



A G E N D A

CITY OF SEASIDE
CITY COUNCIL/SUCCESSOR
AGENCY TO REDEVELOPMENT
AGENCY OF THE CITY OF SEASIDE

JOINT SPECIAL MEETING
Council Chamber
440 Harcourt Avenue
Thursday, September 21, 2017
5:00 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

Ralph Rubio	Mayor/Chair
Dennis Alexander	Mayor Pro Tem/Vice Chair
Jason Campbell	Council/Agency Member
David R. Pacheco	Council/Agency Member
Kayla Jones	Council/Agency Member

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENT**

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.

4. **CLOSED SESSION**

A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9
(2) (d) - ANTICIPATED LITIGATION**

Conference with legal counsel regarding significant exposure to litigation (one potential case).

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

Properties Under Discussion:

1. Seaside Resort Development: 1 McClure Way
2. The Nurses Barracks structures located on the former Fort Ord located on Park Flats Cutoff Road

Negotiator for the City: Craig Malin, City Manager, Under Negotiation: Price, Terms of Payment or both.

C. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9

1. Keep Fort Ord Wild VS. City of Seaside Case Number 16Cv003795
2. LandWatch Monterey County VS. City of Seaside (Real Party: Monterey Downs, LLC) Case Number 16CV003793

D. PURSUANT TO GOVERNMENT CODE 54957.7 -PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

5. CONSENT AGENDA

A. APPROVE THE MINUTES OF SEPTEMBER 7, 2017

B. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

PURPOSE: It is requested that the Agency Board approve and file the accounts payable and wired payments made during the period of August 26, 2017 through September 8, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of August 31, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is \$7,721.05.

RECOMMENDATION: It is recommended that the Agency Board approve and file the list of checks linked to this staff report.

6. BUSINESS ITEMS

A. APPROVE A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT BETWEEN THE CITY OF SEASIDE AND GLOVER ENTERPRISES, A LOCAL DEVELOPMENT COMPANY FOR THE PURPOSE OF CONSIDERING THE REDEVELOPMENT OF THE NURSES BARRACKS STRUCTURES.

PURPOSE: Enter into an Exclusive Negotiating agreement with Glover Enterprises to consider the redevelopment of the Nurses Barracks buildings located on the Former Fort Ord near the Department of Defense Building Located at Gigling Road and Parker Flats Cutoff Road, allowing adequate time to complete due diligence, negotiate a Purchase and Sale Agreement and to complete certain agreements with the Fort Ord Reuse Authority to allow for early construction.

RECOMMENDATION: Staff Recommends that City Council approve a resolution authorizing the City Manager enter into an Exclusive Negotiating Agreement with Glover Enterprises for the purpose of considering the redevelopment of the Nurses Barracks Structures.

7. STUDY SESSION

A. CONDUCT A STUDY SESSION TO CONSIDER SHORT-TERM RENTAL ISSUES

PURPOSE: The purpose of this item is to provide the City Council a presentation on the short term rental issue in the City of Seaside and to provide an opportunity to discuss, consider and provide direction to staff on this issue.

RECOMMENDATION: It is recommended that the City Council receive the presentation, take public input, consider and discuss the issues and potential regulatory solutions and provide direction to staff.

8. ADJOURNMENT

Next Regularly Scheduled Meeting:
October 5, 2017
Seaside City Hall
5:30 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, they are asked to contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings.

City Council 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://cyp.telvue.com/player?id=T01629&video=52314&noplaylists=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.



DRAFT MINUTES

CITY OF SEASIDE
CITY COUNCIL/ SUCCESSOR
AGENCY TO THE
REDEVELOPMENT AGENCY

JOINT SPECIAL MEETING
COUNCIL CHAMBER
Thursday, September 7, 2017
5:00 PM

1. **CALL TO ORDER**

Mayor Pro Tem Alexander called the meeting to order at 5:30 PM.

**CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE
CITY OF SEASIDE**

PRESENT: Alexander, Campbell, Jones, Pacheco

ABSENT: Rubio

2. **PLEDGE OF ALLEGIANCE**

The Pledge was led by Council Member Campbell.

3. **PUBLIC COMMENT**

Mayor Pro Tem Alexander invited comments from the public and had no requests to speak.

4. **CLOSED SESSION**

City Attorney Freeman reported that items 4A and 4B will not be discussed. He did not anticipate any announcements for the public on any of the items to be discussed. Mayor Pro Tem Alexander invited comments on any of the Closed Session items and had no requests to speak. The City Council adjourned to Closed Session at 5:05 PM.

A. **CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
PURSUANT TO GOVERNMENT CODE SECTION 54956.9**

This item was not discussed.

B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (2) (d) -
ANTICIPATED LITIGATION**

This item was not discussed.

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

There was no announcement on the item.

D. **PURSUANT TO GOVERNMENT CODE 54957.7 -PUBLIC EMPLOYEE PERFORMANCE
EVALUATION**

There was no announcement on the item.

E. **PURSUANT TO GOVERNMENT CODE 54957.7 -PUBLIC EMPLOYEE PERFORMANCE
EVALUATION**

There were no announcements on the item.

The City Council reconvened to open session at 6:05 PM

5. **CONSENT AGENDA**

Mayor Pro team Alexander invited comments from the Council and the Public and there were no

requests to speak.

On motion by Council Member Campbell and seconded by Council Member Jones and passed by the following vote the City Council approved the Consent Calendar as presented.

RESULT:	Approved
MOVER:	Council Member Jason Campbell
SECONDER:	Kayla Jones
AYES:	Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	Ralph Rubio

A. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

Action: Approved

B. APPROVE THE MINUTES OF AUGUST 17, 2017

Action: Approved

6. STUDY SESSION

A. REVIEW, DISCUSS AND CONSIDER FUTURE REGULATIONS CONCERNING FIREWORKS WITHIN THE CITY OF SEASIDE AND THE INTRODUCTION OF A COMMUNITY FIREWORKS EVENT

City Manager Malin introduced the item, denoting the history of the beginning of fireworks as part of our Country's history. Fire Chief Dempsey presented the after action report from the July 4th holiday for 2017. He explained the Fire, Police and Public works activity for the day, including the calls for service, responses, citations, contacts as well as the clean-up staffing. He reported there were no structure fires due to fireworks this year. The total fiscal impact, which justifies the surcharge to pay for the enforcement and clean up for the event, was a net cost to the general fund of \$3,282.21. In 2016 there were 10 permits issued, 2017 there were 9 and the gross sales were similar. Mr. Malin spoke to the email and data that was received by Mr. Revel earlier and provided to the Council and public. Mr. Malin explained that there are three main categories of discussion; a potential community fireworks display option, enhanced or innovative enforcement or the continuation of safe & sane fireworks. All of which are related topics, but not necessarily interdependent. He then discussed the fact there are models out there for very successful large community fireworks displays. He acknowledged there is an enthusiasm for Fireworks in the City and by utilizing that enthusiasm; we can have a very successful event. He explained the City Council approved \$20,000 in the FY 17-18 budget and that Bayonet/Blackhorse Golf Course has agreed to host the event and a large community party. He discussed alternatives and options about the event, partnering, revenue discussions, costs, alcoholic beverages, family friendly nature and other options. He then spoke to the challenges with enforcement with current regulations, the difference between illegal use, and safe and sane usage, challenges of enforcing citations, and safety issues. He listed possible options including contracting with other departments for enforcement, increasing fines, adopting a social hosting ordinance, or utilizing technology for enforcement. His concern was that there may be an added expense to these options. Alternately, the Council could ban fireworks which make everything you see illegal. The Council discussed the options.

Mayor Pro Tem Alexander spoke to the past Council discussions and actions and questioned if there is evidence that safe and sane lead to the use of illegals to which staff indicated there is no necessarily direct correlation. Council Member Pacheco presented his comments, speaking to his Town Hall meeting held last month with great attendance and discussion. He spoke to the other cities regulations and other communities reactions after banning fireworks. He spoke in support of a

professional community show, as a positive way to reduce illegals. He spoke to the financial impact that the non-profits make during this event, acknowledging that raising major dollars for their causes is difficult. He believes our enforcement has been ineffective and the issues gets worse every year and believes there has to be an alternative solution. He questioned if fireworks are banned is there any proof that illegals would be reduced to which Police Chief Jackson does not believe that is absolutely correct, however it does provide accessibility. Those using safe and sane, are not necessarily the same as those using illegals. On further questioning, Chief Jackson responded that it's not a resource issue, but a process issue, in that catching in the act and prosecuting is the challenge. The Council discussed incorporating fireworks into our social host ordinance, increasing the fines to encourage enforcement, as long as there is a rational relationship between the crime and the offense, the possibility of making it an administrative citation instead of a criminal citation, and the possibility of using drones to use drones for enforcement and the possibility to have an initiative as a ballot measure for a public to vote.

Council Member Campbell spoke to the current costs to the city, and questioned if the cost of disposal of fireworks evidence was included and also spoke to the issue of benefits to the nonprofits is an issue, but indicated that the most important issue is to minimize the use of illegals. We need to focus our citizens on other, positive things, public displays, parades, and community events so the focus is not on illegal fireworks. The Council also discussed the need for public education as a deterrent.

Mayor Pro Tem Alexander invited comments from the public.

- Resident requested the police department to go door to door for public education and for those that have been known as illegal fireworks users, to have extra visits to their house.
- Pastor Fred Meeks from the Carpenter House spoke to the challenge to raise funds and all the other avenues they use to fundraise. Encouraged crafting a law that can be enforced. They are in support of the regulations to make the community safer.
- Gladys Houston by allowing fireworks, this allows injury to citizens, and takes away legal rights of the citizens to the enjoyment of their property.
- Resident is frustrated that the Police Department cannot intimidate people enough to enforcement.
- Steve Bradford spoke to leaving the City for the holiday because the explosions cause massive disruption. He spoke in support of prohibiting all fireworks and increasing enforcement.
- James Alexander spoke to representing one of the non-profits, and disagrees that there are other equal options for fundraising as this event. He did acknowledge the impacts, but he thinks that the help for the youth in the community and deterring youth from gangs is worth the discomfort.
- John Wizard believes unmanned aircraft might not be the right tool for the job. A point of reference, the FAA has said in their legal findings, they own every mm of airspace, so there are some preemption issues. He suggested, using a regulation that you can use it in a zone, and if out of the zone it's illegal which allow helping police do their job.
- A citizen stated there is no positive correlation between banning safe and sane and reducing illegal fireworks but there is a correlation between banning safe and sane and increasing illegals. He spoke to the positive benefit and the predictability of revenue for his non-profit through the sale of fireworks. He believes that programs and opportunities for youth, that benefit from the program throughout the year is life changing and is more important.
- Paula Duncan Adams spoke to fireworks through the years. This year, there was a ban of fireworks in her neighborhood, by the management and it worked. The fine has to be stiff enough to be a true deterrent. Her neighbors were fearful of being evicted and it worked.
- Dennis Revel from Revel Communications, he has represented TNT Fireworks since 1991 in the state. He spoke to his provided information from the League of CA cities and said that

throughout the state, illegals have reached epic proportion. The public safety cannot be expected to stop what's coming into the state this year and hopes there will be action on a State level to make impacting legislation. The single largest factor is if the State stops the product from coming into the State to start with.

- Felix Bachofner two concepts he shared, agreeing with the Chief that this is a cultural and educational shift that needs to end. Messaging is important, on all levels. He spoke to his solution to disallow safe and sane fireworks, with exceptions of designated spaces.
- Ian Oglesby indicated that the issue is the illegal fireworks, why don't we have zones? If the Council choses to ban all fireworks, give them a time period to allow them notification of when it will stop and suggested designated areas so that the PD can enforce.
- Alice Jordan spoke in support of the impacts of the non-profits and believes that more public outreach is critical to proper compliance.

Public Comment was closed. Mayor Pro Tem Alexander responded to public comments made.

Council Member Pacheco questioned the possibility of designated areas for fireworks, can it be done and what is the length of that process to make it happen. City Attorney Freeman indicated it is possible but would be a project under CEQA requiring a determination which could take us 4-6 months, unchallenged. He also stated that under the current ordinance, we have the ability to issue citations, against the property owners as long as we know its occurring on their property. Council Member Pacheco spoke to the fact that fireworks can be a family and community unifying thing. He requested that at a future meeting to bring forward a portfolio of options for action and suggested we continue to have the fireworks sales for 2018 as well as making the fireworks display an event instead of just a show where you allow and require the firework vendors to volunteer at the event. Make it a two year event minimum, so that if the show is canceled, the City will resume the sale to safe and sane and bring the action to a vote in. Further, enforce the concept of enforcing through social hosting, and increasing or maximizing the penalties and review the possibility of using drones or mechanical mechanism to enforce the law.

Council Member Campbell said that difficulty to enforce the illegal fireworks ordinances is not an excuse to tolerate it. Once it's under control again, we can look at other restrictions. His suggested ideas included sending letters to exiting known offenders and significant public outreach including letters to kids at the end of school, notifying the property owners that their tenancy is at risk is a good thing. It's a matter of the community and the public safety banning together to not tolerate any longer and landlords should be encouraged to put it in their leases. He also requested staff to come back with a menu of options, no later than December.

Mayor Pro Tem Alexander likes that we get input from the community and would also like host of different options. If we ban them, it will allow public safety to see who is doing this illegally. He closed by understanding there is a lot of frustration and spoke in support of the Police and Fire Department responses, who he attested were working diligently over the holiday but we just have to find a better way to enforce that which is illegal.

The Council concurred with the suggestions and requested that a host of solutions be brought back to the Council for action.

7. **ADJOURNMENT**

On motion, the meeting was adjourned at 7:49 PM.

Respectfully submitted,



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 5.B.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services
Lori Merwin, Finance Assistant

DATE: September 21, 2017

SUBJECT: APPROVE AND FILE SUCCESSOR AGENCY CHECKS

PURPOSE

It is requested that the Agency Board approve and file the accounts payable and wired payments made during the period of August 26, 2017 through September 8, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of August 31, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is \$7,721.05.

RECOMMENDATION

It is recommended that the Agency Board approve and file the list of checks linked to this staff report.

BACKGROUND

In accordance with Government Code Section 37208, at each Agency Board meeting the Board 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, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the Agency Board for inspection and confirmation.

A description of the checks and wires exceeding \$10,000.00 is as follows:

There were no checks or wires exceeding \$10,000.00 for the period covering August 26, 2017

through September 8, 2017.

The Checks report is available on the City's website here:
<http://www.ci.seaside.ca.us/194/Check-Draft-Register>

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.: 6.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: September 21, 2017

SUBJECT: APPROVE A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT BETWEEN THE CITY OF SEASIDE AND GLOVER ENTERPRISES, A LOCAL DEVELOPMENT COMPANY FOR THE PURPOSE OF CONSIDERING THE REDEVELOPMENT OF THE NURSES BARRACKS STRUCTURES.

PURPOSE

Enter into an Exclusive Negotiating agreement with Glover Enterprises to consider the redevelopment of the Nurses Barracks buildings located on the Former Fort Ord near the Department of Defense Building Located at Gigling Road and Parker Flats Cutoff Road, allowing adequate time to complete due diligence, negotiate a Purchase and Sale Agreement and to complete certain agreements with the Fort Ord Reuse Authority to allow for early construction.

RECOMMENDATION

Staff Recommends that City Council approve a resolution authorizing the City Manager enter into an Exclusive Negotiating Agreement with Glover Enterprises for the purpose of considering the redevelopment of the Nurses Barracks Structures.

BACKGROUND

On July 11th, Staff received an unsolicited proposal from Glover Enterprises, a local developer, to redevelop the Nurses Barracks Buildings located near the Department of Defense building located at the intersection of Parker Flats Cutoff Road and Gigling Road. This project will create 40 apartments on a property currently owned by the Fort Ord Reuse Authority. The property is expected to transfer to the City of Seaside sometime in late 2018 or early 2019. The Developer would like to purchase ~5 acres of a 70.4 acre site including the area where the two former Nurses Barracks buildings are located.

As outlined in the City's adopted Economic Opportunity Plan, the attached Exclusive Negotiating Agreement (ENA) will provide adequate time for the developer to complete their due diligence, complete any required entitlement actions including CEQA analysis and allow time to negotiate a final sales contract. The developer is also seeking to accelerate the development schedule and to initiate construction as early as possible. The ENA will also allow the City time to develop an agreement with the Fort Ord Reuse Authority to allow early construction of this property.

FISCAL IMPACT

Entering into the ENA will have no Fiscal Impact on the City.

ATTACHMENTS

1. DRAFT ENA
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

EXCLUSIVE NEGOTIATING AGREEMENT

This EXCLUSIVE NEGOTIATING AGREEMENT (this "ENA") is dated as of _____, 20__ (the "Effective Date") and is entered into by and between the CITY OF SEASIDE, a municipal corporation [as successor agency to the Redevelopment Agency of the City of Seaside] (the "City") and Glover Enterprises, a sole proprietorship (the "Developer"). The City and the Developer are sometimes individually referred to as a "Party" and are sometimes collectively referred to as the "Parties."

R E C I T A L S

A. The land in the City of Seaside, California that is generally depicted on the "Site Map" attached hereto as Attachment No. 1 (the "Site"). Currently the land is owned by the Fort Ord Reuse Authority and is anticipated to be transferred to the City of Seaside in 2019. FORA and the City will enter into an agreement allowing the Developer to plan and develop the Project during the transfer process. The City and Developer will also enter into an agreement allowing the Developer to plan and develop the Project during the transfer project. The City, upon Project completion and all final inspections, will issue a Certificate of Occupancy regardless if the title transfer to the City has been completed.

B. The City has received a proposal from Developer for the purchase of 4.98 acres of land on the Site and the renovation of the Nurses' Quarters, Buildings 4386 & 4387, (the "Project").

C. After considering the proposal of the Developer, the City has instructed the City's staff to proceed with this ENA between City and Developer to negotiate with each other on an exclusive basis to establish the terms and conditions of a [Ground Lease] [Disposition and Development Agreement] (the "Agreement") that would result in the Developer's [leasing] [acquisition] and development of the Site (the "Project").

D. The Developer and the City are willing to enter into this ENA setting forth, among other things, the terms pursuant to which the City will negotiate with the Developer on an exclusive basis for a specified period regarding the terms of the Agreement.

E. Through the ENA Period (as defined below), the staff, consultants and attorneys' of the City will devote substantial time and effort in meeting with the Developer and its representatives, reviewing proposals, plans and reports, and negotiating and preparing the terms of this ENA and the Agreement.

NOW, THEREFORE, the Parties hereto agree as follows:

1. The term of this ENA shall commence on the date hereof and shall end on the earlier of: (i) the date that is one (1) calendar year after the date of this ENA, as may be extended by the City Manager under this Section 1, or (ii) the date on which the City terminates this ENA as provided in Section 2 below (the "ENA Period"). Provided that the Developer is not in default under this ENA and the City has not terminated this ENA pursuant to Section 2 below, the ENA period may be extended by the mutual written agreement of Developer and the City Manager of the City (acting for the City) for five (5) calendar months and then for three (3)

calendar months; provided, however, that the City Manager may only grant an extension if: (i) the Developer is not then in default under this ENA (including, without limitation, Section 7 below); (ii) there are no material issues remaining to be resolved with respect to the Agreement; and (iii) the applicable extension is necessary only to complete the CEQA Documents (as defined in Section 8 below) and then obtain City Council approval of the Agreement (which approval may be given or withheld in the City's sole and absolute discretion).

2. The City may terminate this ENA if the Developer should fail to comply with or perform any provisions of this ENA, or if progress is not being made in negotiations hereunder, as determined by City in good faith but in its sole and absolute discretion.

3. If the Developer and the City staff have not fully negotiated and agreed upon the terms of the Agreement prior to the end of the ENA Period, then this ENA shall automatically terminate and, except as expressly provided herein, neither party hereto shall have any further rights or obligations under this ENA. In no event shall any such negotiated Agreement become effective unless duly approved by the City board after compliance with the California Environmental Quality Act and all other applicable laws.

4. During the ENA Period (as extended under Section 1, if applicable), the City shall not negotiate with any person or entity other than the Developer for the sale, lease or development of the Site.

5. The Developer shall deliver the materials and information identified on Attachment No. 2 attached hereto to the City within the times set forth on Attachment No. 2. At the beginning of each calendar month during the ENA Period (as extended under Section 1, if applicable), Developer shall provide a written report to the City describing in reasonable detail the Developer's activities with respect to the Project during the preceding calendar month.

6. During the ENA Period (as extended under Section 1, if applicable), the City shall use good faith efforts to complete (or cause to be completed) the matters set forth in Attachment No. 4 attached hereto. No list of matters attached.

7. Developer shall reimburse City for its actual out-of-pocket costs and expenses (including legal fees and costs) incurred in preparing this ENA and fulfilling its obligations under this ENA from the date hereof, including, but not limited to: (i) the cost of developing, reviewing and processing any general plan amendments and/or specific plan amendments for the Site; (ii) the cost of preparing, reviewing and processing the CEQA Documents (as defined in Section 8 below); (iii) the costs of staff review of Developer submittals and the costs of consultants retained by City in connection with the Agreement or Project (including, without limitation, attorneys' fees and costs) at the rates set forth on Attachment No. 4; and (iv) the cost of negotiation and preparing the Agreement (collectively, the "Reimbursable Costs"). Concurrently with its execution of this ENA, Developer shall deposit with the City the sum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) and on or before the date that is six (6) calendar months after the date of this ENA, Developer shall deposit with City an additional Twenty Thousand and No/100 Dollars (\$20,000) (the "Reimbursement Funds"). The Reimbursement Funds may be used and applied from time to time by the City to pay itself for Reimbursable Costs not otherwise paid or reimbursed by the Developer. The Developer shall deposit with the City funds sufficient to replenish the Reimbursement Funds held by City within ten (10) days after written demand by the City with a description of the costs

paid from the Reimbursement Funds (unless previously described in writing to Developer). Any remaining amount of the Reimbursement Funds shall be delivered to the Developer (along with a final accounting of the City's application of the Reimbursement Funds) within thirty (30) business days after the earlier of: (i) the execution of the Agreement by the Parties, or (ii) the termination of this ENA. The provisions of this Section shall survive the expiration or earlier termination of this ENA. Notwithstanding anything to the contrary in this ENA, express or implied, City shall have the right in its sole and absolute discretion to cease evaluation of submittals relating to the Project, stop any other staff work and/or work of its consultants and stop negotiating or discussing the Project and/or Agreement, in whole or in part, in the event that City determines that the sums then on deposit with City are not sufficient to pay for all of the projected/established Reimbursable Costs projected/estimated by City.

8. The City and Developer acknowledge that all applicable requirements of the California Environmental Quality Act ("CEQA") must be met in order to execute and deliver the Agreement and develop the Site and that this may require an environmental impact report, supplemental environmental impact report and/or other reports or analyses for CEQA purposes (collectively, the "CEQA Documents"). The Developer will, at its cost, fully cooperate with the City in the City's preparation of the CEQA Documents as the lead agency for the CEQA Documents.

9. Developer acknowledges that (a) if the Site or any portion thereof was part of the former Fort Ord, prevailing wages shall be paid in connection with the development of and construction on the Site by Developer (and any transferee of Developer) pursuant to Section 2(a) of the Implementation Agreement between City of Seaside and the Fort Ord Reuse Authority and Section 3.03.090 of the Fort Ord Reuse Authority Master Resolution described therein; and (b) prevailing wages may otherwise be required to be paid if the City provides any financial assistance to the Developer in connection with the Project.

10. Developer acknowledges that Developer shall be required to comply with (and to cause its contractors, subcontractors, tenants to comply with) the City's Local First Source Recruitment Policy, a copy of which is available from City staff, and to give preference to contractors in the City and then to contractors in the County.

11. The Developer shall bear all costs and expenses of any and all title, environmental, physical, engineering, financial, and feasibility investigations, reports and analyses and other analyses or activities performed by or for the Developer.

12. The Developer and the City understand and agree that neither Party is under any obligation whatsoever to enter into a Agreement. In the event of the expiration or earlier termination of this ENA, the City shall be free at the City's option to negotiate with any persons or entities with respect to the sale, lease and development of the Site.

13. The Developer shall indemnify, defend, and hold the City and City harmless from any and all costs, expenses, losses, claims, liabilities, damages and causes of action arising out of Developer's entering into or performing this ENA and/or Developer's failure to perform any obligation of Developer under this ENA. The Developer's obligations under the preceding sentence shall survive the expiration or earlier termination of this ENA.

14. The Developer represents and warrants that its undertakings pursuant to this ENA are for the purpose of development of the Site and not for speculation in land, and the Developer

recognizes that, in view of the importance of the redevelopment of the Site to the general welfare of the community, the qualifications and identity of the Developer and its principals are of particular concern to the City; therefore, this ENA may not be assigned by the Developer without the prior express written consent of the City in its sole and absolute discretion.

15. Any notice, request, approval or other communication to be provided by one Party to the other shall be in writing and provided by certified mail, return receipt requested, or a reputable overnight delivery service (such as Federal Express) and addressed as follows:

If to the Developer:

Glover Enterprises
P.O. Box 957
Seaside, CA 93955

If to the City:

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

Notices shall be deemed delivered: (i) if sent by certified mail, then upon the date of delivery or attempted delivery shown on the return receipt; or (ii) if delivered by overnight delivery service, then one (1) business day after delivery to the service as shown by records of the service.

16. For purposes of the negotiations contemplated by this ENA, the Developer's representative shall be Alfred P. Glover (Phone: (831) 596-7454; Email: (APG06@aol.com)) and the City's representative shall be Kurt Overmeyer (Phone: (831) 899-6839; Email: kovermeyer@ci.seaside.ca.us).

17. This ENA constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof. There are no agreements or understandings between the Parties and no representations by either Party to the other as an inducement to enter into this ENA, except as expressly set forth herein. All prior negotiations between the Parties are superseded by this ENA. Neither the City nor its officers, members, staff or agents have made any representations, warranties or promises to the Developer other than as expressly set forth herein.

18. This ENA may not be altered, amended or modified except by a writing duly approved and executed by all Parties.

19. If any Party should bring any legal action or proceeding relating to this agreement or to enforce any provision hereof, or if the Parties agree to arbitration or mediation relating to this ENA, the Party in whose favor a judgment or decision is rendered shall be entitled to recover reasonable attorneys' fees and expenses from the other. The Parties agree that any legal action or proceeding or agreed-upon arbitration or mediation shall be filed in and shall occur in the County of Monterey.

20. The interpretation and enforcement of this ENA shall be governed by the laws of the State of California.

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

22. This ENA may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same ENA.

IN WITNESS WHEREOF, the Parties hereto have executed this ENA as of the day and year first written above.

CITY:

CITY OF SEASIDE

By: _____

Mayor

Attest:

City Clerk

DEVELOPER:

_____,
a _____

By: _____
Print Name: _____
Title: _____

ATTACHMENT NO. 1

SITE MAP

(Attached.)

Standard Form

ATTACHMENT NO. 2

SPECIFIC DEVELOPER TASKS

1. Within One (1) calendar month after the date of this ENA, Developer shall deliver the following items for City staff review and approval:
 - i) Preliminary site plan and revised architectural concept drawings identifying the location, general configuration traffic circulation, and proposed design characteristics of the Project.
 - ii) Conceptual development program (“Development Program”) for the Project that include a breakdown of the proposed scope of development including a range of building square feet by land use and acreage by land use, improvements, approximate number and mix of any residential units, , and other general uses.
 - iii) Demonstrate the marketability of the proposed conceptual development program. If appropriate, any findings may be used to modify and refine the development concept.
2. Within three (3) calendar months after the date of this ENA, Developer and City staff shall determine the likely type and schedule for obtaining entitlements necessary for construction of the Project including, but not limited to, discretionary permits.
3. Within three (3) calendar months after the date of this ENA, Developer shall deliver to City for City staff review and approval, a preliminary financing plan for the proposed Project.
4. Within three (3) calendar months after the date of this ENA, Developer shall submit to City a schedule of development setting forth the proposed timetable for the commencement, substantial completion and final completion of the Project (the “Development Schedule”).
5. Within Three (3) calendar months after the date of this ENA, Developer shall obtain and review a preliminary report for the Site from a title company selected by Developer and copies of the documents listed as title exceptions therein and shall deliver copies of the reports and documents to City together with a written description of any objections Developer may have to any of the title exceptions (and the rationale for the objections), it being understood that Developer shall have the right under the Agreement to perform/obtain an ALTA survey at Developer’s cost and reasonably object to items (and locations of title exceptions) disclosed by such survey.

Prior to execution of the Agreement, 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. 3

SPECIFIC CITY TASKS

1. Within thirty (30) days after the Effective Date, City shall provide to Developer copies of all currently existing plans, studies and other written information regarding the Site in the possession of the City, to the extent not previously delivered to Developer and to the extent material to the Project. Thereafter, the City shall promptly provide to Developer within ten (10) days after receipt thereof copies of all plans, studies and other written information material to the Project which are received by the City.
2. 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 and copies of all executed contracts provided to Developer..
3. Within three (3) months after the date of this ENA, Developer and City staff shall determine the likely type and schedule for obtaining entitlements necessary for construction of the Project including, but not limited to, the Discretionary Permits.
4. City shall use good faith efforts to diligently prepare and process the required CEQA Documents. City agrees to submit a CEQA status report to the Developer monthly during the term of this ENA or as mutually determined by the Parties.
5. City and City staff will review the Developer's development application and other submissions in a timely manner.
6. On or before October 31, City shall provide an initial draft of the Agreement to Developer and shall thereafter revise the draft Agreement to the extent reasonably permitted by the Agreement negotiations.
7. No consents, approvals or comments by City staff or 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 Agreement; (iii) the City's governmental rights, powers and obligations.
8. 8. City and City staff shall work with Developer to expedite any appraisals, reports, plan checks and required permits to ensure Developer's time schedule stays on track.

ATTACHMENT NO. 4

STAFF HOURLY RATES

(Attached.)

Standard Form



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 7.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: September 21, 2017

**SUBJECT: CONDUCT A STUDY SESSION TO CONSIDER SHORT-TERM
RENTAL ISSUES**

PURPOSE

The purpose of this item is to provide the City Council a presentation on the short term rental issue in the City of Seaside and to provide an opportunity to discuss, consider and provide direction to staff on this issue.

RECOMMENDATION

It is recommended that the City Council receive the presentation, take public input, consider and discuss the issues and potential regulatory solutions and provide direction to staff.

BACKGROUND

Short term rentals have been increasing everywhere, including in the City of Seaside. With increased short term rentals, there are issues the City will need to consider. The presentation will try to set out the issues the City Council may want to consider.

As most of us are aware, AirBnB and 100's of vacation rental websites have turned vacation rentals into a booming underground economy. The 2016 estimate is that there are 5 million short-term rental properties.

In Seaside there were approximately 135 rental properties listed on vacation websites in August 2017. This is an 85% increase over the 73 properties listed as of April 2016.

The positive economic impact of these short term rentals may be:

- 1) The rental income received by property owners;
- 2) Transient Occupancy Tax collections for the City; and
- 3) Sales Tax generated by tourists spending money in Seaside.

An estimate of this revenue stream based on the assumption that each Seaside property rents one room at \$100 per night, 5 nights per month follows:

- Short-term rental income to each property owner = \$6,000 per year
- Transient Occupancy Tax at 12% = \$720 per year per property or \$97,200 per year to the City for all short-term rental properties
- City of Seaside share of Sales and Transaction Tax at 2.5% = \$7,500
- Permit fees at \$250 per year per property = \$33,750
- Permit application fees at \$300 per property = \$40,500

However, there are problems that may occur with short-term rentals (STRs):

1. Conversion of long-term rentals into STRs can affect housing availability;
2. STRs may have an impact on parking availability;
3. Increased tourism can change the neighborhood character;
4. Visitors don't always know (or follow) local rules;
5. Short-term renters may not care about keeping good neighborly relations;
6. Increased occupancy can have negative trash related side-effects;
7. Unfair competition from STRs could cause hotel job losses;
8. Other concerns?

Regulating short-term rentals is complicated and challenging. Effective short-term rentals regulation starts with policy objectives and an understanding of which regulatory requirements can be enforced. It is important to keep it simple for property owners to comply with the regulations. Most property owners want to be in compliance, however, the experiences of other agencies indicates that if the regulations are too complex, property owners do not comply.

Examples of possible policy objectives:

- a) Ensure any regulation or lack of regulation of short-term rentals does not negatively affect property values and related property tax revenue.
- b) Ensure that homes are not turned into “party houses.”
- c) Minimize the noise, trash and parking problems sometimes associated with short-term rentals without creating additional work for the local police department.
- d) Give permanent residents the option to utilize their properties to generate income from short-term rentals as long as all City permitting and policy objectives are met.
- e) Maintain affordable housing options by ensuring that no long-term rental properties are converted into short-term rentals.
- f) Tax short term rentals in the same way as traditional lodging to ensure a level playing field and to maintain local service jobs.
- g) Encourage additional tourism to increase business in local stores and restaurants.
- h) Other policy objectives?

Possible Seaside policy objectives to be considered:

- Reduce noise, parking, and trash-problems
- Eliminate party houses
- Ensure building safety
- Reduce the STR’s negative impact on affordable housing availability

- Permit and tax compliance to increase tax revenue
- Send a clear message to citizens that the city takes the STR problems seriously
- Others the City Council may want to consider

Some viable regulatory approaches to managing short-term rentals:

A. Adopt a formal annual permitting process with some or all of the following requirements:

1. Off street parking equal to the number of bedrooms to be occupied
2. Limit the number of people in a short-term rental property, such as no more than 4
3. Revocation of a permit if three verifiable complaints are received in a one year period
4. Safety inspection by fire and building
5. Quota on number of permits issued each year, such as no more than 200 properties
6. Permit can only be issued to permanent residents
7. No "vacation rental" signs can be posted at a residence

B. Establish fines for non-compliance, such as renting without a permit or other non compliance

- \$200 a day for first violation;
- \$400 a day for second violation;
- \$650 a day for third violation;
- Suspension of a permit for 4th violation.

FISCAL IMPACT

The presentation considers the possibility of new Transient Occupancy Tax, Sales Tax, Permit Fee and Application Fee revenues for the City to be collected from short-term rentals.

ATTACHMENTS

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager