobs, and 247 induced jobs. It should be noted that this figure represents total "job years" and should be divided by the total number of years over which construction activity is anticipated (10 years) to reflect

the average annual jobs during the construction timeframe (roughly 170 jobs each year for the 10-year construction timeframe).

- Increased earnings for direct, indirect, and induced employees are anticipated to total $108.5 million (approximately $63,000 per employee).
- Overall industry output (the value of goods and services produced in the economy) is projected to increase by $261.6 million (this number includes employee earnings, as reported above).

- **Project Operations.** Primarily relying on estimates of visitation and visitor spending, Willdan estimates ongoing operations of the Project (including the Sports Arena, which was excluded from the fiscal impact analysis) will generate the following ongoing economic effects:
  - A total of 290 new jobs, including 245 direct jobs, 22 indirect jobs, and 23 induced jobs.
  - Those direct, indirect, and induced employees are anticipated to earn approximately $10.2 million annually (approximately $35,000 per employee).
  - Operations of the Project will generate roughly $26.0 million in new industry output annually. It should be noted that this number includes employee earnings, as reported above.

EPS Evaluation

It is important to note that policymakers should use care when interpreting the results of an economic impact analysis. In isolation, the results of an economic impact analysis can be misleading and are best used to compare multiple competing projects or land use scenarios. In this circumstance, the economic impact analysis can provide valuable insight into how and the degree to which various alternatives integrate with the existing economic structure (i.e., build on existing supply networks) and produce the types of jobs the City desires (i.e., diversify the employment base, produce higher income jobs).

In the case of an economic impact analysis that evaluates a single project, the report essentially is providing a comparison to a "No Project" alternative, where the economic impacts would be zero.

The Willdan Report offers limited detail regarding the specific methodology used to derive the economic impacts, complicating the reproduction of results. In general, the economic impact methodology appears to follow industry standard practices and represents a reasonable estimate of the likely increased economic activity associated with the Project, based on the inputs used.

EPS does, however, have a major concern regarding visitor estimates, which is the primary analysis input used to estimate the ongoing economic impacts. These concerns are discussed in detail below.

Visitation Estimates

Visitation estimates reported in the economic impact analysis are not fully documented. To the extent these numbers are not validated, demand for hotels and the overall level of associated economic activity remains a concern. In particular, the draft report states the viability of developing the second hotel hinges on support from the Horse Park and event center.

Note that while visitation estimates primarily are used to generate economic impact results, a reduction in hotel-generated TOT and property tax revenues will have major implications for the fiscal impact findings.

Particularly with respect to the Horse Park, the report should document and provide concrete examples for the types of events and level of programming organizers intend to attract, as well as associated visitors and the duration of the visitor stays. To the extent the Project Applicant draws on visitation estimates for existing equestrian facilities, the Project Applicant should ensure the scale of proposed Horse Park facilities are comparable to these existing facilities (i.e., in terms of stalls provided, number and type of arenas, specialty facilities, and other key elements) and should include those metrics in the report tables and narrative.

As part of the peer review process, representatives of the Monterey Horse Park provided EPS with supporting documentation offering visitor estimates and economic activity associated with comparable facilities throughout the United States. Monterey Horse Park representatives emphasized that the facility will target high caliber events with the potential to attract substantial numbers of exhibitors and spectators from outside the region. Current estimates provided by the Monterey Horse Park suggest that exhibitors and equestrian support staff alone could generate roughly 140,000 visitor days – this figure would exclude any spectators or horse show personnel.

At this time, however, much remains unknown regarding the phasing of the Monterey Horse Park, the timing of full buildout, the ultimate spectator capacity, and the events programmed. All of these factors will contribute to the levels of Horse Park visitation achieved. Given these unknowns, EPS conducted a sensitivity analysis summarizes the changes to the economic impact analysis should visitation to the Horse Park fall 25 percent to 50 percent lower than currently estimated in the Wildan report, summarized in **Tables 11, 12** and **13**, below.

Table 11
Visitation Reduction Estimates—Out of County Horse Park Visitation Sensitivity

Item	Willdan Estimate	25% Reduction in Horse Park Visitation	50% Reduction in Horse Park Visitation
Horse Shows			
Local Horse Shows	0	0	0
Regional Shows	4,800	3,600	2,400
State Shows	54,600	40,950	27,300
National Shows	266,000	199,500	133,000
Total Horse Shows	**325,400**	**244,050**	**162,700**
Concerts	20,000	20,000	20,000
Music Festivals	18,200	18,200	18,200
Misc Events	16,500	16,500	16,500
Total	**380,100**	**298,750**	**217,400**

visits

Table 12
Estimated Project Operating Expenditures—Out of County Horse Park Visitation Sensitivity

Item	# Visitor Days	Expenditure per Visitor	Amount	Zip Code 93955 Proportion	Zip Code Expenditures
25% Horse Park Visitation Reduction					
Visitor Expenditure					
Hotel Expenditure	298,750	$80	$23,900,000	35%	$8,365,000
Visitor Misc. Expenditures	298,750	$50	$14,937,500	30%	$4,481,250
Horse Park Operations					
Visitor Revenues (shows, rent, facilities)			$6,050,246	35%	$2,117,586
Horse Park Operating Expenditures			$1,921,750	100%	$1,921,750
Total Operating Expenditures			**$46,809,496**		**$16,885,586**
Impact Reduction Factor					17.16%
50% Horse Park Visitation Reduction					
Visitor Expenditure					
Hotel Expenditure	217,400	$80	$17,392,000	35%	$6,087,200
Visitor Misc. Expenditures	217,400	$50	$10,870,000	30%	$3,261,000
Horse Park Operations					
Visitor Revenues (shows, rent, facilities)			$6,050,246	35%	$2,117,586
Horse Park Operating Expenditures			$1,921,750	100%	$1,921,750
Total Operating Expenditures			**$36,233,996**		**$13,387,536**
Impact Reduction Factor					34.32%

op exp

Table 13
Summary of Annual Economic Impacts at Buildout—Visitation Sensitivity

Activity	Impact Type	Estimated Seaside Impacts Jobs	 Earnings	 Econ. Output
Willdan Estimate				
Operations	Direct	245	$8,300,000	$20,400,000
Local Business Activity	Indirect	22	$1,000,000	$2,700,000
Employee Expenditures	Induced	23	$900,000	$2,900,000
Total Operations (Annual)	**Total**	**290**	**$10,200,000**	**$26,000,000**
25% Horse Park Visitation Reduction				
Operations	Direct	203	$6,880,000	$16,900,000
Local Business Activity	Indirect	18	$830,000	$2,240,000
Employee Expenditures	Induced	19	$750,000	$2,400,000
Total Operations (Annual)	**Total**	**240**	**$8,460,000**	**$21,540,000**
50% Horse Park Visitation Reduction				
Operations	Direct	161	$5,450,000	$13,400,000
Local Business Activity	Indirect	14	$660,000	$1,770,000
Employee Expenditures	Induced	15	$590,000	$1,900,000
Total Operations (Annual)	**Total**	**190**	**$6,700,000**	**$17,070,000**

impacts

As shown, if the Horse Park realizes only a portion of the current visitor projections, the economic impacts would be reduced commensurately. Note that this sensitivity analysis is static in nature—it evaluates the change to the economic impacts based on changes to visitor spending and does not consider the implications associated with the feasibility of the second hotel, should anticipated visitation levels not materialize.

Conclusions

EPS finds the Willdan Report, overall, is technically sound and appropriately estimates the fiscal and economic outcomes of the proposed Project. The report findings would be bolstered by the inclusion of refined visitor estimates and metrics demonstrating the viability of hotel development at the levels proposed.

Each sensitivity analysis documented in the Wildan report and in this memorandum documents the impact of adjusting certain analysis elements or variables in isolation. Should circumstances be combined (e.g., only one hotel develops, FORA is extended, and assessed values are lower than anticipated) the impact on the analysis results would compound.

As the City evaluates the Project and engages in future planning efforts and negotiations, such as tax-sharing discussions with the County and Development Agreement negotiations with the Project Applicant, the outcomes of the sensitivity analyses offered here should provide a foundation for policy-making that protects the City's interests. In particular, the City should note that the positive fiscal outcomes rely upon the inclusion of two hotels in the Project, as well as the assumption that the City receives a property tax allocation commensurate with their current average allocation.

EPS recommends that future analysis efforts focus on evaluating the existing market support for hospitality uses as well as refining and bolstering projected visitation levels to assess the likely feasibility of the second hotel.

Of particular note, the City should ensure that the Project Applicant provides assurances that the Project Applicant will offer mitigation for any fiscal shortfalls occurring because of specified conditions. These terms should be established as part of Development Agreement negotiations.

EPS looks forward to working with City staff, the Project Applicant, and Willdan to evaluate the fiscal and economic dynamics of the proposed Project. Please contact David Zehnder or Ellen Martin with questions regarding this memorandum.