

AGENDA
REGULAR MEETING OF THE
CITY OF KING CITY COUNCIL
AND
Sitting as SUCCESSOR AGENCY OF
THE RDA FOR THE CITY OF KING

TUESDAY AUGUST 22, 2017
6:00 P.M.

CITY HALL
212 S. VANDERHURST AVENUE
KING CITY, CALIFORNIA 93930

**Spanish interpretation services will be available at meeting*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, Please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

** Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

1. **CALL TO ORDER**
2. **ROLL CALL:** Council Members Darlene Acosta, Robert Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, and Mayor Mike LeBarre
3. **FLAG SALUTE**
4. **CLOSED SESSION ANNOUNCEMENTS**
5. **SPECIAL PRESENTATIONS**
 - A. Jacob's Heart Proclamation accepted by Anabel Diaz
 - B. Commendation Honoring Ray and Martha De Hoyos

6. PUBLIC COMMENT

Any member of the public may address the Council for a period not to exceed *three minutes'* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.

7. COUNCIL COMMUNICATIONS & COMMITTEE REPORTS

Individual Council Members may comment on Council business, his or her Council activities, City operations, projects or other items of community interest. Council Members may also request staff to report back at a subsequent meeting on any matter or take action to direct staff to prepare a staff report for a future agenda.

8. STAFF COMMUNICATIONS

Comments presented by the City Manager, City Attorney or other staff on City business and/or announcements.

9. CONSENT AGENDA

The following items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Members of the audience may speak on any item(s) listed on the Consent Agenda. Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion. The Council may approve the remainder of the Consent Agenda on one motion. Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

- A. Meeting Minutes of August 8, 2017 Council Meeting
Recommendation: approve and file.
- B. City Monthly Treasurer's Report- June 2017
Recommendation: approve and file.
- C. City Monthly Treasurer's Report- July 2017
Recommendation: approve and file.
- D. Successor Agency Monthly Treasurer's Report- June 2017
Recommendation: approve and file.
- E. Successor Agency Monthly Treasurer's Report- July 2017
Recommendation: approve and file.
- F. Public Financing Authority Monthly Treasurer's Report- June 2017
Recommendation: approve and file.
- G. Public Financing Authority Monthly Treasurer's Report- July 2017
Recommendation: approve and file.
- H. City Check Register
Recommendation: approve and file.
- I. Successor Agency Register
Recommendation: approve and file.
- J. Public Financing Authority Register
Recommendation: approve and file.
- K. Consideration: Amendment to KCPOA Agreement Regarding Work Week Hours
Recommendation: approve agreement and resolution to change KCPOA MOU Article II, Section 4 Workday.
- L. Consideration: Amendment to Façade Enhancement Grant Program Guidelines
Recommendation: adopt a Resolution amending the Façade Enhancement Grant Program guidelines to allow 20% of funds to be advanced on improvements.

- M. Consideration: An Ordinance of the City Council of the City of King Amending Chapter 17.03 of Title 17 of the King City Municipal Code Pertaining to Commercial Cannabis Activity; Amending Chapter 17.30 of Title 17 of the King City Municipal Code Pertaining to M-1 Industrial District; And Amending Chapter 17.31 of Title 17 of The King City Municipal Code Pertaining to M-2 Industrial District; an Ordinance Amending Section D.3(G) of Chapter 4 (Development Standards) of the East Ranch Business Park Specific Plan for the Purpose of Adding Additional Commercial Cannabis Uses; and findings related to the California Environmental Quality Act
 Recommendation: 1) review and consider proposed Ordinances; 2) conduct the Public Hearing for Second Reading of Ordinance(s) by title only; and 3) adopt Ordinances with Findings of CEQA Exemption.
- N. Consideration: Membership in Association of California Cities Allied with Public Safety (ACCAPS)
 Recommendation: approve City membership in the Association of California Cities Allied with Public Safety (ACCAPS).
- O. Consideration: Notice of Completion King City Energy Innovation Project
 Recommendation: 1) approve Resolution No. 2017-4600 accepting completion of the King City Street Project; 2) authorize City Manager to execute and file a Notice of Completion with the Monterey County Recorder's Office; 3) authorize City Manager to execute Certificate of Final Completion; and 4) approve releasing the retention and pay Final Progress Payment No. 4.
- P. Consideration: Flashing Crosswalk Warning Sign Project
 Recommendation: appropriate \$9,000 for the City's share of costs to install two flashing warning signs on Broadway Street at Canal Street for the crosswalk serving King City High School.
- Q. Consideration: Airport T-Hangar Settlement Agreement and Mutual Release
 Recommendation: 1) approve and authorize the Mayor to execute a Settlement Agreement and Mutual Release with Jack Paquin regarding Mesa Del Rey Airport T-hangar rental fees; and 2) authorize the City Manager to make any necessary non-substantive changes approved as to form by the City Attorney.

10. PUBLIC HEARINGS

None

11. REGULAR BUSINESS

- A. Consideration: District Watch Activities and Meetings
 Recommendation: approve staff's recommended strategies for future District Watch activities and meetings.
- B. Consideration: Community Development Block Grant (CDBG) Process and Funding Goals

Recommendation: 1) receive public input; 2) direct staff to prepare for Council consideration a CDBG application requesting up to \$4,400,000 for sidewalk improvements, \$500,000 for the ProYouth after-school expanded learning program, and \$100,000 for environmental review for the proposed Wastewater Treatment Plan Upgrade project; and 3) schedule the second Public Hearing for the November 14, 2017 meeting.

12. CITY COUNCIL CLOSED SESSION

Announcement(s) of any reportable action(s) taken in Closed Session will be made in open session, and repeated at the beginning of the next Regular City Council meeting as this portion of the meeting is not recorded.

1. Liability Claims, by Katherine Dutton
Claim against City of King
Gov. Code Section: 54956.95

13. ADJOURNMENT

City of King

Proclamation

*Honoring Jacob's Heart Children's Cancer Support Services and
Declaration of Childhood Cancer Awareness Month*

WHEREAS, each day 42 children in the United States are diagnosed with cancer and more than 40,000 children undergo treatment for cancer each year; and

WHEREAS, cancer remains the leading cause of death by disease among children, more than asthma, diabetes, cystic fibrosis, congenital anomalies, and AIDS combined; and

WHEREAS, families of children with cancer in the City of King City receive essential services from Jacob's Heart Children's Cancer Support Services, a local organization that has gained national awards and recognition for improving the quality of life for hundreds of local children with cancer and thousands of family members; and

WHEREAS, Jacob's Heart holds the memories and honors legacies of hundreds of children from our local community who have been lost to cancer, ensuring that their precious memories will never be forgotten; and

WHEREAS, the oncology department at Lucile Packard Children's Hospital at Stanford has worked closely with Jacob's Heart for the past 19 years as a trusted community partner in providing family-centered care that addresses the emotional, practical and financial struggles of families of children with cancer in King City; and

WHEREAS, it is important for all King City residents to recognize the impact of pediatric cancer on families within our community and honor the lives of children in our community whose lives have been cut short by cancer; and

NOW, THEREFORE, I, Mike LeBarre, Mayor of King City, do hereby declare September as Childhood Cancer Awareness Month in the City of King City and do hereby honor Jacob's Heart Children's Cancer Support Services for 19 years of outstanding support to our community and acknowledge the organization's contributions to Childhood Cancer Awareness Month, honoring children with cancer in our community.

Mike LeBarre
Mayor

City of King

COMMENDATION

Honoring Ray and Martha De Hoyos

Whereas, in 1980, Ray and Martha De Hoyos opened Ray's Garage; and

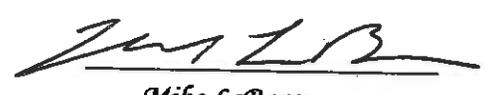
Whereas, Ray's Garage provided general auto repair services; and

Whereas, Ray's Garage services many cars and trucks for people in King City and the surrounding community; and

Whereas, Ray's Garage has been a valued business serving the community and providing important jobs and services for many years; and

Whereas, after 37 years of owning and operating Ray's Garage, Mr. & Mrs De Hoyos are retiring;

NOW, THEREFORE, BE IT HEREBY PROCLAIMED that the City Council of the City of King appreciates the De Hoyos for operating their friendly, family owned business in King City for 37 years and congratulates them on their well-deserved retirement.



*Mike LeBarre
Mayor*

**City Council Meeting
August 8, 2017**

1. CALL TO ORDER:

Regular Meeting called to order at 6:01pm by Mayor LeBarre.

2. FLAG SALUTE:

The flag salute was led by Council Member DeLeon.

3. ROLL CALL:

City Manager Adams conducted roll call.

City Council: Darlene Acosta, Robert Cullen, Carlos DeLeon, Mayor Michael LeBarre,
Mayor Pro Tem Carlos Victoria.

City Staff: City Manager Steven Adams, City Attorney Shannon Chaffin, Recreation
Coordinator, Andrea Wasson, City Engineer, Octavio Hurtado, Admin.
Asst./Deputy City Clerk, Erica Sonne

4. CLOSED SESSION ANNOUNCEMENTS:

None

5. PRESENTATIONS:

- A. Commendation Honoring Alex Arce, Mayor LeBarre presented a commendation for retiring from 35 years in business.
- B. West Coast Barrel Racing Association – Taylor Nahrgang gave some background on barrel racing and West Coast Barrel Racing. They host the yearend finals on Labor Day weekend in King City for the 2nd year. They are looking for a forever home and will need to use the park and possibly the golf course to park trailers.
- C. Chamber of Commerce Update – T.J. Plew gave an update on the Chamber of Commerce.

6. PUBLIC COMMUNICATIONS:

Matthew Arnett promoted sports and having them announced on the radio. He feels the City should invest in 4 spots on the radio.

7. COUNCIL COMMUNICATIONS:

Council Member DeLeon nothing to report.

Council Member Acosta thanked members of King City for coming out to welcome the victims center. She will be attending 4 Cities 4 Peace tomorrow. She had a bad weekend as well as her neighbors with illegal fireworks and she feels it should be address.

Mayor Pro Tem Victoria drove by King City high school today and saw the probation officer on campus which made him feel a since of accomplishment getting an officer on campus.

Council Member Cullen went to do a site visit at the ag employee housing he was really impressed. He congratulated staff on a successful National Night out. He appreciated having the fire house as the major location for information and handouts. He and Council Member Acosta attended the retreat for Salinas Valley Solid Waste Authority, they are looking into a new transfer station as it is currently in a bad location. August 24 Hunter Liggett is having their Community Expo, he would like to see a representative from the City to go attend as he has represented the Chamber of Commerce as well as the City in the past. July 26th United Way gave a presentation. He gave out handouts of Impact Monterey County listing all the services that United Way provides. He explained 211 that the United Way has cards printed out for the community to have. United Way is a partner in the Monterey Bay Housing Trust who partnerships with Silicon Valley Housing Trust who puts up \$4 for every \$1 then they partnered with CHISPA and did a housing project in Castroville. Council Member Cullen would like to do something like that in King City.

Mayor LeBarre stated he was approached by Soledad Mayor Ledezma to join Association of California Cities Allied with Public Safety (ACCAPS) it is a non-profit organization which was established in 1988 by a core group of cities in California that had State prisons, community correctional facilities, or medical/mental health correctional institutions within their municipal jurisdiction. Mayor LeBarre would like to have it put on the consent agenda the next meeting. Consensus by the council to put it on.

Mayor LeBarre handed out his monthly schedule for August 2017. He highlighted United Ag ribbon cutting in Salinas was on August 3rd and Leadership Council on August 31st. Mayor LeBarre appreciates everything staff has been doing.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Adams stated that there is a ribbon cutting at 10a.m. for Measure X funds at Haven Dr., Vivian Ave. and Carlson Ave. Currently staff is preparing for the next round of Community Development Block Grant (CDBG). Public Hearing will take place tomorrow night at 5:30p.m. The City did not receive the RSTP Street Scape Grant for the street scape work. Looking at a plan to flip flop the projects and use the matching funds could move forward with the Plaza project.

Attorney Chaffin stated that there are supplemental information for items 9(G) and 9(L).

9. CONSENT AGENDA

- A. Meeting Minutes of July 11, 2017 Council Meeting
- B. Meeting Minutes of July 11, 2017 Council Special Meeting
- C. City Check Register
- D. Consideration: Resolution Establishing Rental Fee for the Use of City Park by Salinas Valley Fair for a Special Event August 30 – September 3, 2017
- E. Consideration: Appropriation and Permit Fee Waiver for Sun Street Centers One-Stop Center for Re-Entry Services
- F. Consideration: Notice of Completion – 2017 King City Street Project
- G. Consideration: Notice of Completion – King City Forden Park Project
- H. Consideration: Appropriation for Refuse Franchise Agreement Contract Administration
- I. Consideration: Contract Services for Plan Review and Inspection of Cannabis Projects
- J. Consideration: Appropriation for City Hall Carpet and Flooring
- K. Consideration: Supplemental Appropriation for Legal Services
- L. Consideration: Purchase and Sale Agreement for Sale of City Parcel Number 026-381-001 Located East of Jayne Street

Council Member Acosta pulled Item 9(E).

Karen Jernigan spoke on item C check register, she is concerned about the payment that went out to Opterra. She wants to remind Council that Opterra promised to make good on their contract. She is reminding the City Attorney to look at that contract.

Action: Motion to approve consent agenda Item A -D and F-L by Victoria and seconded by Cullen.

AYES: Council Members: Mayor LeBarre, Acosta, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Council Member Acosta recused herself for Item 9(E) because she is employed by Sun street centers. She left the Council Chambers.

Action: Motion to approve consent agenda Item 9(E) by Cullen and seconded by Victoria.

AYES: Council Members: Mayor LeBarre, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members: Acosta,

ABSTAIN: Council Members:

Council Member Acosta returned to the Council Chambers.

10. PUBLIC HEARINGS:

- A. Consideration: Introduction and First Reading of an Ordinance Amending Chapter 17.03 of Title 17 of The King City Municipal Code Pertaining To Commercial Cannabis Activity; Amending Chapter 17.30 of Title 17 of The King City Municipal Code Pertaining to M-1 Industrial District; Amending Chapter 17.31 of Title 17 of The King City Municipal Code Pertaining to M-2 Industrial District; and Introduction of an Ordinance Amending Section D.3(G) of Chapter 4 (Development Standards) of the East Ranch Business Park Specific Plan for the Purpose of Adding Additional Commercial Cannabis Use.

Principal Planner Scott Bruce introduced this item.

City Attorney Chaffin stated that this is a fast moving and changing item and they will continue to monitor this for changes from the state.

Mayor LeBarre opened the public hearing,

Brandon Gesicki, stated that the City Attorney and staff did a great job and thanked them.

Mayor LeBarre closed the public hearing.

Mayor LeBarre read the title of the ordinance into the record for the first reading.

Action: Motion scheduling second reading and for Council action for the August 22, 2017 meeting by DeLeon and seconded by Victoria.

AYES: Council Members: Mayor LeBarre, Acosta, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

11. REGULAR BUSINESS:

- A. Consideration: Agreement with Pilot Power Group, Inc. for Feasibility and Technical Analysis of Forming a Local Community Choice Aggregation Program
Recommendation: 1) approve and authorize the City Manager to execute the attached agreement (Exhibit 1) with Pilot Power Group, Inc. to prepare a feasibility and technical analysis for forming a local community choice aggregation (CCA) program; and 2) authorize the City Manager to make non-substantive changes to the agreement as approved to form by the City Attorney.

City Manager Adams introduced this item showing a power point.
He ask Ms. Boswell to speak to the formation of a CCA.

Barbara Boswell has background from Lancaster CCA. She was part of the selection committee, doing interviews and selection of Pilot Power Inc. She spoke about the call center staff, scripts are written up so the costumer can speak to someone on their first call and get an answer. They average 20 calls per day in the beginning tapering off to maybe a call a month.

Kelly Foley, Pilot Power, she introduced Denis Vermette, President of Pilot Power continuing on with a presentation with a power point explaining that Pilot Power is a Comprehensive Energy Service Provider. She introduced Answering 365 Bilingual Call Center and Justin Hitchcock, Grid Alternative, Renewable Energy and Job Training for Underserved Communities. Mr. Hitchcock introduced Daisy Alvarez who has had a good experience with Grid Alternative. They would be working as a team for King City to run their own CCA. Ms. Foley went over the data of base line performance.

Denis Vermette, President of Pilot Power thanked the Council for the time.

Action: Motion to 1) approve and authorize the City Manager to execute the attached agreement (Exhibit 1) with Pilot Power Group, Inc. to prepare a feasibility and technical analysis for forming a local community choice aggregation (CCA) program; and 2) authorize the City Manager to make non-substantive changes to the agreement as approved to form by the City Attorney by Cullen and seconded by Victoria.

AYES: Council Members: Mayor LeBarre, Acosta, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

- B. Consideration: Designation of Parking Spaces for Itinerant Vendors on Bedford Avenue at San Lorenzo Park
Recommendation: provide staff direction regarding designation of parking spaces on Bedford Avenue for itinerant vendors at San Antonio Park.

City Manager Adams introduced this item.

Council is in consensus on three spaces at San Antonio Park and consider other parks at a later date as they come in.

Action: Motion to move forward with designation of 3 parking spaces on Bedford Avenue for itinerant vendors at San Antonio Park by Council Member DeLeon seconded by Council Member Victoria.

AYES: Council Members: Mayor LeBarre, Acosta, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

ADJOURNMENT:

There being no further business to come before the City Council, Mayor LeBarre adjourned the regular meeting at 8:22pm to regular closed session meeting with the Mayor reading in the closed session items.

1. Liability Claims, by Donald Miller
Claim against City of King
Gov. Code Section: 54956.95
2. Conference with Legal Counsel – Existing Litigation
(Pursuant to Government Code, § 54956.9(d)(1)
Christopher Craig v. City of King, Monterey County Superior Court
Case No. 16CV001538
3. Worker's Compensation Claim by Bobby Carrillo against the City of King (Claim
Number: 130800018) Government Code Section 54956.95
4. Liability Claims, by Katherine Dutton
Claim against City of King
Gov. Code Section: 54956.95

Approved Signatures:

Mayor, Michael LeBarre
City of King

City Clerk, Steven Adams
City of King



Item No. 9(B)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT – JUNE 2017

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The City currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office. The City's housing rehab account is held at 1st Capital Bank, and the City's checking and payroll accounts, as well as developer deposits, are held at Well Fargo Bank, located at 506 Broadway, King City, CA 93930. A summary of investments and returns for the City is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL
MONTHLY TREASURER'S REPORT – JUNE 2017
AUGUST 22, 2017
PAGE 2 OF 2**

ALTERNATIVES:

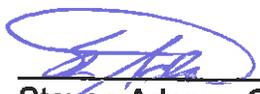
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
June 30, 2017

| Investment Instrument | | Yield | Amount | Maturity | Value |
|---|-----------------------------|-------|---------------------|-----------|-------|
| Invested by City Treasurer | | | | | |
| Institution | Investment Type | | | | |
| State of California LAIF - City | Pooled | 0.92% | 2,267,522.74 | On Demand | N/R |
| 1st Capital Bank | Checking Acct Housing Rehab | - | 91,920.07 | On Demand | N/R |
| Wells Fargo Bank | General Checking | - | 4,033,554.94 | On Demand | N/R |
| Wells Fargo Bank | Payroll Checking Account | - | 24,020.35 | On Demand | N/R |
| Petty Cash-City Hall/Change Fund | Change Cash Drawer | - | 500.00 | On Demand | N/R |
| Invested by City Treasurer (Subtotal): | | | 6,417,518.10 | | |
| Total Cash and Investments | | | 6,417,518.10 | | |

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 08/22/2017. Cash flow liquidity is still limited.

SIGNED:  _____
City Treasurer



Item No. 9(C)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT – JULY 2017

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The City currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office. The City's housing rehab account is held at 1st Capital Bank, and the City's checking and payroll accounts, as well as developer deposits, are held at Well Fargo Bank, located at 506 Broadway, King City, CA 93930. A summary of investments and returns for the City is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL
MONTHLY TREASURER'S REPORT – JULY 2017
AUGUST 22, 2017
PAGE 2 OF 2**

ALTERNATIVES:

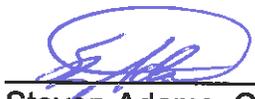
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
July 31, 2017

| Investment Instrument | | Yield | Amount | Maturity | Value |
|---|-----------------------------|-------|---------------------|-----------|-------|
| Invested by City Treasurer | | | | | |
| Institution | Investment Type | | | | |
| State of California LAIF - City | Pooled | 0.92% | 2,272,744.53 | On Demand | N/R |
| 1st Capital Bank | Checking Acct Housing Rehab | - | 91,920.07 | On Demand | N/R |
| Wells Fargo Bank | General Checking | - | 2,687,045.99 | On Demand | N/R |
| Wells Fargo Bank | Payroll Checking Account | - | 23,728.55 | On Demand | N/R |
| Petty Cash-City Hall/Change Fund | Change Cash Drawer | | 500.00 | On Demand | N/R |
| Invested by City Treasurer (Subtotal): | | | 5,075,939.14 | | |
| Total Cash and Investments | | | 5,075,939.14 | | |

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 08/22/2017. Cash flow liquidity is still limited.

SIGNED:  _____
City Treasurer



Item No. 9(D)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
**RE: CONSIDERATION OF SUCCESSOR AGENCY MONTHLY
TREASURER'S REPORT – JUNE 2017**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds, including successor agencies. The Successor Agency invests its bond proceeds in US Treasury obligations. All bond reserve funds are held by one bond trustee, U.S. Bank, and invested in accordance with the trustee agreement. The Successor Agency has three tax allocation bonds (TABs) issued. Yield, maturity and investment amount (proceeds) are itemized on the Successor Agency Schedule of Cash and Investments for the Agency.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/SUCCESSOR AGENCY
SA MONTHLY TREASURER'S REPORT – JUNE 2017
AUGUST 22, 2017
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

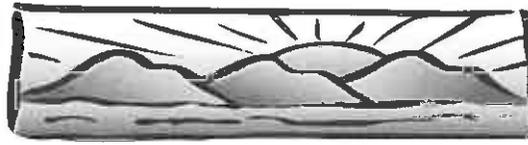
City of King
Investment Report
Schedule of Cash and Investments
June 30, 2017

| Investment Instrument | | Yield | Amount | Maturity | Value |
|---|--------------------------|-------|--------------|-----------|--------------|
| Invested by City Treasurer | | | | | |
| Institution | Investment Type | | | | |
| Wells Fargo Bank | SA Checking Account | | 1,991,505.37 | On Demand | N/R |
| Invested by City Treasurer (Subtotal): | | | 1,991,505.37 | | |
| Invested by Trustees (as of June Statements) | | | | | |
| Bond Reserves (1) | | | | | |
| <u>U.S. Bank - 2011 TARB</u> | | | | | |
| US Bank Money Market Ct | Escrow Fund #5050 | 0.00% | 5,901,800.27 | 8/1/2034 | 5,901,800.27 |
| <u>U.S. Bank - 2016 A & B TARB</u> | | | | | |
| US Bank Money Market Ct | Debt Service Fund #5000 | 0.00% | 0.00 | 3/31/2025 | 0.00 |
| US Bank Money Market Ct | Interest Account #5001 | 0.10% | 9,230.00 | 3/31/2025 | 9,230.00 |
| US Bank Money Market Ct | Cost of Issu Acct. #5009 | 0.10% | 0.00 | 3/31/2025 | 0.00 |
| <u>U.S. Bank - 2016 TARB</u> | | | | | |
| US Bank Money Market Ct | Debt Service Fund #6000 | 0.10% | 6.37 | 3/31/2025 | 6.37 |
| US Bank Money Market Ct | Interest Account #6001 | 0.00% | 266.84 | 9/30/2016 | 266.84 |
| US Bank Money Market Ct | Sinking Account #6003 | 0.00% | 0.00 | 9/30/2016 | 0.00 |
| US Bank Money Market Ct | Reserve Account #6005 | 0.10% | 319,646.65 | 3/31/2025 | 319,646.65 |
| US Bank Money Market Ct | Cost of Issu Fund #6009 | 0.10% | 0.00 | 9/30/2016 | 0.00 |
| US Bank Money Market Ct | Escrow Fund #6050 | 0.39% | 0.00 | 9/30/2016 | 0.00 |
| Market Value Provided by U.S. Bank, Trustee | | | | | |
| Invested by Trustees (Subtotal): | | | 6,230,950.13 | | |
| Total Cash and Investments | | | 8,222,455.50 | | |

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 08/22/2017. Cash flow liquidity is still limited.

SIGNED:  _____
City Treasurer

Note:
(1) Bonds



KING CITY
C A L I F O R N I A

Item No. 9(E)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

**RE: CONSIDERATION OF SUCCESSOR AGENCY MONTHLY
TREASURER'S REPORT – JULY 2017**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds, including successor agencies. The Successor Agency invests its bond proceeds in US Treasury obligations. All bond reserve funds are held by one bond trustee, U.S. Bank, and invested in accordance with the trustee agreement. The Successor Agency has three tax allocation bonds (TABs) issued. Yield, maturity and investment amount (proceeds) are itemized on the Successor Agency Schedule of Cash and Investments for the Agency.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/SUCCESSOR AGENCY
SA MONTHLY TREASURER'S REPORT – JULY 2017
AUGUST 22, 2017
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:



Patricia Grainger, Accountant

Approved by:



Steven Adams, City Manager

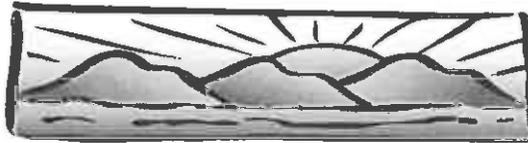
City of King
Investment Report
Schedule of Cash and Investments
July 31, 2017

| Investment Instrument | | Yield | Amount | Maturity | Value |
|---|--------------------------|-------|--------------|-----------|--------------|
| Invested by City Treasurer | | | | | |
| Institution | Investment Type | | | | |
| Wells Fargo Bank | SA Checking Account | | 1,414,208.20 | On Demand | N/R |
| Invested by City Treasurer (Subtotal): | | | 1,414,208.20 | | |
| Invested by Trustees (as of July Statements) | | | | | |
| Bond Reserves (1) | | | | | |
| <u>U.S. Bank - 2011 TARB</u> | | | | | |
| US Bank Money Market Ct | Escrow Fund #5050 | 0.00% | 5,901,800.27 | 8/1/2034 | 5,901,800.27 |
| <u>U.S. Bank - 2016 A & B TARB</u> | | | | | |
| US Bank Money Market Ct | Debt Service Fund #5000 | 0.00% | 361,611.67 | 3/31/2025 | 361,611.67 |
| US Bank Money Market Ct | Interest Account #5001 | 0.10% | 9,231.52 | 3/31/2025 | 9,231.52 |
| US Bank Money Market Ct | Cost of Issu Acct. #5009 | 0.10% | 0.00 | 3/31/2025 | 0.00 |
| <u>U.S. Bank - 2016 TARB</u> | | | | | |
| US Bank Money Market Ct | Debt Service Fund #6000 | 0.10% | 213,941.87 | 3/31/2025 | 213,941.87 |
| US Bank Money Market Ct | Interest Account #6001 | 0.00% | 266.88 | 9/30/2016 | 266.88 |
| US Bank Money Market Ct | Sinking Account #6003 | 0.00% | 0.00 | 9/30/2016 | 0.00 |
| US Bank Money Market Ct | Reserve Account #6005 | 0.10% | 319,699.19 | 3/31/2025 | 319,699.19 |
| US Bank Money Market Ct | Cost of Issu Fund #6009 | 0.10% | 0.00 | 9/30/2016 | 0.00 |
| US Bank Money Market Ct | Escrow Fund #6050 | 0.39% | 0.00 | 9/30/2016 | 0.00 |
| Market Value Provided by U.S. Bank, Trustee | | | | | |
| Invested by Trustees (Subtotal): | | | 6,806,551.40 | | |
| Total Cash and Investments | | | 8,220,759.60 | | |

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 08/22/2017. Cash flow liquidity is still limited.

SIGNED:  _____
City Treasurer

Note:
(1) Bonds



KING CITY
C A L I F O R N I A

Item No. 9(F)

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: AUGUST 22, 2017

TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY

FROM: STEVEN ADAMS, SECRETARY

BY: PATRICIA GRAINGER, ACCOUNTANT

**RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT –
JUNE 2017**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances." The Public Finance Authority was used for the issuance of the Sewer Enterprise Bonds.

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The Authority currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office, as well as bank CD's and instruments issued by agencies of the United States Government. A summary of investments and returns for the Financing Authority is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
MONTHLY TREASURER'S REPORT – JUNE 2017
AUGUST 22, 2017
PAGE 2 OF 2**

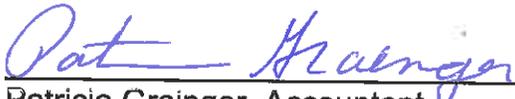
ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Provide other direction to staff regarding requests for additional Receive and file the report; or
2. Information.

Exhibits:

1. Investment Report

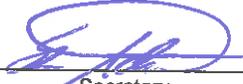
Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
June 30, 2017

| Investment Instrument | | Yield | Amount | Maturity | Value |
|---|---------------------------|-------|----------|-----------|-------|
| Invested by City Treasurer | | | | | |
| | Investment Type | | | | |
| Wells Fargo Bank | Fin Auth Checking Account | | 3,964.94 | On Demand | N/R |
| State of California LAIF- Financing Authority | Pooled | 0.92% | 8.46 | On Demand | N/R |
| Invested by City Treasurer (Subtotal): | | | 3,973.40 | | |
| Total Cash and Investments | | | 3,973.40 | | |

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 08/22/2017. Cash flow liquidity is still limited.

SIGNED:  _____
Secretary



Item No. 9(G)

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: AUGUST 22, 2017
TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY
FROM: STEVEN ADAMS, SECRETARY
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT – JULY 2017

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances." The Public Finance Authority was used for the issuance of the Sewer Enterprise Bonds.

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The Authority currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office, as well as bank CD's and instruments issued by agencies of the United States Government. A summary of investments and returns for the Financing Authority is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
MONTHLY TREASURER'S REPORT – JULY 2017
AUGUST 22, 2017
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Provide other direction to staff regarding requests for additional Receive and file the report; or
2. Information.

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
July 31, 2017

| Investment Instrument | | Yield | Amount | Maturity | Value |
|---|---------------------------|-------|----------|-----------|-------|
| Invested by City Treasurer | | | | | |
| | Investment Type | | | | |
| Wells Fargo Bank | Fin Auth Checking Account | | 1,513.37 | On Demand | N/R |
| State of California LAIF- Financing Authority | Pooled | 0.92% | 8.46 | On Demand | N/R |
| Invested by City Treasurer (Subtotal): | | | 1,521.83 | | |
| Total Cash and Investments | | | 1,521.83 | | |

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 08/22/2017. Cash flow liquidity is still limited.

SIGNED:  _____
Secretary



Item No 9(H)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: CITY CHECK REGISTER

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/CITY
CITY CHECK REGISTER
AUGUST 22, 2017
PAGE 2 OF 2**

Exhibit(S)

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

Aug 2, 2017 (FY 2016-17)

Date: 08/02/2017

Time: 3:25 pm

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

| Check Number | Check Date | Status | Void/Stop Date | Vendor Number | Vendor Name | Check Description | Amount |
|--------------------------------|------------|---------|----------------|--------------------------|----------------------------|--|------------------|
| WELLS FARGO BANK Checks | | | | | | | |
| 59418 | 08/02/2017 | Printed | | PNC | PNC EQUIPMENT FINANCE, LLC | Police Vehicles Lease | 13,172.99 |
| | | | | Total Checks: 1 | | Checks Total (excluding void checks): | 13,172.99 |
| | | | | Total Payments: 1 | | Bank Total (excluding void checks): | 13,172.99 |
| | | | | Total Payments: 1 | | Grand Total (excluding void checks): | 13,172.99 |

Check Register Report

Aug 11, 2017 (FY 2016-17)

Date: 08/11/2017

Time: 8:36 am

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Page: 1

| Check Number | Check Date | Status | Void/Stop Date | Vendor Number | Vendor Name | Check Description | Amount |
|--------------------------------|------------|---------|----------------|---------------|-------------------------------|--------------------------------|------------|
| WELLS FARGO BANK Checks | | | | | | | |
| 59419 | 08/11/2017 | Printed | | A & G PUMP | A & G PUMPING, INC | Vaccum Truck | 600.00 |
| 59420 | 08/11/2017 | Printed | | ACTIONC | ACTION COUNCIL | Domestic Violence Donation. | 250.00 |
| 59421 | 08/11/2017 | Printed | | KCTVHARD | ALCANTAR HARDWARE INC | 2 Keys | 6.47 |
| 59422 | 08/11/2017 | Printed | | A & W | ALESHIRE & WYNDER LLP | Legal Services | 27,334.50 |
| 59423 | 08/11/2017 | Printed | | CAROLLO | CAROLLO ENGINEERS, INC | Wastewater FAC Master Plan | 30,364.44 |
| 59424 | 08/11/2017 | Printed | | UMSTEAD EL | CLIFTON T. UMSTEAD | Replace Pump - | 5,174.17 |
| 59425 | 08/11/2017 | Printed | | COMINFO | COUNTY OF MONTEREY | Radio Parts - Batteries. | 960.36 |
| 59426 | 08/11/2017 | Printed | | GREEN'S | GREEN'S ACCOUNTING | Monthly Accounting - | 20,457.97 |
| 59427 | 08/11/2017 | Printed | | M BASIA | MBASIA | Claim #MBA11-1204 | 787.78 |
| 59428 | 08/11/2017 | Printed | | MO CO EMER | MONTEREY COUNTY EMERGENCY | FY 2016-17 - Dispatch Services | 241,139.46 |
| 59429 | 08/11/2017 | Printed | | MOCO TAX | MONTEREY COUNTY TAX COLLECTOR | Parking Violation -Handicapped | 220.00 |
| 59430 | 08/11/2017 | Printed | | QUILL CORP | QUILL CORPORATION | Office Supplies | 68.23 |
| 59431 | 08/11/2017 | Printed | | SVSWA | SALINAS VALLEY SOLID WASTE | Franchise Administration Fee | 7,500.00 |
| 59432 | 08/11/2017 | Printed | | KASEY'S | KASEY TERTULIEN | 321 Broadway St - | 11,459.00 |

Total Checks: 14

Checks Total (excluding void checks):

346,322.38

Total Payments: 14

Bank Total (excluding void checks):

346,322.38

Total Payments: 14

Grand Total (excluding void checks):

346,322.38

Check Register Report

Aug 11, 2017 (FY 2017-18)

Date: 08/15/2017

Time: 4:01 pm

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

| Check Number | Check Date | Status | Void/Stop Date | Vendor Number | Vendor Name | Check Description | Amount |
|--------------------------------|------------|---------|----------------|---------------|---------------------------------|-----------------------------|-----------|
| WELLS FARGO BANK Checks | | | | | | | |
| 59433 | 08/11/2017 | Printed | | AT T | A T & T | Monthly Internet - | 154.00 |
| 59434 | 08/11/2017 | Printed | | ADAMSS | STEVEN ADAMS | Reimbursement - Mileage | 153.01 |
| 59436 | 08/11/2017 | Printed | | KCTVHARD | ALCANTAR HARDWARE INC | PVC Fitting | 331.95 |
| 59437 | 08/11/2017 | Printed | | ALVAREZ | ALVAREZ TECHNOLOGY GROUP INC | City's Computer Support | 2,586.00 |
| 59438 | 08/11/2017 | Printed | | ALWAYST | ALWAYS TOWING & RECOVERY, INC | Tow Truck | 60.00 |
| 59439 | 08/11/2017 | Printed | | AT & T | AT & T | Sentry Alarm Monthly Fee. | 105.80 |
| 59440 | 08/11/2017 | Printed | | AT&T - C | AT&T | 911 Service Line | 642.14 |
| 59441 | 08/11/2017 | Printed | | BAYSHORE | BAYSHORE CONSULTING GROUP, INC | Consulting Group for | 2,492.68 |
| 59442 | 08/11/2017 | Printed | | BEATWEAR | BEATWEAR, INC | Uniform - New Officer | 1,221.53 |
| 59443 | 08/11/2017 | Printed | | BELSONO | BELSON OUTDOORS | Forden Park Equipment | 3,572.00 |
| 59444 | 08/11/2017 | Printed | | BOWEN | HERBERT BOWEN | Meals & Mileage - | 111.48 |
| 59445 | 08/11/2017 | Printed | | CASEY PRIN | CASEY PRINTING, INC. | K C News Summer 2017 | 1,269.00 |
| 59446 | 08/11/2017 | Printed | | CATHOLIC | CATHOLIC CHARITIES | Immigration Services | 2,500.00 |
| 59447 | 08/11/2017 | Printed | | CNAUTO | CLARK N. CLEVENGER | New Chain | 113.57 |
| 59448 | 08/11/2017 | Printed | | COASTAL | COASTAL TRACTOR | Tractor Rental - | 649.50 |
| 59449 | 08/11/2017 | Printed | | CONATSER | CONATSER WELDING & MACHINE, LLC | Repair Sweeper | 308.40 |
| 59450 | 08/11/2017 | Printed | | COURTS | COURTS AND GREENS, INC. | Tree Work - Forden Park | 1,500.00 |
| 59451 | 08/11/2017 | Printed | | DAVE'S REP | DAVE'S REPAIR SERVICE | Site Inspection | 80.00 |
| 59452 | 08/11/2017 | Printed | | DEPT ACCNT | DEPARTMENT OF JUSTICE | Applicant Fingerprints | 66.00 |
| 59454 | 08/11/2017 | Printed | | EARTH DESI | EARTH DESIGN, INC. | K C Cultivation - 190 | 17,900.39 |
| 59455 | 08/11/2017 | Printed | | FIRST AL | FIRST ALARM, INC | First Alarm Services - | 354.00 |
| 59456 | 08/11/2017 | Printed | | HARDEE | FRED HARDEE | Background - P O | 1,250.00 |
| 59457 | 08/11/2017 | Printed | | GIS | GONZALES IRRIGATION SYSTEMS, | Check Valve | 230.67 |
| 59459 | 08/11/2017 | Printed | | HANNA | HANNA & BRUNETTI | First St Pedestrian & Bike | 37,450.60 |
| 59460 | 08/11/2017 | Printed | | HDLCO | HDL COREN & CONE | July-Sept 2017 Contract | 1,250.00 |
| 59461 | 08/11/2017 | Printed | | HYDRO TURF | HYDRO TURF, INC. | Case of Sprinklers | 1,380.41 |
| 59463 | 08/11/2017 | Printed | | JBTIRE | MIGUEL JACOBO | New Starter - Unit 24 | 2,650.63 |
| 59464 | 08/11/2017 | Printed | | KIMLEY-HOR | KIMLEY-HORN & ASSOCIATES, INC. | Airport Improvement Project | 45,938.13 |
| 59465 | 08/11/2017 | Printed | | KC IND | KING CITY INDUSTRIAL SUPPLY | Sweeper Parts | 195.72 |
| 59466 | 08/11/2017 | Printed | | LA HEARNE | L.A. HEARNE COMPANY | Chlorine | 99.37 |
| 59467 | 08/11/2017 | Printed | | LINCOLN | LINCOLN AQUATICS | Pool Test Equip. | 81.93 |
| 59468 | 08/11/2017 | Printed | | LCAH | LOS COCHES ANIMAL HOSPITAL | Animal Service - 7/20/2107 | 200.00 |
| 59469 | 08/11/2017 | Printed | | LUX | BRENNAN LUX | Unit 101 - Replace | 269.44 |
| 59470 | 08/11/2017 | Printed | | MBAS | MBAS, INC. | Lab Work | 640.00 |
| 59471 | 08/11/2017 | Printed | | MERCURIOD | DOMINIC MERCURIO | Meal Expense - | 150.00 |
| 59472 | 08/11/2017 | Printed | | MO BAY SYS | MONTEREY BAY OFFICE PRODUCTS | Copier Contract | 858.69 |
| 59473 | 08/11/2017 | Printed | | MURPHY | MURPHY EQUIPMENT CO. | Repair Gas Pumps | 2,588.97 |
| 59474 | 08/11/2017 | Printed | | NICHOP | N. I. CHOPPERS, INC. | Banners Signs | 422.18 |
| 59475 | 08/11/2017 | Printed | | O'REILLY A | O'REILLY AUTOMOTIVE, INC. | Wiper Blades | 54.26 |
| 59476 | 08/11/2017 | Printed | | OFFICE DEP | OFFICE DEPOT | Supplies | 429.72 |
| 59477 | 08/11/2017 | Printed | | PURE WATER | PENINSULA PURE WATER INC. | City Hall Water | 65.20 |
| 59478 | 08/11/2017 | Printed | | PINNGATE | PINNACLES GATEWAY PARTNERS | FY 17-18 Membership | 2,500.00 |
| 59479 | 08/11/2017 | Printed | | PBGFS | PITNEY BOWES GLOBAL | Folding & Stamp Machine | 630.87 |
| 59480 | 08/11/2017 | Printed | | QUILL CORP | QUILL CORPORATION | Supplies | 156.52 |
| 59481 | 08/11/2017 | Printed | | RED SHIFT | RED SHIFT INTERNET SERVICES | City Hall Internet | 30.90 |
| 59482 | 08/11/2017 | Printed | | SANCHEZJ | JANELLE SANCHEZ | Meal Expense 8/6 - 8/8/17 | 100.00 |
| 59483 | 08/11/2017 | Printed | | SILVAEL | ELVIRA SILVA | Rec Center Deposit | 200.00 |
| 59484 | 08/11/2017 | Printed | | SO CO NEWS | SO CO NEWSPAPERS | 1 Year Sub | 49.70 |
| 59485 | 08/11/2017 | Printed | | SPEAK | SPEAKWRITE BILLING DEPT | Services for July 2017 | 147.16 |
| 59486 | 08/11/2017 | Printed | | T&T PAVE | T & T PAVEMENT MARKINGS | Traffic Paint | 2,439.31 |
| 59487 | 08/11/2017 | Printed | | TARGET | TARGET SUPPLIES | Week Killer | 349.30 |
| 59488 | 08/11/2017 | Printed | | VALSA | TAVIT & ARAM KARABETYAN PARTNE | Repair Paint Sprayers | 385.38 |

Check Register Report

Aug 11, 2017 (FY 2017-18)

Date: 08/15/2017

Time: 4:01 pm

Page: 2

KING CITY CITY HALL

BANK: WELLS FARGO BANK

| Check Number | Check Date | Status | Void/Stop Date | Vendor Number | Vendor Name | Check Description | Amount |
|--------------------------------|------------|---------|----------------|---------------|--------------------------------|------------------------------|----------|
| WELLS FARGO BANK Checks | | | | | | | |
| 59489 | 08/11/2017 | Printed | | THE SALINA | THE SALINAS CALIFORNIAN | CDBG Application Public | 1,564.92 |
| 59490 | 08/11/2017 | Printed | | TORO | TORO PETROLEUM CORP. | Monthly Gasoline - Acct 1679 | 4,373.13 |
| 59491 | 08/11/2017 | Printed | | TAMC | TRANSPORTATION AGENCY | Cont Fiscal Yr 17-18 | 4,536.00 |
| 59492 | 08/11/2017 | Printed | | U.S. BANCO | U.S. BANCORP EQUIPMENT FINANCE | City Hall Copier Contract. | 330.32 |
| 59493 | 08/11/2017 | Printed | | VI FAM MED | VALLEY INDUSTRIAL & FAMILY | Pre-emp medical exam | 445.00 |
| 59494 | 08/11/2017 | Printed | | VERIZON WI | VERIZON WIRELESS | Cell Phone Service - | 1,692.26 |

Total Checks: 58

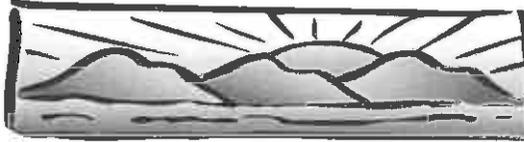
Checks Total (excluding void checks): 152,308.14

Total Payments: 58

Bank Total (excluding void checks): 152,308.14

Total Payments: 58

Grand Total (excluding void checks): 152,308.14



KING CITY
C A L I F O R N I A

Item No 9(1)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: SUCCESSOR AGENCY CHECK REGISTER

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register and invoice approval fund list.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents for the Successor Agency are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/SUCCESSOR AGENCY
SUCCESSOR AGENCY CHECK REGISTER
AUGUST 22, 2017
PAGE 2 OF 2**

Exhibit(S)

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

Aug 11, 2017 (FY 2016-17)SA

Date: 08/11/2017

Time: 8:48 am

Page: 1

KING CITY CITY HALL

BANK: SUCCESSOR AGENCY OF

| Check Number | Check Date | Status | Void/Stop Date | Vendor Number | Vendor Name | Check Description | Amount |
|--------------|------------|--------|----------------|---------------|-------------|-------------------|--------|
|--------------|------------|--------|----------------|---------------|-------------|-------------------|--------|

SUCCESSOR AGENCY OF Checks

| | | | | | | | |
|-----|------------|---------|--|---------|--------------------|-----------------------|----------|
| 217 | 08/11/2017 | Printed | | GREEN'S | GREEN'S ACCOUNTING | SA Monthly Accounting | 1,485.00 |
|-----|------------|---------|--|---------|--------------------|-----------------------|----------|

Total Checks: 1

Checks Total (excluding void checks):

1,485.00

Total Payments: 1

Bank Total (excluding void checks):

1,485.00

Total Payments: 1

Grand Total (excluding void checks):

1,485.00



Item No 9 (J)

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: AUGUST 22, 2017
TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY
FROM: STEVEN ADAMS, SECRETARY
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: PUBLIC FINANCING AUTHORITY CHECK REGISTER

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents for the Public Financing Authority are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

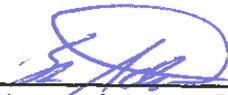
1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
PUBLIC FINANCING AUTHORITY CHECK REGISTER
AUGUST 22, 2017
PAGE 2 OF 2**

Exhibit (s)

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, Secretary

Check Register Report

Date: 08/15/2017

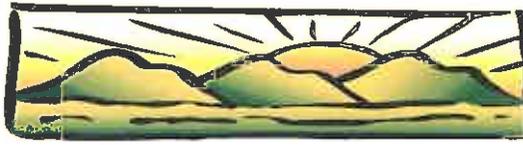
Time: 4:49 pm

Page: 1

KING CITY CITY HALL

BANK: KING CITY FINANCE AUTHORITY

| Check Number | Check Date | Status | Void/Stop Date | Vendor Number | Vendor Name | Check Description | Amount |
|---|------------|------------|----------------|---------------|-------------------------------|--|-----------------|
| KING CITY FINANCE AUTHORITY Checks | | | | | | | |
| 324 | 07/10/2017 | Printed | | URBAN | URBAN FUTURES INCORPORATED | 2009 Refunding Certificates | 1,500.00 |
| 325 | 07/14/2017 | Reconciled | | HANNA | HANNA & BRUNETTI | Infrastructure-First St, So of | 927.00 |
| Total Checks: 2 | | | | | | Checks Total (excluding void checks): | 2,427.00 |
| Total Payments: 2 | | | | | | Bank Total (excluding void checks): | 2,427.00 |
| Total Payments: 2 | | | | | | Grand Total (excluding void checks): | 2,427.00 |



KING CITY
C A L I F O R N I A

Item No. 9(K)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ROBERT MASTERSON, CHIEF OF POLICE

RE: CONSIDERATION OF AMENDMENT TO KING CITY PEACE OFFICERS ASSOCIATION (KCPOA) AND THE KING CITY POLICE SERGEANTS ASSOCIATION (KCPSA) MEMORANDUMS OF UNDERSTANDING (MOU) FOR WORK WEEK HOURS

RECOMMENDATION:

It is recommended the City Council: 1) adopt a Resolution approving an amendment to the KCPOA Memorandum of Understanding (MOU) for work week hours in Article II Section 4; and 2) adopt a Resolution making the same change to the KCPSA Memorandum of Understanding.

BACKGROUND:

The King City Police Officers Association (KCPOA) and King City Police Sergeants Association (KCPSA) MOU's currently list the working hours for officers as 3/12 +8 schedule. This schedule means each officer works six 12 hour shifts, plus an eight hour shift each payroll period. This in theory stabilizes the total work period at 80 hours. The issue with this schedule is that it requires either severe staffing shortages or an increase in overtime.

DISCUSSION:

As previously mentioned, each officer works six 12 hour shifts, plus an eight hour shift each payroll period. As stated, this schedule is designed for a more robust staffing level so as not to adversely affect the total staffing coverage on an given officer's eight hour day. Traditionally, this eight hour day would be used as a training day for agencies, which have a larger staff. As King City Police Department has a total of 17 sworn staff, 10 of which are patrol officers, KCPD does not have the staffing to allow officers to have a training day or in most cases to work the eight hour day. Most officers, due to staffing levels, must work overtime (minimum of 4 hours) in each pay period to safely staff patrol.

**CITY COUNCIL
CONSIDERATION OF AMENDMENT TO KING CITY PEACE OFFICERS
ASSOCIATION (KCPOA) AND KING CITY POLICE SERGEANTS
ASSOCIATION (KCPSA) MEMORANDUMS OF UNDERSTANDING (MOU)
FOR WORK WEEK HOURS
AUGUST 22, 2017
PAGE 2 OF 2**

The proposed change to the MOU will allow a new schedule of two twelve hour shifts and a ten hour shift the first week of the pay period followed by three twelve hours shifts and a ten hour shift the second week. This maintains the proposed work week at 80 hours per pay period.

The benefit of this schedule allows minimal overtime if an officer is sick and still maintains adequate coverage for the shorter 10-hour day, as each officer either comes in two hours late on the ten hour day or goes home two hours early on the ten hour day, depending on whether the officer is working days or nights.

In addition, the schedule establishes a team concept for schedule as each officer will be able to work the identical schedule as both his/her partner officer and his/her Sergeant. The current schedule constantly rotates and each officer and sergeant is changing days off and short days.

Lastly, with the set schedule and rotation of schedule, officers will know up to a year in advance their shifts and schedule. This increases moral as officers can plan in advance family and personal activities for days off.

COST ANALYSIS:

There is no negative cost impact to the City for this change and it will reduce the overtime cost of overall coverage.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Don't approve staff's recommendation;
3. Provide staff other direction.

Submitted by: 
Robert Masterson, Chief of Police

Approved by: 
Steven Adams, City Manager

RESOLUTION NO. 2017-4599

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING ADOPTING AMENDMENT NO.1 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF KING AND THE KING CITY POLICE OFFICERS' ASSOCIATION FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2018

WHEREAS, the City has, and continues to, recognize KCPOA as the sole and exclusive bargaining agent for those City employees designated as being in the Law Enforcement Unit, including the classification of Police Patrol Officer, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and KCPOA for the period July 1, 2015 through June 30, 2018 ("KCPOA MOU 2015 2018"), Resolution 2016-4516, which was duly approved by the City Council on April 26, 2016, sets forth the daily and weekly work hours ("Work Period") for Police Patrol Officers; and

WHEREAS, the City and KCPOA wish to redefine the Police Patrol Officer Work Period by changing the hours and days to be worked during a 2-week period; and

WHEREAS, the City and KCPOA have successfully met and conferred to negotiate an amendment to the KCPOA MOU 2015 2018, pursuant to both the Meyers-Milias-Brown Act ("MMBA") (Gov't Code Sections 3500-3511) and the City's Employer-Employee Relations Resolution No. 05-4119, and have jointly prepared and executed Amendment No. 1 To The Memorandum Of Understanding Between The City Of King And The King City Police Officers' Association For The Period July 1, 2015 Through June 30, 2018 ("First Amendment"), which was ratified by the KCPOA on 5-11, 2017, and remains subject to City Council determination and approval; and

WHEREAS, except as provided in the First Amendment, all other provisions of the KCPOA MOU 2015-2018 are intended to remain in full force and effect; and

WHEREAS, the City Council desires to approve and adopt the First Amendment.

NOW THEREFORE, BE IT RESOLVED, by the City Council of King City as follows:

1. The City Council does hereby approve and adopts the First Amendment, attached hereto as Exhibit "A," and authorizes the City Manager to execute the same on behalf of King City.

///

///

///

PASSED AND ADOPTED at a regular meeting of the City Council of the City of King on the ___th day of August, 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

EXHIBIT A

**AMENDMENT NO. 1 TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF KING AND THE
KING CITY POLICE OFFICERS' ASSOCIATION FOR
THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2018**

This AMENDMENT NO. 1 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF KING AND THE KING CITY POLICE OFFICERS' ASSOCIATION FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2018 ("First Amendment") is made and entered into this 8th day of August, 2017, (the "Commencement Date"), between the KING CITY POLICE OFFICERS' ASSOCIATION ("KCPOA"), and the CITY OF KING, a California municipal corporation ("City").

RECITALS

WHEREAS, the City has, and continues to, recognize KCPOA as the sole and exclusive bargaining agent for those City employees designated as being in the Law Enforcement Unit, including the classification of Police Patrol Officer, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and KCPOA for the period July 1, 2015 through June 30, 2018 ("KCPOA MOU 2015-2018"), Resolution 2016-4516, which was duly approved by the City Council on April 26, 2016, sets forth the daily and weekly work hours ("Work Period") for Police Patrol Officers; and

WHEREAS, the Parties wish to redefine the Police Patrol Officer Work Period by changing the hours and days to be worked during a 2-week period; and

WHEREAS, the City and KCPOA have successfully met and conferred to negotiate an amendment to the KCPOA MOU 2015-2018, pursuant to both the Meyers-Milias-Brown Act ("MMBA") (Gov't Code Sections 3500-3511) and the City's Employer-Employee Relations Resolution No. 05-4119, and have jointly prepared and executed this First Amendment, which was ratified by the KCPOA on 5-11, 2017, and remains subject to City Council determination and approval; and

WHEREAS, except as provided in this First Amendment, all other provisions of the KCPOA MOU 2015-2018 shall remain in full force and effect; and

WHEREAS, this First Amendment shall not be in full force and effect until adopted by resolution by the City Council.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, agree that the KCPOA MOU 2015-2018 is amended in the following particulars only:

Section 1. ARTICLE II, COMPENSATION, SECTION 4 “WORKDAY”, Subsection 4.1 shall be amended to read in its entirety as follows:

“The City and KCPOA have agreed that the Police Patrol Officer Work Period shall be **two 12-hour days plus one 10-hour day** in the first week followed by **three 12-hour days plus one 10-hour day in the second week**. Members assigned to this schedule shall work 80 hours in a designated payroll period, comprised of **two 12-hour days and one 10-hour day, followed by three 12-hour days and one 10-hour day.**”

Section 2. ARTICLE II, COMPENSATION, SECTION 5 “OVERTIME COMPENSATION” Subsection 5.2 shall be amended to add subsection 5.2 e in its entirety as follows:

“e. Subsections a. b. c. and d. of this Article 5.2 shall not apply to members working the schedule set forth in Subsection 4.1, and no overtime shall be earned unless the member has worked in excess of 80 hours in the pay period defined in Subsection 4.1.”

Section 3. Except as expressly provided in this First Amendment, all other provisions of the KCPOA MOU 2015-2018 shall remain in full force and effect.

The provisions of this First Amendment shall be binding on the parties through the remainder of this MOU, and for the term of the MOU, which will be effective upon City Council approval.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this First Amendment at King City, California, the day and year first above written.

CITY OF KING

KING CITY POLICE OFFICERS' ASSN.

By: _____
Mike LeBarre, Mayor

By: _____
Name:
Title:

ATTEST:

By: _____
Steven Adams, City Clerk

By: _____
Name:
Title: Employee Representative

APPROVED AS TO FORM:

By: _____
Shannon L. Chaffin
City Attorney

RESOLUTION NO. 2017-4598

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING ADOPTING AMENDMENT NO. 2 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF KING AND THE KING CITY POLICE SERGEANTS' ASSOCIATION FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2018

WHEREAS, the City has, and continues to, recognize KCPSA as the sole and exclusive bargaining agent for those City employees designated as being in the Law Enforcement Unit, including the classification of Police Patrol Sergeant, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and KCPSA for the period July 1, 2015 through June 30, 2018 ("KCPSA MOU 2015 2018"), Resolution 2016-4496, which was duly approved by the City Council on February 9, 2016, sets forth the daily and weekly work hours ("Work Period") for Police Patrol Sergeants; and

WHEREAS, the City and KCPSA wish to redefine the Police Patrol Sergeant Work Period by changing the hours and days to be worked during a 2-week period; and

WHEREAS, the City and KCPSA have successfully met and conferred to negotiate an amendment to the KCPSA MOU 2015 2018, pursuant to both the Meyers-Milias-Brown Act ("MMBA") (Gov't Code Sections 3500-3511) and the City's Employer-Employee Relations Resolution No. 05-4119, and have jointly prepared and executed Amendment No. 1 To The Memorandum Of Understanding Between The City Of King And The King City Police Sergeants' Association For The Period July 1, 2015 Through June 30, 2018 ("Second Amendment"), which was ratified by the KCPSA on 5-11, 2017, and remains subject to City Council determination and approval; and

WHEREAS, except as provided in the Second Amendment, all other provisions of the KCPSA MOU 2015-2018 are intended to remain in full force and effect; and

WHEREAS, the City Council desires to approve and adopt the Second Amendment.

NOW THEREFORE, BE IT RESOLVED, by the City Council of King City as follows:

1. The City Council does hereby approve and adopts the Second Amendment, attached hereto as Exhibit "A," and authorizes the City Manager to execute the same on behalf of King City.

///

///

///

PASSED AND ADOPTED at a regular meeting of the City Council of the City of King on the ___th day of August, 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

EXHIBIT A

**AMENDMENT NO. 2 TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF KING AND THE
KING CITY POLICE SERGEANTS' ASSOCIATION FOR
THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2018**

This AMENDMENT NO. 2 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF KING AND THE KING CITY POLICE SERGEANTS' ASSOCIATION FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2018 ("First Amendment") is made and entered into this 8th day of August, 2017, (the "Commencement Date"), between the KING CITY POLICE SERGEANTS' ASSOCIATION ("KCPSA"), and the CITY OF KING, a California municipal corporation ("City").

RECITALS

WHEREAS, the City has, and continues to, recognize KCPSA as the sole and exclusive bargaining agent for those City employees designated as being in the Law Enforcement Unit, including the classification of Police Patrol Sergeant, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and KCPSA for the period July 1, 2015 through June 30, 2018 ("KCPSA MOU 2015-2018"), Resolution 2016-4516, which was duly approved by the City Council on April 26, 2016, sets forth the daily and weekly work hours ("Work Period") for Police Patrol Sergeants; and

WHEREAS, the Parties wish to redefine the Police Patrol Sergeant Work Period by changing the hours and days to be worked during a 2-week period; and

WHEREAS, the City and KCPSA have successfully met and conferred to negotiate an amendment to the KCPSA MOU 2015-2018, pursuant to both the Meyers-Milias-Brown Act ("MMBA") (Gov't Code Sections 3500-3511) and the City's Employer-Employee Relations Resolution No. 05-4119, and have jointly prepared and executed this First Amendment, which was ratified by the KCPSA on 5-11, 2017, and remains subject to City Council determination and approval; and

WHEREAS, except as provided in this First Amendment, all other provisions of the KCPSA MOU 2015-2018 shall remain in full force and effect; and

WHEREAS, this Swecnon Amendment shall not be in full force and effect until adopted by resolution by the City Council.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, agree that the KCPSA MOU 2015-2018 is amended in the following particulars only:

Section 1. **ARTICLE II, COMPENSATION, SECTION 4 “WORKDAY”**,
Subsection 4.1 shall be amended to read in its entirety as follows:

“The City and KCPSA have agreed that the Police Patrol Sergeant Work Period shall be two 12-hour days plus one 10-hour day in the first week followed by three 12-hour days plus one 10-hour day in the second week. Members assigned to this schedule shall work 80 hours in a designated payroll period, comprised of two 12-hour days and one 10-hour day, followed by three 12-hour days and one 10-hour day.”

Section 2. **ARTICLE II, COMPENSATION, SECTION 5 “OVERTIME COMPENSATION”** Subsection 5.2 shall be amended to add subsection 5.2 e in its entirety as follows:

“e. Subsections a. b. c. and d. of this Article 5.2 shall not apply to members working the schedule set forth in Subsection 4.1, and no overtime shall be earned unless the member has worked in excess of 80 hours in the pay period defined in Subsection 4.1.”

Section 3. Except as expressly provided in this First Amendment, all other provisions of the KCPSA MOU 2015-2018 shall remain in full force and effect.

The provisions of this First Amendment shall be binding on the parties through the remainder of this MOU, and for the term of the MOU, which will be effective upon City Council approval.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this First Amendment at King City, California, the day and year first above written.

CITY OF KING

KING CITY POLICE SERGEANTS' ASSN.

By: _____
Mike LeBarre, Mayor

By: _____
Name:
Title:

ATTEST:

By: _____
Steven Adams, City Clerk

By: _____
Name:
Title: Employee Representative

APPROVED AS TO FORM:

By: _____
Shannon L. Chaffin
City Attorney



Item No. 9(L)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF AMENDMENT TO FAÇADE
ENHANCEMENT GRANT PROGRAM GUIDELINES**

RECOMMENDATION:

It is recommended the City Council adopt a Resolution amending the Façade Enhancement Grant Program guidelines to allow 20% of funds to be advanced on improvements.

BACKGROUND:

At the January 24, 2017 meeting, the City Council adopted a Resolution establishing the Facade Enhancement Program. This program is a key element of the City's new economic development program targeting improvement of the downtown area. Initially, businesses in the 300 block of Broadway Street are eligible for grants up to \$15,000. Up to \$2,500 can be used for replacement of outdated and non-conforming signs. An additional \$12,500 can be used for other facade improvements, including:

- Repair, replacement, removal or installation of awnings;
- Modification of doors and windows;
- Exterior painting and decorative treatments;
- Other facade improvements deemed to contribute to improving the retail streetscape environment.

DISCUSSION:

Staff have been meeting with business and property owners to discuss the program and ideas for improvements. Architect Wes Beebe has also been instrumental in preparing conceptual drawings of improvements, most of which have been provided at no cost to the City. Staff have received a very positive

**CITY COUNCIL
CONSIDERATION OF AMENDMENT TO FAÇADE ENHANCEMENT GRANT
PROGRAM GUIDELINES
AUGUST 22, 2017
PAGE 2 OF 2**

response. Most properties have projects in the planning phase and a couple are close to proceeding to construction.

To protect the City, the program guidelines are established to restrict reimbursement only for work that has been completed, which is a recommended best practice for these programs. One of the challenges of King City's downtown area and the success of this program is that is characterized by small business and property owners, the majority of which have limited access to funding. This is a large part of why the downtown has experienced deterioration over the past several years. To assist businesses with the problem of having to up front the funds for the enhancement improvements, the program guidelines allows for the applicant to make arrangements for the contractor to be paid directly by the City. However, many contractors still require some up front payments to cover the cost of supplies. Therefore, staff is recommending the program guidelines be modified in order to allow for up to 20% of the grant to be advanced when the project is approved. While not the preferred approach, staff believes this change will significantly help improve the success for the program results.

COST ANALYSIS:

A total of \$150,000 is currently budgeted in FY 2017-18 for this program and an additional \$75,000 in FY 2018-19. Much of this funding came from the sale of the PG&E utility undergrounding credits.

ENVIRONMENTAL REVIEW:

The modification to the program guidelines is not considered a project for the purposes of CEQA and has no potential for resulting in either a direct or indirect impact to the environment.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Adopt the Resolution;
2. Modify the Resolution to include a different amount of money that can be advanced or include other restrictions and adopt the Resolution;
3. Do not adopt the Resolution; or
4. Provide other direction to staff.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. 2017-____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
ESTABLISHING A FAÇADE IMPROVEMENT GRANT PROGRAM**

WHEREAS, the City Council has adopted a Downtown Streetscape Conceptual Plan establishing proposed improvements to Broadway Street from First Street to San Lorenzo Street; and

WHEREAS, the Downtown Streetscape project has been deemed as the critical first step in the City's overall economic development efforts; and

WHEREAS, the Downtown Streetscape Conceptual Plan includes proposed enhancements to facades and buildings in the downtown area; and

WHEREAS, initial implementation of the Downtown Streetscape Conceptual Plan is targeted on the 300 block of Broadway Street due to its existing blight, historical structures, and strategic location and importance to the overall success of the City's downtown area; and

WHEREAS, enhancing the appearance of the downtown area has been deemed important to creating a successful commercial environment that will benefit the community by attracting visitors, increasing businesses, creating jobs, and increasing City revenues for public services and improvements; and

WHEREAS, façade improvement grants have been deemed necessary to make improvements to downtown properties economically feasible for local business and property owners; and

WHEREAS, the City Council established a Façade Improvement Grant Program that provides grants up to a maximum amount of fifteen thousand dollars (\$15,000.00) per business for improvements to building facades in the 300 block of Broadway Street, including replacement of outdated or non-conforming signs, repair, replacement, removal or installation of awnings, modification of doors and windows, exterior painting and decorative treatments, and other facade improvements deemed to contribute to improving the retail streetscape environment; and

WHEREAS, the Façade Improvement Grant Program will implement improvements that will benefit the entire community by creating a downtown area where residents can enjoy walking, shopping, and eating, that will promote a stronger sense of community and community pride, and will provide economic benefits to King City citizens; and

WHEREAS, the award of grants are approved by the City Manager and amounts are based upon established criteria designed to meet the City's Downtown Streetscape Conceptual Plan and overall economic development goals; and

WHEREAS, many contractors performing the work of façade enhancement projects require a portion of funds to be advanced, which can serve as a barrier to many projects being successful.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of King hereby approves amending the Façade Enhancement Grant Program to allow a maximum of 20% of each grant to be advanced to the applicant for the project once the application has been approved and the remaining 80% of the grant will be paid only after all improvements have been completed and an inspection has been approved.

This resolution was passed and adopted this **22nd** day of **August, 2017** by the following vote:

AYES, Council Members:

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:

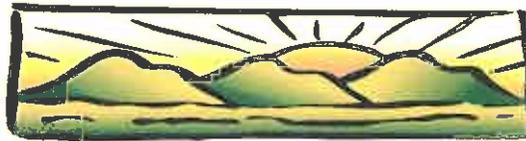
Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney



KING CITY
C A L I F O R N I A

Item No. 9(M)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER
SHANNON CHAFFIN, CITY ATTORNEY

BY: SCOTT BRUCE, PRINCIPAL PLANNER

RE: CONSIDERATION OF SECOND READING OF AN ORDINANCE AMENDING CHAPTER 17.03 OF TITLE 17 OF THE KING CITY MUNICIPAL CODE PERTAINING TO COMMERCIAL CANNABIS ACTIVITY; AMENDING CHAPTER 17.30 OF TITLE 17 OF THE KING CITY MUNICIPAL CODE PERTAINING TO M-1 INDUSTRIAL DISTRICT; AMENDING CHAPTER 17.31 OF TITLE 17 OF THE KING CITY MUNICIPAL CODE PERTAINING TO M-2 INDUSTRIAL DISTRICT; AND INTRODUCTION OF AN ORDINANCE AMENDING SECTION D.3(G) OF CHAPTER 4 (DEVELOPMENT STANDARDS) OF THE EAST RANCH BUSINESS PARK SPECIFIC PLAN FOR THE PURPOSE OF ADDING ADDITIONAL COMMERCIAL CANNABIS USE, INCLUDING FINDINGS RELATED TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RECOMMENDATION:

It is recommended that City Council: 1) review and consider proposed Ordinances; 2) conduct the Public Hearing for Second Reading of Ordinance(s) by title only; and 3) adopt Ordinances with Findings of CEQA Exemption.

BACKGROUND:

With the adoption of Proposition 215, the California voters approved the Compassionate Use Act (Health and Safety Code § 11362.5) to ensure that seriously ill Californians have the right to obtain and use cannabis for medical

CITY COUNCIL

CONSIDERATION OF SECOND READING RE: AMENDING THE KING CITY MUNICIPAL CODE - REPEALING AND REPLACING PORTIONS OF CHAPTER 17.03; AMENDING SECTIONS 17.30.020 AND 17.31.020; AMENDING SECTION D.3(G) OF CHAPTER 4 OF THE EAST RANCH BUSINESS PARK SPECIFIC PLAN

AUGUST 22, 2017

PAGE 2 OF 8

purposes where that medical use is deemed appropriate and has been recommended by a physician, without fear of criminal prosecution under limited, specified circumstances. In 2004, the State Legislature enacted SB 420 to clarify the scope of the Compassionate Use Act and provide additional statutory guidance regarding medical cannabis use. These statutes are codified at Health and Safety Code section 11362.7 et seq. and allow cities and counties to adopt supplemental rules and regulations.

In October of 2015, the Governor signed the Medical Marijuana Regulation and Safety Act ("Act"). The Act created a comprehensive State licensing system for the commercial cultivation, manufacture, retail sale, transport, distribution, delivery, and testing of medical cannabis, all subject to local control. One of the purposes of the Act is to ensure uniformity among jurisdictions that wished to allow commercial cannabis operations.

The Adult Use of Marijuana Act ("AUMA") was approved by a majority of California voters in the November 2016 election. The purpose of AUMA is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products. Adults, age 21 and older, will be allowed to possess cannabis and grow certain amounts at home for personal use.

There are a number of factors that justify the need to regulate cannabis cultivation and production. Unregulated cannabis cultivation can be harmful to the health, safety and welfare of the surrounding community and constitute a public nuisance. Cannabis plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries without proper ventilation, odor control, and other regulations. Due to the value of cannabis plants and their strong smell (which alerts others to their locations), cannabis cultivation has also been linked to break-ins, robbery, armed robbery, theft and attendant violence and injury, creating an increased risk to public safety.

In addition, cannabis cultivation has been shown to involve avoidance of environmental laws and regulations, and has resulted in the pollution of waters and navigable waterways in the State of California. The indoor cultivation of cannabis has potential adverse effects to the structural integrity of the buildings in which cannabis is cultivated, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire, which presents a clear and present danger to the buildings, its occupants, and neighboring buildings. In fact,

CITY COUNCIL

CONSIDERATION OF SECOND READING RE: AMENDING THE KING CITY MUNICIPAL CODE - REPEALING AND REPLACING PORTIONS OF CHAPTER 17.03; AMENDING SECTIONS 17.30.020 AND 17.31.020; AMENDING SECTION D.3(G) OF CHAPTER 4 OF THE EAST RANCH BUSINESS PARK SPECIFIC PLAN

AUGUST 22, 2017

PAGE 3 OF 8

there are numerous well publicized studies and reports, as well as numerous documented incidents in Monterey County and throughout the State, which show that unregulated cannabis activities have a significant adverse effect on the community.

Health and Safety Code section 11362.2(b) explicitly allows a city to “enact and enforce reasonable regulations to reasonably regulate” the cultivation of cannabis. Countless California cities have reported negative impacts of cannabis cultivation and related activities, including but not limited to offensive odors, criminal activity, (such as trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of cannabis), and public health and safety concerns (such as fire hazards and problems associated with mold, fungus, and pests). Given the continuing lack of formal regulation from the state, the City is considering amendment of the regulations governing commercial cultivation of cannabis. Without a formal regulatory framework, the adverse impacts frequently associated with commercial cannabis activities will occur, and would result in an unregulated and potentially significant negative impact upon the environment and upon public health, safety, and welfare of the community.

On January 26, 2016, the City adopted Title 17, Chapter 17.03 of the King City Municipal Code pertaining to commercial cannabis activity. The commercial medical cannabis ordinance places complete bans and regulations on medical cannabis activity in the City based upon various health, safety and welfare and land use findings relating to cannabis cultivation, distribution, and consumption, which findings are incorporated herein by reference. The City also considered and adopted the Mitigated Negative Declaration ("**MND**") related to the project.

In September of 2016 the City further amended the King City Municipal Code to facilitate and regulate the allowance of additional types of indoor commercial cannabis activity as well as the manufacturing and testing of commercial medical cannabis products. The commercial medical cannabis related ordinances added regulatory language and amend the land uses / license types that are allowed in the EBRP SP and the M-1 and M-2 Districts. The City also considered and adopted the Mitigated Negative Declaration ("**MND**") related to the project.

On August 8, 2017, the Code revisions were presented to the City Council for First Reading and the Ordinances were introduced by title only. A second reading with potential Council action was scheduled for this August 22, 2017 meeting.

CITY COUNCIL

CONSIDERATION OF SECOND READING RE: AMENDING THE KING CITY MUNICIPAL CODE - REPEALING AND REPLACING PORTIONS OF CHAPTER 17.03; AMENDING SECTIONS 17.30.020 AND 17.31.020; AMENDING SECTION D.3(G) OF CHAPTER 4 OF THE EAST RANCH BUSINESS PARK SPECIFIC PLAN

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DISCUSSION:

Three cannabis related CUP's have been approved. Those three CUP's have resulted in the issuance of twelve Operations Permits. Through the review and approval process, Staff has had the opportunity to evaluate the functionality and clarity of the regulations, as well as receive comment and suggestions from the applicants. In addition, the City Attorney's Office has conducted a thorough legal analysis of the evolving state regulations and provided suggested amendments to bring the King City Municipal Code into compliance with the new requirements created by SB-94.

During the discussions related to the June 27, 2017 code revisions there was also discussion related to additional revisions. Three significant elements of those discussions include:

- The definition of Commercial Cannabis in the City – moving from specifically medically to cannabis in general (Medical and Recreational) in accordance with state law.
- The inclusion of CA Type 7 manufacturing as an allowed permit type within the City. This type of process is classified as "level 2" manufacturing and includes the use of volatile substances such as food grade ethanol, propane or hexane.
- The inclusion of a CA Type 10A license as an allowed permit type within the City. This will authorize an individual or corporation to hold multiple permit types, including holding nursery, cultivation, manufacturing and distribution permits.

The currently proposed overall Ordinance revisions address these issues directed by Council as follows:

- Cannabis definition: Section 17.03.020 (a) now states that "Cannabis" means all parts of the medical or recreational plant or seeds.
- Type 7 Manufacturing: Sections 17.03.270(a) provides for the inclusion of Type 7 manufacturing and directs that the Fire / Police chiefs determine the amount of volatile chemical, solvent or substance that can be stored on site. Section 17.03.270 (b) provides for the City Manager to establish additional regulations and / or guidelines.

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In practice, Staff will require that each Applicant provide detailed information as to type(s) use, amount and storage of these materials, included in textual description and graphically on the floorplans. When the information is provided, the proposed plans will be reviewed by the Fire Chief and also by the Police Chief as they deem appropriate. Staff will also provide the information to the City's Cannabis Consultant. This review will occur prior to presentation to Planning Commission during CUP review. It is anticipated that the projects will be reviewed to ensure safety similar to other projects in the Industrial Districts. If there are concerns by Staff and / or the Commission, they will be required to be addressed to the City's satisfaction prior to issuance of an Operations Permit.

Also, at the regularly scheduled Planning Commission hearing of August 1, the Planning Commission heard comments from Staff, entertained discussion and recommended that the maximum number of Manufacturing Permits be increased from six to ten. The revised Ordinance reflects that recommendation.

- **Multiple Permits:** Previously the City Council gave staff direction to prepare an update to the existing Commercial Cannabis Activity ordinances authorizing the issuing of multiple City permit types consistent with a State of California Type 10A license, excluding dispensaries. While preparing the updates, the California Legislature passed and the Governor signed into law SB-94, which removed the Type 10A license and replaced it with a Type 12 "Microbusiness" license. Section 17.03.040 subdivisions (f)(8) and (i) address the multiple permit and license issue. The update authorizes an applicant to hold multiple City issued commercial cannabis permit types, consistent with the requirements of Business and Professions Code section 26053 and a Type 12 Microbusiness license. It also prohibits an individual or corporation which holds a Testing permit or CA Type 8 Testing license from holding any other permit or license type.

A summary of each of the specific Ordinances is as follows:

Ordinance 2017-745: Amendments to Title 17, Section 17.03 defines and regulates the Commercial Cannabis Activity related uses that are to be allowed in the City; it does not specifically delineate those additional uses and/or the areas

CITY COUNCIL

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of the City where those uses can be located. Currently, the ERBP and the M-1, M-2 Districts allow indoor cultivation, nurseries, Type 6 (non-volatile) manufacturing and testing.

Ordinance 2017-745: Also amends Sections 17.30.020 and 17.31.020 adding CA Type 7 Manufacturing (volatiles, level 2) and removing and replacing (CA Type 12) Transportation activities with CA Type 12 "Microbusiness". Testing licenses are being clarified – a CA Type 8 Testing License holder / City Permittee cannot hold a license or permit of another type.

Ordinance 2017-746: Amendments to the ERBP Specific Plan will allow the CA Type 7 Manufacturing (volatiles, type 2) and remove and replace (CA Type 12) Transporter activities with (CA Type 12) Microbusiness activities. Testing licenses are being clarified – a CA Type 8 -Testing License holder / City Permittee cannot hold a license or permit of another type.

The State of California, as part of AB 243, AB 266, SB 643 and SB 94, has defined certain Types of "Licenses".

The City's Municipal Code currently allows:

- Type 2A: Indoor cultivation with all artificial light from 0 to 10,000 square feet of plant canopy
- Type 3A: Indoor cultivation with all artificial light from 10,001 to 22,000 square feet of plant canopy
- Type 2B: Indoor cultivation with all artificial light from 0 to 10,000 square feet of plant canopy
- Type 3B: Indoor cultivation with all artificial light from 10,001 to 22,000 square feet of plant canopy
- Type 4: Nurseries (the City anticipates limiting this use to a maximum 25,000 sf of plant growth area).
- Type 6: Manufacturing (Level 1)
- Type 8: Testing
- Type 11: Distribution
- Type 12 Microbusiness

The Amendments Include (but are not limited to):

Refinements to:

- Cannabis and Transporter Definitions
- Clarified prohibition of retail deliveries and dispensing

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- Permit renewal requirements
- Edibles
- Minimum age for employees and site access now 21
- Limitations regarding Testing Permits and Employees

Also:

- "Greenhouses"
- Add CA Manufacturing Type 7 (level 2) (with approval by Fire Chief and / or Chief of Police
- Transporter Uses now "microbusiness"

COST ANALYSIS:

There were consultant staff costs involved in preparation of the Ordinances, which staff believes can be funded within the existing budget appropriations. The overall impact of the Ordinance are anticipated to have a positive financial impact by encouraging more manufacturing and cultivation activities.

ENVIRONMENTAL REVIEW:

The Ordinances are exempt from the California Environmental Quality Act ("CEQA") because it can be seen with certainty that there is no possibility that it will have a significant effect on the environment. (CEQA Guidelines § 15061(b)(3).) It is also exempt because it consists of regulations and restrictions on activities to assure the maintenance, restoration, or enhancement of natural resources and the environment by prohibiting environmentally destructive components of unregulated cannabis cultivation. (CEQA Guidelines §§ 15307 and 15308.)

ALTERNATIVES:

The following alternatives are provided for Council consideration:

- 1) Consider and approve Ordinances 2017-745 and 2017-746 with a finding of CEQA Exemption;
- 2) Direct staff to make changes and bring the Ordinances back for reintroduction;
- 3) Do not adopt the Ordinances; or
- 4) Provide other direction to staff.

**CITY COUNCIL
CONSIDERATION OF SECOND READING RE: AMENDING THE KING CITY
MUNICIPAL CODE - REPEALING AND REPLACING PORTIONS OF
CHAPTER 17.03; AMENDING SECTIONS 17.30.020 AND 17.31.020;
AMENDING SECTION D.3(G) OF CHAPTER 4 OF THE EAST RANCH
BUSINESS PARK SPECIFIC PLAN
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Exhibits:

1. Ordinance No. 2017- 745 (Section 17.03, Regulatory Ordinance and (Sections 17.30 and 17.31 (M-1 and M-2 Districts)
2. Ordinance No. 2017-746 (East Ranch Business Park Specific Plan Amendment).

Submitted by: 
Scott Bruce, Principal Planner

Approved by: 
Steven Adams, City Manager

ORDINANCE NO. 2017-745**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AMENDING CHAPTER 17.03 OF TITLE 17 OF THE KING CITY MUNICIPAL CODE PERTAINING TO COMMERCIAL CANNABIS ACTIVITY; AMENDING CHAPTER 17.30 OF TITLE 17 OF THE KING CITY MUNICIPAL CODE PERTAINING TO M-1 INDUSTRIAL DISTRICT; AND AMENDING CHAPTER 17.31 OF TITLE 17 OF THE KING CITY MUNICIPAL CODE PERTAINING TO M-2 INDUSTRIAL DISTRICT**

WHEREAS, the City of King (“the City”) has the authority, under its police power, to enact regulations for the public peace, morals, and welfare of the City, California Constitution Article XI, section 7; and

WHEREAS, in 1996, with the adoption of Proposition 215, the California voters approved the Compassionate Use Act (Health and Safety Code § 11362.5) to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes where that medical use is deemed appropriate and has been recommended by a physician, without fear of criminal prosecution under limited, specified circumstances; and

WHEREAS, in 2004, the State Legislature enacted SB 420 to clarify the scope of the Compassionate Use Act and provide additional statutory guidance regarding medical cannabis use. These statutes are codified at Health and Safety Code § 11362.7 et seq. and allow cities and counties to adopt supplemental rules and regulations; and

WHEREAS, on October 9, 2015, almost 20 years after passage of the Compassionate Use Act, the Governor signed the Medical Marijuana Regulation and Safety Act (“Act”), comprised of California legislative bills AB 243, AB 266, and SB 643. The Act creates a comprehensive state licensing system for the commercial cultivation, manufacture, retail sale, transport, distribution, delivery, and testing of medical cannabis, all subject to local control. One of the purposes of the Act is to ensure uniformity among jurisdictions that wished to allow commercial cannabis operations; and

WHEREAS, on June 27, 2016, the Governor signed SB 837, effective immediately, changing the terms in the Act from “medical marijuana” or “marijuana” to “medical cannabis” or “cannabis”, and making other technical changes to the Act. SB 83 7 also adopted regulations relating to the use and diversion of water in connection with the cultivation of cannabis; and

WHEREAS, in 2016, the City adopted Title 17, Chapter 17.03 et seq., of the King City Municipal Code pertaining to Medical Cannabis Activity. The Medical Cannabis Ordinance places complete bans and regulations on medical cannabis activity in the City based upon various health, safety and welfare and land use findings relating to cannabis cultivation, dispensing, and consumption, which findings are incorporated herein by reference; and

WHEREAS, in November of 2016 the Adult Use of Marijuana Act (“AUMA”) was approved by a majority of California voters. The purpose of AUMA is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution,

testing, and sale of nonmedical cannabis, including cannabis products. Adults, age 21 and older, will be allowed to possess cannabis and grow certain amounts at home for personal use; and

WHEREAS, the AUMA did not provide for a specific effective date, thus the provisions of the AUMA regarding personal use, possession, and cultivation of cannabis became effective the day after the November 8, 2016; and

WHEREAS, the AUMA's proposed Health & Safety Code section 11362.1(a)(3), will make it lawful under state and local law for any person twenty-one (21) years of age or older to "Possess, plant, cultivate, harvest, dry, or process not more than six living cannabis plants and possess the cannabis produced by the plants"; and

WHEREAS, the City wishes to enact regulations governing commercial cultivation of cannabis at this time; and

WHEREAS, the AUMA's proposed Health & Safety Code section 11362.2(b) explicitly allows a city to "enact and enforce reasonable regulations to reasonably regulate" the cultivation of cannabis so long as the City does not prohibit the cultivation of up to six plants "inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure"; and

WHEREAS, several California cities have reported negative impacts of cannabis cultivation and related activities, including but not limited to offensive odors, criminal activity, (such as trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of cannabis), and public health and safety concerns (such as fire hazards and problems associated with mold, fungus, and pests); and

WHEREAS, cannabis plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors or if grown indoors without proper ventilation, odor control, and other regulations; and

WHEREAS, due to the value of cannabis plants and their strong smell (which alerts others to their locations), cannabis cultivation has been linked to break-ins, robbery, armed robbery, theft and attendant violence and injury, creating an increased risk to public safety; and

WHEREAS, unregulated cannabis cultivation can be harmful to the welfare of the surrounding community and its residents and constitute a public nuisance, in that cannabis cultivation has been shown to involve avoidance of environmental laws and regulations, and has resulted in the pollution of waters and navigable waterways in the State of California; and

WHEREAS, the indoor cultivation of cannabis has potential adverse effects to the structural integrity of the buildings in which cannabis is cultivated, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire, which presents a clear and present danger to the buildings, its occupants, and neighboring buildings and residents; and

WHEREAS, unregulated indoor cultivation of cannabis can be harmful to the public health, safety and welfare, given electrical modifications risk fires, poor irrigation can cause mold, overloaded circuits can leave entire neighborhoods in the dark, plant chemicals can cause illness,

improper carbon dioxide mixed with insufficient ventilation can cause injury or death, and structural changes put first responders in danger if they rush into the unknown; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognize that the cultivation or other concentration of cannabis in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering and/or crime; and

WHEREAS, MMRSA and AUMA mandated comprehensive state licensing and regulatory framework for cultivation, manufacturing, distribution, transporting, testing and dispensing cannabis and cannabis products; however, implementing regulations have yet to be written and state licenses may not be available until 2018; and

WHEREAS, there are numerous well publicized studies and reports, as well as numerous documented incident in Monterey County and throughout the State, which show that unregulated cannabis activities have a significant adverse effect on the community; and

WHEREAS, the City finds that the absence of a formal regulatory framework the adverse impacts frequently associated with commercial cannabis activities will occur, resulting in an unregulated and potentially significant negative impact upon the environment and upon public health, safety, and welfare of the community; and

WHEREAS, outdoor cannabis cultivation and unregulated indoor cannabis cultivation are likely to generate these negative effects on the public health, safety, and welfare in the City, based on the experiences of other cities; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City desires to explicitly prohibit the outdoor cultivation of commercial cannabis for both recreational and medical use; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City also desires to enact reasonable regulations for the indoor cultivation, manufacturing, testing, distribution, or consumption of commercial recreational and medical cannabis; and

WHEREAS, absent clear regulation, cannabis cultivation in the City poses a potential threat to the public peace, health, and safety, and, unless the City takes action to regulate it, the secondary impacts described above are likely to occur very soon after the passage of the AUMA; and

WHEREAS, the City has a compelling interest in protecting the public health, safety, and welfare of its citizens, residents, visitors and businesses, and in preserving the peace and quiet of the neighborhoods within the City by regulating the commercial cultivation of recreational and medical cannabis; and

WHEREAS, nothing in this Ordinance shall be construed to: (1) allow any person to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity

relating to the cultivation, manufacturing, testing, distribution, or consumption of cannabis which is illegal under state or federal law; and

WHEREAS, it is the intent of the City to regulation commercial cannabis activities, both recreational and medical, within the boundaries of the City.

NOW THEREFORE, the City Council of the City of King does hereby ordain as follows:

SECTION 1. The above recitals are incorporated are hereby by reference.

SECTION 2. The Ordinance is exempt from the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that there is no possibility that it will have a significant effect on the environment. (CEQA Guidelines §15061(b)(3).) It is also exempt because it consists of regulations and restrictions on activities to assure the maintenance, restoration, or enhancement of natural resources and the environment by prohibiting environmentally destructive components of unregulated cannabis cultivation. (CEQA Guidelines §§15307, 15308.)

SECTION 3. Chapter 17.03, of Title 17, of the King City Municipal Code and the Chapters specifically identified below are amended to read as follows:

Chapter 17.03

COMMERCIAL CANNABIS ACTIVITY

Section 17.03.020 Definitions.

When used in this Chapter, the following terms shall have the meanings ascribed to them in this Section. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- (a) “*Cannabis*” means all parts of the medical or recreational Cannabis sativa Linnaeus, medical or recreational Cannabis indica, and/or medical or recreational Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “*Cannabis*” also means the separated resin, whether crude or purified, obtained from marijuana. “*Cannabis*” also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. “*Cannabis*” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “*Cannabis*” does not mean recreational marijuana, cannabis or industrial hemp as that term is defined by Section 81000 of the

California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

- (b) “*Cannabis concentrate*” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency. An edible cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.(c) “*Cannabis product*” means live unharvested cannabis, dried cultivated cannabis, live plants and/or a product containing cannabis, including, but not limited to, concentrates and extractions. For purposes of this Chapter, “*cannabis product*” does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- (d) “*Chief of Police*” means the Chief of Police for the King City Police Department or his/her designee.
- (e) “*City Manager*” means the City Manager for the City of King or his/her designee.
- (f) “*Commercial cannabis activity*” or “*commercial cannabis business*” includes any business or operation which engages in cultivation, nursery, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, or sale of cannabis or a cannabis product, except as set forth in California Business and Professions Code Section 19319, related to qualifying patients and primary caregivers.
- (g) “*Commercial cannabis permit*” means a permit issued by the City of King pursuant to this Chapter to a commercial cannabis business.
- (h) “*Cultivation*” means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- (i) “*Cultivation site*” means a facility where cannabis is propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, which holds both a valid state license and a permit issued by the City of King.
- (j) “*Delivery*” means the commercial transfer of cannabis or cannabis products from a cultivation site, up to an amount determined by the State of California, or any of its departments or divisions, to a manufacturer or a testing laboratory.

- (k) “*Dispensary*” means a facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale.
- (l) “*Dispensing*” means making cannabis or cannabis products available to, delivering to, or distributing to two (2) or more persons and/or any activity involving the wholesale of cannabis or cannabis products.
- (m) “*Distribution*” means the sale or transportation of cannabis or cannabis products between entities licensed pursuant to the MMRSA, AUMA and/or any subsequent State of California legislation regarding cannabis and/or cannabis products.
- (n) “*Distributor*” means a person licensed under the MMRSA, AUMA and any subsequent State of California legislation to engage in the business of selling wholesale cannabis or cannabis products for sale to a licensed dispensary.
- (o) “*Dried flower*” means all cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- (p) “*Edible cannabis product*” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
- (q) “*License*” means a license issued by the State of California, or one of its departments or divisions, under the MMRSA and/or AUMA to engage in commercial cannabis activity.
- (r) “*Live plants*” means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.
- (s) “*Manufacturer*” means a person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, as defined in this Section, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, that holds a valid state license and holds a permit issued by the City of King.

- (t) “*Manufactured cannabis*” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate or manufactured product, including but not limited to products intended for internal consumption or topical application.
- (u) “*Manufacturing site*” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a license by the State of California, or one of its departments or divisions, for these activities.
- (v) “*Nursery*” means a licensed facility which produces only cannabis clones, immature cannabis plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- (w) “*Person*” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- (x) “*Topical cannabis*” means a product intended for external application. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- (y) “*Transport*” means the transfer of cannabis or cannabis products from a licensed and permitted commercial cannabis business location to another licensed and permitted commercial cannabis business location, for the purposes of the wholesale delivery of cannabis and/or cannabis products and/or the transfer of cannabis to a manufacturing site or testing site as authorized pursuant to state law and/or the King City Municipal Code.
- (z) “*Transporter*” means a person who transports commercial cannabis or cannabis products to and from a commercial cannabis business licensed by the State of California or one of its departments or divisions and permitted by the City of King.

Section 17.03.040 Licenses and Permits.

- (a) Commercial cannabis activity shall be authorized in the City of King only as expressly provided in this Chapter and if not expressly authorized by this Chapter shall be prohibited.

- (b) Cannabis dispensaries, cooperatives and/or collectives shall be prohibited in all zoning districts within the City. Further, no retail deliveries or dispensing of any cannabis or cannabis product shall be allowed within the jurisdictional boundaries of the City. The establishment, development, construction, maintenance, or operation of a cannabis dispensary, cooperative and/or collective are hereby prohibited, and is not an authorized or conditionally permitted use in any zoning district, even if located within an otherwise permitted use. No person shall establish, develop, construct, maintain, or operate a cannabis dispensary, cooperative and/or collective, and no application for a building permit, use permit, variance, or any other entitlement authorizing the establishment, development, construction, maintenance, or operation of any cannabis dispensary, cooperative and/or collective shall be approved by any officer or employee of the City. A violation of this Section is declared to be a public nuisance and punishable pursuant to the provisions of the King City Municipal Code.
- (c) The retail sale, gift, trade, barter or making available of cannabis or cannabis products by two or more persons shall be prohibited in all zoning districts of the City.
- (d) In addition to those other requirements which may be imposed pursuant to this Chapter, no person shall establish, develop, construct, maintain, or operate a commercial cannabis activity and/or open a commercial cannabis business without possessing both a commercial cannabis permit issued by the City and within one (1) year of the ability to obtain a license, a license issued by the State of California or one of its departments or divisions.
- (e) The City Manager is hereby authorized to issue commercial cannabis permits on behalf of the City. The City Manager, in their sole discretion, may issue a commercial cannabis permit pursuant to the mandatory requirements of this Chapter and the King City Municipal Code as may be repealed or amended by the City Council from time to time.
- (f) A commercial cannabis permit shall be governed by the following requirements and/or limitations:
 - (1) There shall be no retail sales of cannabis and/or cannabis products.
 - (2) Excluding repair, maintenance and delivery services, there shall be no public access to the commercial cannabis business.
 - (3) It shall be unlawful to employ or grant access to any individual under twenty-one (21) years of age, or another age as set by state law.
 - (4) Each commercial cannabis permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance.

- (5) An application for renewal of a commercial cannabis permit shall be filed with the City Manager at least sixty (60) calendar days prior to the expiration date of the permit.
- (6) An application for renewal of a commercial cannabis permit shall be denied if any of the following exists:
 - (A) The application for renewal of the commercial cannabis permit is filed less than sixty (60) calendar days before its expiration.
 - (B) The commercial cannabis permit is suspended or revoked at the time the application for renewal is submitted or suspended or revoked while the application for renewal is pending.
 - (C) The commercial cannabis business or activity has not been in regular and continuous operation during the four (4) months prior to the submission of the application for renewal.
 - (D) The commercial cannabis business or activity fails to conform to the requirements of this Chapter, any provision of the King City Municipal Code, any condition(s) imposed as part of a conditional use permit, and/or zoning requirement.
 - (E) The applicant for renewal of the commercial cannabis permit fails to renew its State of California license.
 - (F) The applicant for renewal has failed to pay in full any fees, administrative citation fines, penalties and/or costs issued by the City relating to the commercial cannabis business and/or activity, unless assessment of the fees, administrative citation fines, penalties and/or costs are being appealed.
- (7) If a renewal application is denied, the applicant may file an appeal. The appeal must be in writing, identify the grounds for reversing the denial and be submitted to the City Clerk within ten (10) days from the date of the denial. The appeal shall be conducted as established within this Chapter and/or the King City Municipal Code. In the alternative, the applicant may file a wholly new application for a commercial cannabis permit as established within this Chapter. Upon expiration of the commercial cannabis permit and regardless of a pending appeal or new application for a commercial cannabis permit, all applicant's commercial cannabis activity shall immediately cease. Violations of this Section shall be subject to denial of the appeal or new application for a commercial cannabis permit and/or the enforcement, penalties and cost recovery

proscribed within this Chapter and/or the King City Municipal Code.

- (8) An applicant seeking multiple licenses for different types of commercial cannabis activity shall be required to comply with the multiple licensing restrictions contained within Business and Professions Code Section 19328. An applicant may hold multiple City issued commercial cannabis permit types, consistent with the requirements of Business and Professions Code section 26053 and a State of California Type 12 "Microbusiness" license. An applicant who holds a City issued testing permit and/or State of California issued testing license shall not hold any other City issued commercial cannabis permits. An applicant also shall not receive a commercial cannabis permit authorizing the establishment, development, construction, maintenance, or operation of a cannabis dispensary, cooperative and/or collective within the City. Further, the applicant shall apply and receive a City issued permit for each type of commercial cannabis activity prior to engaging in the commercial cannabis activity.
- (9) Any unpaid fees, administrative citation fines, penalties and/or costs issued by the City relating to the commercial cannabis business and/or activity shall be added to the fee for renewal of the commercial cannabis permit, unless assessment of the fees, administrative citation fines, penalties and/or costs are being appealed.
- (10) A commercial cannabis permit shall not be renewed until the City receives payment in full of the renewal fee.
- (g) Prior to commencing operation, a commercial cannabis business shall obtain a City of King business license and comply with all applicable provisions and requirements of that license.
- (h) Prior to commencing operation, a commercial cannabis business shall be subject to a mandatory building inspection and must obtain all required permits or approvals which would otherwise be required including, but not limited to, building permit(s), King City Fire Department permit(s), and planning-level permit(s) required by Title 17 Zoning of the King City Municipal Code.
- (i) Consistent with the requirements of Business and Professions Code section 26053, a commercial cannabis business conducting multiple commercial cannabis activities shall obtain a City issued permit for each type of commercial cannabis activity prior to engaging in that activity. A commercial cannabis business which holds a City issued testing permit shall not hold any other City issued commercial cannabis permits. In addition, a commercial cannabis business authorized to conduct multiple commercial

cannabis activities, consistent with the requirements of Business and Professions Code section 26053, shall not receive a City issued permit authorizing the establishment, development, construction, maintenance, or operation of a cannabis dispensary, cooperative and/or collective within the City.

- (j) Revocation, termination, denial, non-issuance or suspension of a license issued by the State of California, or any of its departments or divisions, shall immediately terminate the commercial cannabis permit and all commercial cannabis activity shall immediately cease. Upon reinstatement or receipt of a new license from the State of California, or any of its departments or divisions, the commercial cannabis activity may file for a new permit from the City. While a new application for a commercial cannabis permit is pending, applicant shall not engage in any commercial cannabis activity. Violations of this Section shall be subject to denial of the application for a commercial cannabis permit and/or the enforcement, penalties and cost recovery proscribed within this Chapter and/or the King City Municipal Code.

Section 17.03.060 Security Measures.

- (a) The City Manager is authorized to promulgate additional regulations necessary to implement the requirements and fulfill the policies of this Chapter related to commercial cannabis activities.
- (b) A permitted commercial cannabis business, regardless of building type utilized, shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products and theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the City Manager, these security measures shall include, but shall not be limited to, all of the following:
 - (1) Preventing both non-employees and employees from remaining on the premises of the commercial cannabis business if they are not engaging in the activity expressly related to the operations of the commercial cannabis business.
 - (2) Establishing limited access areas accessible only to authorized commercial cannabis business personnel.
 - (3) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
 - (4) Installing twenty-four (24) hour security surveillance cameras with night vision capability and of at least HD-quality to monitor all

entrances and exits to and from the premises and to monitor all interior spaces, excluding all restroom and changing room facilities, within the commercial cannabis business. The security surveillance system shall be compatible with software and hardware utilized by the King City Police Department. The security surveillance system shall be capable of providing the King City Police Department with remote real-time/live access to the video footage during emergency situations, including but not limited to armed robbery, active shooter, hostage, and exposure to hazardous or volatile substances. Video recordings shall be maintained for a minimum of forty-five (45) days. Upon request by the Chief of Police, video recordings will provided to the King City Police Department within twenty-four (24) hours. If the commercial cannabis business refuses to provide the Chief of Police access to the real-time/live video feed or the requested video recordings, the City Attorney shall be authorized to seek reimbursement of all costs, including but not limited to court costs, attorney's fees, filing fees, administrative time and fees and employee time, incurred by the City while seeking a warrant and/or judicial intervention granting the requested access. The requirements of this Section shall be in addition to any other provision provided for within the King City Municipal Code.

- (5) Sensors shall be installed to detect entry and exit from all secure areas.
- (6) Panic buttons shall be installed in all commercial cannabis businesses.
- (7) A professionally installed, maintained, and monitored alarm system.
- (8) Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building and installed in compliance with all applicable requirements of the King City Municipal Code, California Building Code and California Fire Code.
- (9) Security personnel hired by the commercial cannabis business shall be certified by the State of California and submit to and pass a background check conducted by the King City Police Department, including but not limited to finger print analysis utilizing the California Department of Justice Live Scan system. In the alternative, the security personnel or commercial cannabis permit holder may provide the City Manager with a completed background check performed by a third party vendor approved by the City.
- (10) Each commercial cannabis business shall have the capability to remain secure and operational during a power outage and shall ensure that all access doors are not solely controlled by an electronic

access panel to ensure that locks are not released during a power outage.

- (c) Each commercial cannabis business shall provide the Chief of Police with the identity and contact information for a liaison who shall be reasonably available to meet and discuss compliance with the requirements of the King City Municipal Code, state law and/or any other regulations relating to the commercial cannabis activity.
- (d) As part of the application and permitting process, each commercial cannabis business shall provide the Chief of Police with a detailed transportation plan describing the procedures for safely and securely transporting cannabis, cannabis products and/or currency.
- (e) A commercial cannabis business shall notify the Chief of Police within twenty-four (24) hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.
 - (2) Diversion, theft, loss or any criminal activity involving the commercial cannabis business, an employee or any agent of the commercial cannabis business.
 - (3) The loss or unauthorized alteration of records referring or related to cannabis, cannabis products, employees or agents of the commercial cannabis business.
 - (4) Any other breach of security.

Section 17.03.070 Employee Work Permits.

- (a) Every employee or independent contractor working at the commercial cannabis business or involved in the transportation related services for the commercial cannabis business shall obtain an Employee Work Permit. It shall be the responsibility of the commercial cannabis permit holder to ensure that Employee Work Permits are obtained from the City Manager prior to the employee or independent contractor commencing work. Persons who are listed as the commercial cannabis permit holder shall not be required to obtain an Employee Work Permit if such person also serves as an employee or contractor.
- (b) Each prospective employee or independent contractor shall be required to submit an application to the City Manager so that a background check can be performed by the Chief of Police. The application shall contain the following:
 - (1) Name, current resident address, and telephone number.

- (2) Date of birth.
 - (3) Social security number, tax identification number or State of California identification card.
 - (4) Height, weight, eye color and hair color.
 - (5) Photographs for identification purposes (photographs shall be taken by the King City Police Department).
 - (6) Be fingerprinted by the King City Police Department and agree to a criminal history records check conducted by the King City Police Department based upon their fingerprints.
 - (7) Such other identification and information as deemed necessary by the Chief of Police and pertinent to the Employee Work Permit.
 - (8) Authorization for the City Manager to seek verification of the information contained within the application.
 - (9) The name of the commercial cannabis permit holder for which the applicant is seeking to work.
- (c) Every applicant for an Employee Work Permit shall provide the City with a non-refundable fee, as established by resolution of the City Council, to process their application. The fee shall include an amount to cover the costs of fingerprinting, photographing, background checks as well as general review and processing of the application. In the alternative, the applicant may provide the City Manager with a completed background check performed by a third party vendor approved by the City.
- (d) The Chief of Police, upon receiving a properly completed application and payment of the application fee or a completed third party background check, shall conduct an investigation into the information provided by the applicant. The background check and investigation or review shall be complete within thirty (30) days of receiving the properly completed application and completed background check. The City Manager shall provide the applicant with notice either approving or denying the requested Employee Work Permit within fifteen (15) days of completing the background check and investigation. The City Manager, in their sole discretion, may conditionally approve the issuance of an Employee Work Permit pending completion of the background check and investigation. Notice of the decision shall be personally served or mailed to the applicant via U.S. mail. Notice of the decision is presumed served upon the applicant at the time it is deposited within the U.S. mail. The decision of the City Manager on an Employee Permit shall be final, subject to judicial review.
- (e) An Employee Work Permit shall be denied based upon any of the following grounds:

- (1) The applicant has been issued a local or state permit or license to conduct commercial cannabis activities at any other location within the State of California or another state and the permit or license was suspended or revoked, or the applicant has had disciplinary action relating to the permit or license.
 - (2) The applicant has been convicted of a serious or violent offense as listed within California Penal Code sections 667.5 and 1192.7(c).
 - (3) The applicant has been convicted of any offense listed within Business and Professions Code section 19323.
 - (4) The applicant has been convicted of a misdemeanor involving theft, dishonesty, fraud, narcotics sales or narcotic trafficking within the five (5) years preceding the date of the application.
 - (5) The applicant has been convicted of a felony involving the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined within the Federal Controlled Substance Act, unless the applicant received a Certificate of Rehabilitation as defined in the Act.
 - (6) The applicant has engage in misconduct related to the qualifications, functions or duties of their position with the commercial cannabis business.
 - (7) The applicant has engaged in unlawful, fraudulent, unfair, or deceptive business practices as defined by the King City Municipal Code and/or state or federal law.
 - (8) The applicant is under the age of twenty-one (21), or any age as may be set by state law.
 - (9) The applicant meets any of the conditions identified within Business and Professions Code section 26057(b).
- (f) The City Manager may suspend or revoke an Employee Work Permit when the employee or independent contractor has committed any of the following acts:
- (1) Any action which would be grounds for denial of an Employee Work Permit.
 - (2) Any violation of this Chapter, the King City Municipal Code, or any other applicable state or federal law governing the commercial cannabis business or activity.
 - (3) An employee or independent contractor working for a commercial cannabis testing facility is also employed or volunteers at any

commercial cannabis business engaging in non-testing commercial cannabis activities.

- (g) Prior to suspending or revoking an Employee Work Permit, the City Manager shall conduct a hearing. Written notice of the hearing shall be provided to the employee or independent contractor at least five (5) calendar days prior to the hearing. The notice shall contain the basis for suspending or revoking the Employee Work Permit. Notice may be provided by either personal service or U.S. mail. After the hearing, the City Manager shall provide notice of the decision whether to suspend or revoke the Employee Work Permit. The decision of the City Manager shall be final, subject to judicial review. The employee or independent contractor has no right to appeal the decision to the City Council.
- (h) The City Manager may immediately suspend an Employee Work Permit without notice or hearing, subject to appeal rights as set forth in this Chapter, under the following circumstances:
 - (1) The employee or independent contractor is convicted of a public offense in any court for the violation of any law which would be grounds for denial of an Employee Work Permit.
 - (2) The Chief of Police determines immediate suspension is necessary to protect the health, safety and welfare of the community. The City Manager shall provide notice of the grounds for immediate suspension of the Employee Work Permit and the suspension shall only be for as long as reasonably necessary to address the grounds which led to the suspension.

Section 17.03.100 Restriction on Alcohol Sales.

No person shall cause or allow the sale, dispensing, or consumption of alcoholic beverages on or about the premises of any commercial cannabis business. No commercial cannabis business may operate at the same location as an alcohol-related use as that term is defined in the King City Municipal Code.

Section 17.03.170 Application Procedures and Application Requirements.

Permittee Selection Process; Criteria for Review; Renewal, Suspension or Revocation of a Permit; Appeals. In addition to those requirements set forth in this Section and elsewhere in this Chapter, the City Council may by resolution or ordinance adopt such forms, fees, and procedures as are necessary to implement this Chapter with respect to the initial selection, future selection, investigation process, renewal, revocation, and suspension of commercial cannabis business permits and appeals for the revocation or suspension of a commercial cannabis permit.

- (a) At a minimum, the application shall contain the following requirements:

- (1) The printed full name, signature, date of birth, social security number, and present address and telephone number of all persons and entities responsible for the operation of the commercial cannabis business including managers, corporate officers, investors, any individual with an ownership interest, any member of a board of directors, any general or limited partner, and/or any member of a decision-making body for the commercial cannabis business.
- (2) The address to which correspondence from the City of King is to be sent.
- (3) The names and addresses of all businesses operated by and the employment of the applicant(s) for the five (5) years immediately preceding the date of the application.
- (4) Any litigation in which the applicant(s) has been involved within the five (5) years immediately preceding the date of the application and a statement of whether any business currently operated by the applicant(s) or operated by the applicant(s) within the five (5) years immediately preceding the date of the application has been investigated or the permit or license authorizing the operation of such business has been revoked or suspended within the five (5) years immediately preceding the date of the application.
- (5) The address of any commercial cannabis business currently being operated by the applicant(s), or any of them, or which have been previously operated by them.
- (6) The supply sources for all cannabis and cannabis products sold at the commercial cannabis business. Product supply chain including the site(s) where cultivation occurs, the product is processed or manufactured, any required testing of cannabis or cannabis products, transportation, and packaging and labelling criteria.
- (7) The names and telephone numbers of the person(s) to be regularly engaged in the operation of the proposed commercial cannabis business, whether an employee, volunteer or contractor. The application shall also have the names and telephone numbers of those persons having management and supervisory responsibilities for the proposed commercial cannabis business.
- (8) Odor control devices and techniques to prevent odors from marijuana from being detectable off-site.

- (9) Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess medical cannabis product.
- (10) Procedures for inventory control to prevent diversion of cannabis and cannabis product, employee screening, storage of cannabis and cannabis product, personnel policies, and record-keeping procedures.
- (11) A detail of the procedures to be utilized at the facility including a description of how chemicals and fertilizers will be stored, handled, used and disposed of; manufacturing methods, the transportation process, inventory procedures, and quality control procedures.
- (12) A site plan and floor plan of the commercial cannabis business denoting the property lines and the layout of all areas of the commercial cannabis business including storage, cultivation, manufacturing, testing, distributing, reception/waiting, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.
- (13) Size, height, colors, and design of any proposed signage at the site. A City of King sign permit issued pursuant to the King City Municipal Code shall be required.
- (14) An operations and security plan.
- (15) Standard operating procedures detailing how operations will comply with state and local regulations, how safety and quality of products will be ensured, record-keeping procedures for financing, testing, and adverse event recording, and product recall procedures.
- (16) Proposed hours of operation.
- (17) Recycling and Waste disposal information.
- (18) Youth access restriction procedures.
- (19) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
- (20) Detailed description of energy and water usage plan enumerating best practices and leading industry practices in efficient utilization of both resources.

- (b) An application shall be denied based upon any of the following grounds:
- (1) The applicant has been issued a local or state permit or license to conduct commercial cannabis activities at any other location within the State of California or another state and the permit or license was suspended or revoked, or the applicant has had disciplinary action relating to the permit or license.
 - (2) The applicant has been convicted of a serious or violent offense as listed within California Penal Code sections 667.5 and 1192.7(c).
 - (3) The applicant has been convicted of any offense listed within Business and Professions Code section 19323.
 - (4) The applicant has been convicted of a misdemeanor involving theft, dishonesty, fraud, narcotics sales or narcotic trafficking within the five (5) years preceding the date of the application.
 - (5) The applicant has been convicted of a felony involving the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined within the Federal Controlled Substance Act, unless the applicant received a Certificate of Rehabilitation as defined in the Act, within the ten (10) years preceding the date of the application.
 - (6) The applicant has engaged in misconduct related to the ownership, qualifications, functions or duties of their position with the commercial cannabis business.
 - (7) The applicant has engaged in unlawful, fraudulent, unfair, or deceptive business practices as defined by the King City Municipal Code and/or state or federal law.
 - (8) The applicant is under the age of twenty-one (21), or any age as may be set by state law.

A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

This Section shall not constitute an exhaustive list of grounds for denying an application. The City Manager and/or the Planning Commission may identify any additional grounds for denying an application or conditional use permit.

- (c) The City Manager shall review each application to determine whether it contains all of the required information. If the application does not contain all of the required information, it shall be returned to the applicant for completion. The City Manager shall endeavor to conclude their review within ninety (90) days of the filing of the application. If additional time is necessary, the City Manager will advise the applicant of an estimated review time.
- (d) In reviewing an application for a permit pursuant to this Chapter or in reviewing the proposed commercial cannabis business, the City Manager or designee may request whatever additional information is deemed necessary to carry out the purposes of this Chapter.
- (e) The City Manager shall have the authority to either grant or deny the application for a commercial cannabis permit. Notwithstanding what is otherwise provided in this Chapter, the City Manager, when approving a commercial cannabis permit, may place any additional limitations and conditions on the operation of a commercial cannabis business as he or she deems necessary, consistent with the public interest and with this Chapter.
- (f) When an application is denied, the City Manager shall provide a statement of decision giving the reasons for the denial and the findings upon which the decision is based. Notice of the denial may be provided by either personal service or U.S. mail. Notice is presumed to be served upon the applicant once deposit into the U.S. mail. Any person denied a commercial cannabis permit shall have the right to appeal such denial in accordance with this Section.
- (h) Any appeal of a denial of an application shall be filed and conducted as prescribed in this subsection.
 - (1) Within ten (10) calendar days from the date of the denial of an application, an aggrieved party may appeal such action by filing with the City Clerk a written appeal setting forth the grounds for reversing the denial.. The time requirement for filing an appeal shall be deemed jurisdictional and may not be waived. Appeals not timely filed or not setting forth the basis for the appeal are defective and shall be dismissed.
 - (2) Upon receipt of such written appeal, the City Clerk shall set the matter for a hearing before the City Manager. The hearing shall be conducted pursuant to the procedures set forth within King City Municipal Code section 7.51:604 and shall be set for hearing in a reasonable time after the date of filing the appeal with the City Clerk, but in no event later than ninety (90) days from the date of such filing. At least ten (10) days prior to the date of the hearing on the appeal,

the City shall notify the appellant of the time and the place of the hearing. Notice may be provided by either personal service or U.S. mail. Notice is presumed to be served upon deposit into the U.S. mail. At such hearing, the City Manager and the appellant may present any information they deem relevant to the decision appealed, provided the information complies with the requirements of section 7.51.604 of the King City Municipal Code. The formal rules of evidence and procedure applicable in a court of law shall not apply to such hearing.

- (3) At the conclusion of the hearing, the City Manager shall deliberate and reach a decision within fifteen (15) calendar days. The decision and the reason(s) for the decision shall be reduced to writing. The City Manager may affirm, reverse, or modify the denial issued pursuant to this Code as the facts and law warrant, subject to the following limitations:
 - (i) The City Manager shall not have authority to waive any requirements of the Code or law.
 - (ii) Nothing in these procedures shall be deemed to authorize the City Manager to deviate from unambiguous provisions of the governing code or statute, or well established interpretations of the same, based upon expert opinions or other reliable evidence.

A copy of the decision shall be sent by mail or otherwise to the appellant. Where known, a copy may also be provided by email.

- (4) The decision of the City Manager shall be final with no further administrative appeals. Unless the governing ordinance or statute provides otherwise, if the appellant seeks further relief, the appellant shall file a petition for writ of mandate in superior court pursuant to Code of Civil Procedure Sections 1094.5 and 1094.6 within ninety (90) calendar days of the date of the decision.

Section 17.03.180 Records and Reporting.

- (a) Subject to the Health Insurance Portability and Accountability Act (HIPAA) regulations, each commercial cannabis business shall allow City of King officials to have access to the commercial cannabis business's books, records, accounts, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data shall be produced within

later than twenty-four (24) hours after receipt of the City's request. Failure to timely provide the requested records may result in immediate suspension of the commercial cannabis permit.

- (b) Each commercial cannabis business shall file with the City Manager an audit of its financial operations for the previous fiscal year, complete and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include, but not be limited to, a discussion, analysis, and verification of each of the records required to be maintained pursuant to this Chapter. The information contained in the audit shall be made available in standard electronic format which shall be compatible with Microsoft Office programs and software and which can easily be imported into either Excel, Access or any other contemporary software designated by the City Manager.
- (c) All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until sold or delivered.
- (d) Each owner and/or operator of a commercial cannabis business shall maintain a current register of all employees currently employed by the commercial cannabis business and shall disclose such register to any City official upon request.

All records required by this Chapter shall be maintained by the commercial cannabis business for a period of not less than seven (7) years and shall otherwise keep accurate records of all commercial cannabis business activity and provide such records for inspection consistent with California Business and Professions Code Section 26160 and any additional rules promulgated by the licensing authority pursuant to that section or the City Council by resolution or ordinance.

Section 17.03.210 Operating Requirements.

In addition to those operating requirements specifically set forth elsewhere in this Chapter and except as may otherwise be expressly set forth in this Chapter, the following operating requirements shall apply to all commercial cannabis businesses operating in the City of King.

- (a) **Hours of Operation.** Commercial cannabis businesses may be open for access to the public only between the hours of eight (8:00) a.m. and seven (7:00) p.m. Monday through Sunday.
- (b) **Restriction on Consumption.** Cannabis shall not be consumed on the premises of any commercial cannabis businesses or elsewhere in the City other than within private residences.

- (c) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of the property. No outdoor storage of cannabis or cannabis products is permitted at any time.
- (d) Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale tracking system to track and to report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale) and shall ensure that such information is compatible with the city's recordkeeping systems. The system must have the capability to produce historical transactional data for review by the City. All information provided to the city pursuant to this subsection shall be confidential and shall not be disclosed, except as may otherwise be required under law.
- (e) All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.
- (f) Emergency Contact. Each commercial cannabis business shall provide the City Manager with the name, telephone number (mobile preferred, if available) of an on-site employee or owner to whom emergency notice can be provided.
- (g) Signage and Notices.
 - (1) In addition to the requirements otherwise set forth in this Section, business identification signage for a commercial cannabis business shall conform to the requirements of the King City Municipal Code, including, but not limited to, issuance of a City of King sign permit.
 - (2) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.
 - (3) No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.
 - (4) Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

- (5) Signage shall not be directly illuminated, internally or externally. No banners, flags or other prohibited signs may be used at any time.
- (h) Minors. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business.

It is unlawful and a violation of this Chapter for any person to employ any other person at a commercial cannabis business who is not at least twenty-one (21) years of age.

The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the commercial cannabis business.

- (i) Odor Control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from marijuana are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the medical marijuana facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment or any other equipment which the City Manager determines has the same or better effectiveness:
 - (1) An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
 - (2) An air system that creates negative air pressure between the commercial cannabis business's interior and exterior so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.
- (j) Display of Permit and City Business License. The original copy of the permit issued by the City pursuant to this Chapter and the business license issued by the City pursuant to the King City Municipal Code shall be posted inside the commercial cannabis business in a location readily visible to the public.
- (k) Background Check. Every person listed as an owner, manager, supervisor or employee of the commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police for a background check by the King City Police Department. In the alternative, the applicant can submit a completed background check from a City approved vendor which shall be reviewed by the Chief of Police. No person

shall be issued a permit to operate a commercial cannabis business unless they have first cleared the background check, as determined by the Chief of Police, as required by this Section. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis permit is submitted. The applicant(s) shall provide an initial deposit in an amount the Chief of Police estimates will cover the cost of the background investigation, which shall be used and drawn upon as a retainer to cover the actual costs of such investigation. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or in the event the applicant withdraws their application, any unused amount will be refunded to the applicant within thirty (30) days.

- (l) Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
- (m) Permits and other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.
- (n) Greenhouses. Greenhouses shall only be utilized for commercial cannabis cultivation and/or nurseries. A greenhouse shall be a fully enclosed permanent structure with solid walls that are clad in an opaque material with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental artificial lighting. The cultivation and nursery activities conducted within a greenhouse shall not be visible from any public right of way or adjacent private property. All greenhouses shall comply with the requirements of this Chapter and the King City Municipal Code, including the adopted requirements of the California Building Code, the California Fire Code and/or any other code adopted or incorporated by reference within the King City Municipal Code. The City Manager shall have authority, upon consultation with the City Attorney, to establish additional regulations and/or guidelines for operating greenhouses for commercial cannabis cultivation and/or nurseries within the City.

Section 17.03.260 Cannabis Manufacturing - Edibles and other Cannabis Products - Sale or Distribution of Edible and other Cannabis Products.

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate zoning districts as defined in Title 17, Zoning, of the King City Municipal Code, subject to the regulations set forth in this Section and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the City Council or otherwise pursuant to this Chapter.

- (a) No edible cannabis products shall be sold or distributed on a retail basis at a commercial cannabis business operating under a permit issued pursuant to this Chapter. Edible cannabis products may be sold wholesale for retail sale outside of the City boundaries.
- (b) All items to be sold or distributed wholesale shall be individually wrapped at the original point of preparation. Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of cannabis in the package. A warning that the item is a medication and not a food must be clearly legible on the front of the package. The package must have a label warning that the product is to be kept away from children. The label must also state that the product contains cannabis and must specify the date of manufacture.
- (c) Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the commercial cannabis business. Deliveries must be in a properly labeled opaque package when delivered.
- (d) Preparation of commercial edible cannabis products and non-edible cannabis products shall comply with all applicable federal, state and local laws, regulations and/or guidelines governing manufacturing procedures and safety measures. The City Manager shall have authority, upon consultation with the City Attorney, to establish additional regulations and/or guidelines for preparing commercial edible cannabis products and non-edible cannabis products within the City.

Section 17.03.270 Cannabis Manufacturing and Testing.

- (a) Cannabis manufacturing facilities requiring a Type-6 state license (non-volatile manufacturing) as defined in Business and Professions Code Section 19341, may be permitted to operate within the appropriate industrial districts as defined in Title 17 of the King City Municipal Code. Cannabis manufacturing facilities requiring a Type-7 state license (volatile manufacturing), as defined in Business and Professions Code Section 19341, may be permitted to operate within the appropriate industrial districts as defined in Title 17 of the King City Municipal Code. No volatile fluid or material, shall be used in Type-6 licensed manufacturing facilities unless otherwise authorized and approved by the State of California. For purposes of this Section, within a Type-6 licensed manufacturing facility or a permitted commercial cannabis testing facility food grade alcohol may be

utilized solely to clean machinery and dissolve wax, unless otherwise prohibited by the State of California. No commercial cannabis business or facility shall store food grade alcohol or any other volatile chemical, solvent or substance in an amount which exceeds the maximum authorized amount determined by the Fire Chief and/or Chief of Police for the City of King.

- (b) Commercial cannabis manufacturing facilities shall comply with all applicable federal, state and local laws, regulations and/or guidelines governing manufacturing procedures and safety measures. The City Manager shall have authority, upon consultation with the City Attorney, to establish additional regulations and/or guidelines for operating a commercial cannabis manufacturing facility within the City.
- (c) Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers which exceeds the maximum authorized amount determined by the Fire Chief and/or Chief of Police for the City of King.
- (d) No more than six (6) commercial cannabis manufacturing businesses may operate within the City at any one time and no more than six (6) commercial cannabis manufacturing permits shall be issued by the City for commercial cannabis manufacturing businesses to operate within the City.
- (e) Testing Facilities. Commercial cannabis testing facilities requiring a Type-8 state license may be permitted to operate within the appropriate industrial districts as defined in Title 17 of the King City Municipal Code. Commercial cannabis testing facilities shall comply with all applicable federal, state and local laws, regulations and/or guidelines governing testing procedures and safety measures. The City Manager shall have authority, upon consultation with the City Attorney, to establish additional regulations and/or guidelines for operating a commercial cannabis testing facility within the City.

SECTION 4: Chapter 17.30, of Title 17, of the King City Municipal Code is amended in its entirety to read as follows:

Chapter 17.30

M-1 Industrial District

Section 17.30.020 Uses Permitted Subject to Obtaining a Use Permit.

- (14) Commercial cannabis cultivation and nurseries consistent with those activities authorized under the State of California cultivator and nursery license types issued by the Department of Food and Agriculture under Business and Professions Code section 19332(g)(5) Type 2A “small indoor,” 19332(g)(6) Type 2B “small mixed-light,” 19332(g)(8) Type 3A “indoor,” 19332(g)(9) Type 3B “mixed-light” and 19332(g)(10) Type 4 “nursery.” Commercial cannabis manufacturing and testing consistent wit

those activities authorized under the State of California Type 6 and Type 7 Manufacturing, (m) and Type 8 Testing (subject to the limitation established by the State of California). Cultivation for purposes of this provision shall be limited to those activities defined within California Business and Professions Code section 19300.5(l) and the delivery or transport of the harvested cannabis or cannabis product outside of the City. No retail deliveries or dispensing of any cannabis or cannabis product shall be allowed within the jurisdictional boundaries of the City. Commercial cannabis manufacturing facilities requiring a Type-6 state license (non-volatile manufacturing) as defined in Business and Professions Code Section 19341, may be permitted to operate within the M-1 industrial districts as defined in Title 17 of the King City Municipal Code. Commercial cannabis manufacturing facilities requiring a Type-7 state license (volatile manufacturing), as defined in Business and Professions Code Section 19341, may be permitted to operate within the M-1 industrial districts as defined in Title 17 of the King City Municipal Code. Commercial cannabis testing facilities requiring a Type-8 state license may be permitted to operate within the M-1 industrial districts as defined in Title 17 of the King City Municipal Code;

- (16) Commercial cannabis distribution and transportation consistent with those activities authorized under State of California distribution and transportation license types issued by the Department of Food and Agriculture under Business and Professions Code 19334 (2) "Distributor" Type 11 and (4) "Microbusiness" Type 12 (excluding the establishment of dispensaries, cooperatives, collectives and/or the retail sale of cannabis and/or cannabis products directly to qualified patients, primary caregivers, and recreational adult-use consumers);

SECTION 5: Chapter 17.31, of Title 17, of the King City Municipal Code is added and adopted in its entirety to read as follows:

Chapter 17.31

M-2 Industrial District

Section 17.31.020 Uses Permitted Subject to Obtaining a Use Permit.

- (18) Commercial cannabis cultivation and nurseries consistent with those activities authorized under the State of California cultivator and nursery license types issued by the Department of Food and Agriculture under Business and Professions Code Section 19332(g)(5) Type 2A "small indoor," 19332(g)(6) Type 2B "small mixed-light," 19332(g)(8) Type 3A "indoor," 19332(g)(9) Type 3B "mixed light" and 19332(g)(10) Type 4 "nursery." Commercial cannabis manufacturing and testing consistent with those activities authorized under the State of California Type 6 and Type 7 Manufacturing, (m) and Type 8 Testing (subject to the limitation established by the State of California). Commercial cannabis distribution

and transportation consistent with those activities authorized under State of California distribution and transportation license types issued by the Department of Food and Agriculture under Business and Professions Code 19334 (2) "Distributor" Type 11 and (4) "Microbusiness" Type 12 (excluding the establishment of dispensaries, cooperatives, collectives and/or the retail sale of cannabis and/or cannabis products directly to qualified patients, primary caregivers, and recreational adult-use consumers). Cultivation for purposes of this provision shall be limited to those activities defined within California Business and Professions Code section 19300.5(l) and the delivery or transport of the harvested cannabis or cannabis product outside of the City. No retail deliveries or dispensing of any cannabis or cannabis product shall be allowed within the jurisdictional boundaries of the City. All cultivation shall be conducted indoors. Commercial cannabis manufacturing facilities requiring a Type-6 state license (non-volatile manufacturing) as defined in Business and Professions Code Section 19341, may be permitted to operate within the M-2 industrial districts as defined in Title 17 of the King City Municipal Code. Commercial cannabis manufacturing facilities requiring a Type-7 state license (volatile manufacturing), as defined in Business and Professions Code Section 19341, may be permitted to operate within the M-2 industrial districts as defined in Title 17 of the King City Municipal Code. Commercial cannabis testing facilities requiring a Type-8 state license may be permitted to operate within the M-2 industrial districts as defined in Title 17 of the King City Municipal Code.

SECTION 6: EFFECTIVE DATE.

This Ordinance shall take effect and be in full force and effect from and after thirty (30) calendar days after its final passage and adoption. Within fifteen (15) calendar days after its adoption, the Ordinance, or a summary of the Ordinance, shall be published once in a newspaper of general circulation.

I HEREBY CERTIFY that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the ____ day of _____ 2017, and adopted the Ordinance after the second reading at a regular meeting held on the ____ day of _____ 2017, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

CITY OF KING

STEVEN ADAMS, City Clerk

By: _____
MIKE LEBARRE, Mayor

I, _____, City Clerk of the City of King, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Ordinance passed and adopted by the City Council of the City of King on the date and by the vote indicated herein.

ORDINANCE NO. 2017-746**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AMENDING SECTION D.3(G) OF CHAPTER 4 (DEVELOPMENT STANDARDS) OF THE EAST RANCH BUSINESS PARK SPECIFIC PLAN FOR THE PURPOSE OF ADDING ADDITIONAL COMMERCIAL CANNABIS USES**

WHEREAS, the City of King (“the City”) has the authority, under its police power, to enact regulations for the public peace, morals, and welfare of the City, California Constitution Article XI, section 7; and

WHEREAS, in 1996, with the adoption of Proposition 215, the California voters approved the Compassionate Use Act (Health and Safety Code § 11362.5) to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes where that medical use is deemed appropriate and has been recommended by a physician, without fear of criminal prosecution under limited, specified circumstances; and

WHEREAS, in 2004, the State Legislature enacted SB 420 to clarify the scope of the Compassionate Use Act and provide additional statutory guidance regarding medical cannabis use. These statutes are codified at Health and Safety Code § 11362.7 et seq. and allow cities and counties to adopt supplemental rules and regulations; and

WHEREAS, on October 9, 2015, almost 20 years after passage of the Compassionate Use Act, the Governor signed the Medical Marijuana Regulation and Safety Act (“Act”), comprised of California legislative bills AB 243, AB 266, and SB 643. The Act creates a comprehensive state licensing system for the commercial cultivation, manufacture, retail sale, transport, distribution, delivery, and testing of medical cannabis, all subject to local control. One of the purposes of the Act is to ensure uniformity among jurisdictions that wished to allow commercial cannabis operations; and

WHEREAS, on June 27, 2016, the Governor signed SB 837, effective immediately, changing the terms in the Act from “medical marijuana” or “marijuana” to “medical cannabis” or “cannabis”, and making other technical changes to the Act. SB 837 also adopted regulations relating to the use and diversion of water in connection with the cultivation of cannabis; and

WHEREAS, in 2016, the City adopted Title 17, Chapter 17.03 et seq., of the King Municipal Code pertaining to Medical Cannabis Activity. The Medical Cannabis Ordinance places complete bans and regulations on medical cannabis activity in the City based upon various health, safety and welfare and land use findings relating to cannabis cultivation, dispensing, and consumption, which findings are incorporated herein by reference; and

WHEREAS, in September of 2016, the City amended Section D.3(g) of Chapter 4 (Development Standards) of the East Ranch Business Park Specific Plan for the purpose of including additional commercial cannabis uses, nurseries, manufacturing and testing within the City; and

WHEREAS, in November of 2016 the Adult Use of Marijuana Act (“AUMA”) was approved by a majority of California voters. The purpose of AUMA is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution,

testing, and sale of nonmedical cannabis, including cannabis products. Adults, age 21 and older, will be allowed to possess cannabis and grow certain amounts at home for personal use; and

WHEREAS, the AUMA did not provide for a specific effective date, thus the provisions of the AUMA regarding personal use, possession, and cultivation of cannabis became effective the day after the November 8, 2016; and

WHEREAS, the AUMA's proposed Health & Safety Code section 11362.2(b) explicitly allows a city to "enact and enforce reasonable regulations to reasonably regulate" possession and cultivation of cannabis; and

WHEREAS, several California cities have reported negative impacts of cannabis cultivation and related activities, including but not limited to offensive odors, criminal activity, (such as trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of cannabis), and public health and safety concerns (such as fire hazards and problems associated with mold, fungus, and pests); and

WHEREAS, cannabis plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors or if grown indoors without proper ventilation, odor control, and other regulations; and

WHEREAS, due to the value of cannabis plants and their strong smell (which alerts others to their locations), cannabis cultivation has been linked to break-ins, robbery, armed robbery, theft and attendant violence and injury, creating an increased risk to public safety; and

WHEREAS, unregulated cannabis cultivation can be harmful to the welfare of the surrounding community and its residents and constitute a public nuisance, in that cannabis cultivation has been shown to involve avoidance of environmental laws and regulations, and has resulted in the pollution of waters and navigable waterways in the State of California; and

WHEREAS, the indoor cultivation of cannabis has potential adverse effects to the structural integrity of the buildings in which cannabis is cultivated, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire, which presents a clear and present danger to the buildings, its occupants, and neighboring buildings and residents; and

WHEREAS, unregulated indoor cultivation of cannabis can be harmful to the public health, safety and welfare, given electrical modifications risk fires, poor irrigation can cause mold, overloaded circuits can leave entire neighborhoods in the dark, plant chemicals can cause illness, improper carbon dioxide mixed with insufficient ventilation can cause injury or death, and structural changes put first responders in danger if they rush into the unknown; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognize that the cultivation or other concentration of cannabis in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering and/or crime; and

WHEREAS, MMRSA and AUMA mandated comprehensive state licensing and regulatory framework for cultivation, manufacturing, distribution, transporting, testing and dispensing cannabis and cannabis products; however, implementing regulations have yet to be written and state licenses may not be available until 2018; and

WHEREAS, there are numerous well publicized studies and reports, as well as numerous documented incident in Monterey County and throughout the State, which show that unregulated cannabis activities have a significant adverse effect on the community; and

WHEREAS, the City finds that the absence of a formal regulatory framework the adverse impacts frequently associated with commercial cannabis activities will occur, resulting in an unregulated and potentially significant negative impact upon the environment and upon public health, safety, and welfare of the community; and

WHEREAS, outdoor cannabis cultivation and unregulated indoor cannabis cultivation are likely to generate these negative effects on the public health, safety, and welfare in the City, based on the experiences of other cities; and

WHEREAS, pursuant to the express statutory authority and its police power, the City desires to enact reasonable regulations for the indoor cultivation, manufacturing, testing, distribution, or consumption of commercial recreational and medical cannabis; and

WHEREAS, absent clear regulation, cannabis cultivation in the City poses a potential threat to the public peace, health, and safety, and, unless the City takes action to regulate it; and

WHEREAS, the City has a compelling interest in protecting the public health, safety, and welfare of its citizens, residents, visitors and businesses, and in preserving the peace and quiet of the neighborhoods within the City by regulating the commercial cultivation of recreational and medical cannabis; and

WHEREAS, nothing in this Ordinance shall be construed to: (1) allow any person to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity relating to the cultivation, manufacturing, testing, distribution, or consumption of cannabis which is illegal under state or federal law; and

WHEREAS, it is the intent of the City to regulation commercial cannabis activities, both recreational and medical, within the boundaries of the City.

NOW THEREFORE, the City Council of the City of King does hereby ordain as follows:

SECTION 1. The above recitals are incorporated are hereby by reference.

SECTION 2. The Ordinance is exempt from the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that there is no possibility that it will have a significant effect on the environment. (CEQA Guidelines §15061(b)(3).) It is also exempt because it consists of regulations and restrictions on activities to assure the maintenance, restoration, or enhancement of natural resources and the environment by prohibiting environmentally destructive components of unregulated cannabis cultivation. (CEQA Guidelines §§15307, 15308.)

SECTION 3. Section D.3(g) of Chapter 4 (Development Standards) of the East Ranch Business Park Specific Plan is amended to read as follows:

Section D.3.(g). Commercial Cannabis Activity consistent with those activities authorized under Business and Professions Code section 19300.7, (e) Type 2A Cultivation, Indoor; Small, (f) Type 2B Cultivation; Mixed-light; Small, (h) Type 3A Cultivation; Indoor; Medium, (i) Type 3B Cultivation; Mixed-light; Medium, (j) Type 4 Cultivation; Nursery, (k) Type 6 and Type 7 Manufacturing, (m) Type 8 Testing (subject to the limitation established by the State of California), (p) Type 11 Distribution, and (q) Type 12 Microbusiness (excluding the establishment of dispensaries, cooperatives, collectives and/or the retail sale of cannabis and/or cannabis products directly to qualified patients, primary caregivers, and recreational adult-use consumers). Commercial Cannabis Activity shall be subject to and comply with all provisions of the King City Municipal Code.

SECTION 4: EFFECTIVE DATE.

This Ordinance shall take effect and be in full force and effect from and after thirty (30) calendar days after its final passage and adoption. Within fifteen (15) calendar days after its adoption, the Ordinance, or a summary of the Ordinance, shall be published once in a newspaper of general circulation.

I HEREBY CERTIFY that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the ____ day of _____ 2017, and adopted the Ordinance after the second reading at a regular meeting held on the ____ day of _____ 2017, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

STEVEN ADAMS, City Clerk

CITY OF KING

By: _____
MIKE LEBARRE, Mayor

I, _____, City Clerk of the City of King, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Ordinance passed and adopted by the City Council of the City of King on the date and by the vote indicated herein.



Item No. 9(N)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF MEMBERSHIP IN ASSOCIATION OF CALIFORNIA CITIES ALLIED WITH PUBLIC SAFETY

RECOMMENDATION:

It is recommended the City Council approve a City membership in the Association of California Cities Allied with Public Safety (ACCAPS).

BACKGROUND:

At the August 8, 2017 meeting, Mayor LeBarre requested, and the Council agreed to place on the next Council agenda approval of membership in ACCAPS. The membership has been recommended and requested by Mayor Ledesma from the City of Soledad, who serves on their Board of Directors. He believes additional membership from the Salinas Valley will help create more leverage in efforts to seek funding for public safety improvements to our area from the State of California.

DISCUSSION:

The organization focuses on areas with correctional facilities and they have indicated there is State funding sources available to assist jurisdictions impacted by these facilities. ACCAPS seeks to strengthen relationships between public safety, law enforcement, local government, and State prisons/correctional facilities/jails and coordinate advocacy efforts with its partners and key stakeholders in developing strategic solutions to critical areas of concern. ACCAPS maintains a strong presence at the State Capitol with the Governor's Office, the Legislature and jurisdictional State agencies with its advocacy arm effectively lobbying for established priorities, providing testimony before Legislative Committees and meeting with Legislative Leadership and Administration Officials on issues of importance to its membership.

**CITY COUNCIL
CONSIDERATION OF MEMBERSHIP IN ASSOCIATION OF CALIFORNIA
CITIES ALLIED WITH PUBLIC SAFETY
AUGUST 22, 2017
PAGE 2 OF 2**

COST ANALYSIS:

The cost for annual membership is \$750. It is recommended the cost be funded from Community Promotion funds in the City Council's account.

ENVIRONMENTAL REVIEW:

The membership is not considered a project for the purposes of CEQA and has no potential for resulting in either a direct or indirect impact to the environment.

ALTERNATIVES:

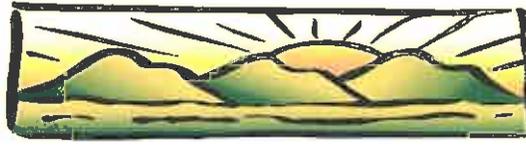
The following alternatives are presented for Council consideration:

1. Approve staff's recommendation;
2. Request additional information and delay consideration;
3. Do not approve the membership; or
4. Provide other direction to staff.

Prepared and Approved by:



Steven Adams, City Manager



KING CITY
C A L I F O R N I A

Item No. 9(O)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: OCTAVIO HURTADO, HANNA & BRUNETTI, CITY ENGINEERS

RE: CONSIDERATION OF NOTICE OF COMPLETION - KING CITY ENERGY INNOVATION PROJECT

RECOMMENDATION:

It is recommended City Council: 1) approve Resolution No. 2017-4600 accepting completion of the King City Street Project; 2) authorize City Manager to execute and file a Notice of Completion with the Monterey County Recorder's Office; 3) authorize City Manager to execute the Certificate of Final Completion; and 4) approve releasing the retention and pay Final Progress Payment No 4.

BACKGROUND:

The City partnered with OpTerra Energy Services to provide and install the King City Energy Innovation Project of solar PV power at the King City Pool and the Waste Water Treatment Plant. The project included the following work:

- Provide and install a fully functioning ground mount solar PV system at the Waste Water Treatment Plant producing a projected annual electric production at inverter output of 684,093 kWh.
- Provide a roof mount and canopy solar PV system at the Municipal Pool Complex producing a projected annual electric production at inverter output of 96,467 kWh.
- Install shade structure at the Pool.
- Provide and retrofit 132 city owned High Pressure Sodium or Induction Cobraheads with LEDs.
- Provide and retrofit City owned decorative lanterns and poles with new poles, outlets, flag holders and LED acorn light fixtures.

**CITY COUNCIL
CONSIDERATION OF NOTICE OF COMPLETION – KING CITY ENERGY
INNOVATION PROJECT
AUGUST 22, 2017
PAGE 2 OF 3**

DISCUSSION:

The City worked with OpTerra to co-develop a customized project scope based on King City's resource needs and coupled the plan with a strong financing plan to ensure the project could be enacted quickly with no financial burden to taxpayers. Project work is now complete and functioning correctly. At the end of the year, staff and Opterra will present a year-end report to show cost savings.

COST ANALYSIS:

The project required no capital outlay and the City took advantage of tax – exempt lease purchase at a favorable interest rate. The payments on the lease purchase of the system are being offset by the energy savings of the system. The system was designed to capture more than \$5.5 million in net savings over the 30-year life of the energy program. The City opted to receive a monitoring and verification services guarantee, where OpTerra will manage the system to produce a specified amount each year or the City will receive a check for the difference.

Attached is the final progress billing for the project awarded to OpTerra Energy Services in the amount of \$662,871.55

ENVIRONMENTAL REVIEW:

The solar project removed and replaced the street lights and poles in their existing locations. The Solar panels were installed on roofs and at the existing WWTP with no change in grade and within the existing city property. Therefore, no environmental review was required.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve Resolution No. 2017-4600, a resolution of the City Council of the City of King City accepting completion of the King City Energy Innovation Project; 2) authorize City Manager to execute and file a Notice of Completion with the Monterey County Recorder's Office; 3) authorize City Manager to execute Certificate of Final Completion and 4) release retention and pay Final Progress Payment No 4.
2. Do not approve Resolution No. 2017-4600;
3. Provide other direction to staff.

**CITY COUNCIL
CONSIDERATION OF NOTICE OF COMPLETION – KING CITY ENERGY
INNOVATION PROJECT
AUGUST 22, 2017
PAGE 3 OF 3**

Exhibits:

1. Resolution 2017-4600
2. Notice of Completion
3. Certificate of Final Completion
4. Final Pay Estimate

Submitted by: _____


Octavio Hurtado, Hanna & Brunetti, City Engineers

Approved by: _____


Steven Adams, City Manager

RESOLUTION No. 2017-4600

**ACCEPTANCE OF COMPLETION OF
KING CITY ENERGY SERVICES, INC.**

RESOLVED, by the City Council of the City of King, California, that

WHEREAS, Project Engineer of said City has filed with the City Manager of the City of King a recommendation of acceptance as to the completion of all the work provided to be done under and pursuant to contract between said City and OpTerra Energy Services, Inc., dated August 25, 2015; and

WHEREAS, it appears to the satisfaction of the City Council that said work under said contract has been fully completed and done as provided in said contract plans and specifications therein referred to.

NOW, THEREFORE, IT IS ORDERED AS FOLLOWS:

1. That acceptance of completion of said work be, and is hereby, made and ordered.
2. That the City Manager is directed to execute and file with the recorder of the County of Monterey, notice of acceptance of completion thereof, as required by law.
3. That the City Manager is directed to execute Certificate of Final Completion.

PASSED AND ADOPTED by the City Council of the City of King at a regular meeting duly held on the 22nd day of August, 2017, by the following vote:

AYES, and in favor thereof, Councilmembers:

NAYS, Councilmembers:

ABSENT, Councilmembers:

ABSTAINING, Councilmembers:

Mike LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

WHEN RECORDED MAIL TO:

City of King City
Department of Public Works
212 S Vanderhurst Avenue
King City, CA 93930

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

That the public work described as King City Energy Innovation Project was constructed pursuant to a contract between the City of King City, 212 S Vanderhurst Avenue King City, CA 93930 and OpTerra Energy Services, Inc., 500 12th Street, Suite 300 Oakland, CA 94607. The date of completion of said work was June 18, 2017, which was the date said public entity accepted said work to the satisfaction of the City Engineer. The City of King City herby accepts the project as completed in accordance with the plans and specifications.

CITY OF KING CITY

**STEVEN ADAMS
CITY MANAGER**

August 22, 2017
DATE

VERIFICATION

I Steven Adams do herby certify that I am the City Manager of the public entity named above; that I am authorized to verify the foregoing notice; that I have read same; and that it is true of my knowledge.

I certify under penalty of perjury that the forgoing is true and correct.

Subscribed at City of King, California, this 22nd day of August, 2017

**STEVEN ADAMS
CITY MANAGER**

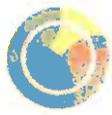
STATE OF CALIFORNIA) SS
COUNTY OF MONTEREY)

Steven Adams, being first duly sworn, deposes and says:

That he is an officer of the City of King, a municipal corporation; to wit: the City Manager; that he has read the above and foregoing Notice of Completion, and that the same is true of his own knowledge except as to matters which are therein stated on his information or belief, and as to those matters that he believes them to be true.

Subscribed and sworn before me this _____ day of _____, 2017.

Notary Public
State of California



CERTIFICATE OF FINAL COMPLETION

| | |
|--|---|
| Customer: <u>King City</u> | Customer Project No.: <u>R3071</u> |
| Project No.: <u>0056</u> | Final Contract Price: <u>\$2,639,984.00</u> |
| Date of Final Completion: <u>6/29/2017</u> | (Includes All Change Orders) |
| Date of Substantial Completion: <u>6/29/2017</u> | Project Title: |
| (Start of Warranty Period) | <u>King City Solar PV Project</u> |

Project Work Includes:
(Excluding on-going measurement & verification services, OMPM services and energy education)

Provide and install fully functioning ground mount solar PV system at Waste Water Treatment Plant and roof mount and canopy solar PV system at Municipal Pool Complex. The system will produce projected annual electric production at inverter output of 684,093 kWh at the Waste Water Treatment Plant and 96,467kWh at the Pool Complex year 1. Obtain permission to operate from PG&E. Provide and install fully functioning data acquisition system, including two kiosks.

Work Location / Building:

Waste Water Treatment Plant and Community Pool Complex

Provide and retrofit city owned High Pressure Sodium or Induction Cobraheads with LEDs. Provide and retrofit city owned decorative lanterns and poles with new poles, outlet, flag holder, and LED accorn light fixture.

Citywide

Customer and OpTerra Energy Services, Inc. hereby acknowledge, confirm, and agree that:

1. The Work performed under the Agreement between Customer and OpTerra Energy Services identified above ("Agreement") has been inspected by authorized representatives of the Customer and OpTerra Energy Services and Customer has accepted the Work performed as complete as of the date identified above.
2. All punch list items associated with the Work have been satisfactorily completed. OpTerra Energy Services provided Customer with all final documentation required by the Agreement and Contract Documents.
3. Customer and OpTerra Energy Services hereby certify that all Work performed has been completed in accordance with the Contract Documents and the Project has achieved Final Completion in accordance with the terms of the Agreement.
4. Upon execution of the Certificate of Final Completion, Customer agrees to pay OpTerra Energy Services all remaining monies due, including all remaining retention withheld by Customer.

IN WITNESS WHEREOF, the parties hereto have executed this Certificate of Final Completion as of the day and year of the date of Final Completion written above.

GENERAL CONTRACTOR:

CUSTOMER:

OpTerra Energy Services, Inc.

King City

By: 

By: _____



| | | | |
|---------------|---|---------------|--------------------------------------|
| | _____ (Authorized Representative) | | _____ (Authorized Representative) |
| Name: | <u>David Yung Lei</u> (Please Print) | Name: | _____ (Please Print) |
| Title: | <u>Project Manager</u> | Title: | _____ |
| Date: | <u>6/29/2017</u> | Date: | _____ |

Copy: Job File

HANNA & BRUNETTI
Civil Engineers - Planners - Land Surveyors

Walter J. Hanna, Jr. P.E., L.S.
Arnold Brunetti, P.E.

M E M O R A N D U M

Date: August 16, 2017
To: Steve Adams, City Manager
From: Octavio Hurtado, Project Manager *OH*
Re: Final Progress Payment No. 4
King City Energy Innovation Project
Contractor: Opterra Energy Services, Inc.

We have reviewed the following submitted invoice:

OpTerra Energy Services Inc. (Application for Payment No. 4), dated 6/29/17, and compared the items listed with the contract documents and schedule of values. The quantities shown in the invoice are in general conformance with the quantities of work performed and such materials, equipment or supplies were installed in furtherance of the construction of the project.

| | |
|----------------------------|-----------------|
| Base Bid: | \$ 2,369,187.00 |
| Net Change by Change Order | \$ 270,797.00 |
| Contract Value to Date: | \$ 2,639,984.00 |

| | |
|---|----------------------|
| Work completed to date | \$ 2,639,984.00 |
| <u>Total</u> approved Billing to Date | \$ 2,639,984.00 |
| Less <u>prior</u> approved Progress Payments | \$ 1,977,112.45 |
| We recommend progress payment in the amount of | \$ 662,871.55 |

The actual quantities of all items installed in the field appear to be in conformance with quantities of work performed. If there any questions or concerns, feel free to call.

OH:oh
Enclosures
162105



OPTERRA

OpTerra Energy Services Inc

500 12th Street, Suite 300
Oakland, CA 94607
(415) 735-9125

| | |
|------------------|-------------|
| Invoice # : | 2363 |
| Date Sent : | 6/29/2017 |
| Due Date : | 7/29/2017 |
| Job Description: | King City |

King City
212 South Vanderhurst Ave

King City, CA 93930
Michael Powers

(Billing Summary)

Description of Charges

Current Amount Due

Pay App ACECN00056-04

662,871.55

Payment by Check via Regular Mail

OpTerra Energy Services Inc
PO BOX 31001-2204
PASADENA CA 91110-2204

Payment must be Received by: **7/29/2017**

Payment by Check via Overnight Mail

OpTerra Energy Services Inc
LOCKBOX NUMBER 912204
PASADENA TECH CENTER
465 N HALSTEAD ST STE 160
PASADENA CA 91107

Electronic Payments

The PrivateBank and Trust Company
120 S LaSalle St
Chicago, IL 60603
ABA# 071006486
Beneficiary: OpTerra Energy Services, Inc.
Beneficiary Account Number: 2443043

**** Please note change of address: As of 11/30/2014 ****



Project Name: King City Energy Innovation Project
Customer Project Number: 00056
OpTerra ES Contract Number: R3071

**CONDITIONAL WAIVER AND RELEASE
ON FINAL PAYMENT**

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: OpTerra Energy Services, Inc.
Name of Customer: King City
Job Location: 212 South Vanderhurst Ave., King City, CA 93930
Owner: King City

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: King City
Amount of Check: \$ 662,871.55
Check Payable to: OpTerra Energy Services, Inc.

Exceptions

This document does not affect any of the following:
Disputed claims for extras in the amount of: \$ 0

Signature

OpTerra Energy Services, Inc.

By: 

(Signature)

Name: David Yung Lei
(Printed or Typed Name)

Title: Project Manager

Date of Signature: 6/29/2017



Item No. 9(P)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF FLASHING CROSSWALK WARNING SIGN PROJECT

RECOMMENDATION:

It is recommended the City Council appropriate \$9,000 for the City's share of costs to install two flashing warning signs on Broadway Street at Canal Street for the crosswalk serving King City High School.

BACKGROUND:

Staff has received a request from the Superintendent of the South Monterey County Joint Union High School District to install flashing warning lights at the crosswalk at Broadway Street and Canal Street. There is a significant amount of traffic and students crossing the street at that location. Therefore, the purpose of the request is to increase pedestrian safety at the uncontrolled crosswalk.

DISCUSSION:

Two solar powered flashing warning signs are proposed at that location. These signs are commonly used and are a cost effective way in which to improve the visibility of pedestrian crosswalks to oncoming vehicles.

The costs of the project are proposed to be shared by the City, School District and O'Reilly's Auto Parts since the traffic improvements are related to the construction of their project and traffic at their location. Dividing the costs between the three stakeholders will minimize the impact on each of the organizations.

**CITY COUNCIL
CONSIDERATION OF FLASHING CROSSWALK WARNING SIGN PROJECT
AUGUST 22, 2017
PAGE 2 OF 2**

COST ANALYSIS:

The cost of the project is estimated to be approximately \$24,000 for installation of the lights and \$6,000 for design and related services. Therefore, the total proposed cost is \$30,000 and the cost impact to the City will be approximately \$10,000. An additional General Fund appropriation is recommended since the funding was not budgeted.

ENVIRONMENTAL REVIEW:

The project will improve safety and has no potential for resulting in either a direct or indirect negative impact to the environment.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve staff's recommendation;
2. Request a change in the cost sharing and appropriate a different amount;
3. Do not approve the project; or
4. Provide other direction to staff.

Prepared and Approved by:



Steven Adams, City Manager



Item No. 9(Q)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF AIRPORT T-HANGER SETTLEMENT AGREEMENT AND MUTUAL RELEASE

RECOMMENDATION:

It is recommended the City Council: 1) approve and authorize the Mayor to execute a Settlement Agreement and Mutual Release with Jack Paquin regarding Mesa Del Rey Airport T-hanger rental fees; and 2) authorize the City Manager to make any necessary non-substantive changes approved as to form by the City Attorney.

BACKGROUND:

Staff is working on updating Mesa Del Rey Airport leases. One of the necessary steps is to resolve past due accounts. Since there is a waiting list for T-hanger rentals, staff is terminating all past due accounts, updating lease documents, and then seeking new lessees for available T-hangers.

DISCUSSION:

The process for evicting tenants, disposing of property, and seeking past due recovering past due fees is costly and labor intensive. Therefore, staff is seeking to reach voluntary settlements where feasible. Staff has reached an agreement for settlement of T-hanger #13, which is now recommended for City Council approval. The Agreement sets forth the terms previously approved by City Council in closed session and is consistent with the terms of the agreement with the other hangar settlement that was approved in January 2017.

**CITY COUNCIL
CONSIDERATION OF AIRPORT T-HANGER SETTLEMENT AGREEMENT
AUGUST 22, 2017
PAGE 2 OF 2**

COST ANALYSIS:

The Mesa Del Rey Airport will receive approximately \$3,700 in revenue under the Agreement, which exceeds estimated net revenue if the City were to pursue full payment of fees owed through a legal action.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

1. Approve the proposed Settlement Agreement;
2. Do not approve the Settlement Agreement and direct staff to pursue legal action for full payment of fees due; or
3. Provide staff other direction.

Exhibits:

1. Settlement Agreement and Mutual Release

Prepared and Approved by:



Steven Adams, City Manager

**SETTLEMENT AGREEMENT
AND
MUTUAL RELEASE**

This **SETTLEMENT AGREEMENT AND MUTUAL RELEASE** ("Agreement") is made and entered into effective January __, 2017 ("Effective Date") by and between the **CITY OF KING**, a California municipal corporation ("the City"), and **JACK PAQUIN**, an individual ("Paquin"), (collectively, the "Parties"), with respect to the following Recitals::

RECITALS

A. In June of 2002 Paquin entered into a month-to-month Hanger or Storage – Lot Lease ("Lease Agreement") with the City for a T-Hanger at the Mesa Del Rey Airport. The Lease Agreement required Paquin to pay the City monthly rent for use of the T-Hanger.

B. Pursuant to Resolution No. 2016-4554, adopted by City on November 22, 2016, the monthly T-Hanger rental fee is One Hundred Thirty Dollars (\$130.00) per month. A copy of Resolution No. 2016-4554 is attached hereto as Exhibit "A".

C. As of August 1, 2017, Paquin incurred Seven Thousand, Four Hundred and Thirty-Two Dollars (\$7,432.00) in past due T-Hanger rental fees. Paquin remains in possession of the T-Hanger.

D. The Parties now wish to enter into this Agreement in order to avoid the time and expense involved with civil litigation and/or further legal action, and to settle, once and forever, all disputes either party has against the other.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

1. **Payment of Rental Fees.** Paquin shall pay the City Three Thousand, Seven Hundred and Sixteen Dollars (\$3,716.00) to resolve the past due T-Hanger rental fees.

2. **Removal of Items from Premises.** Paquin shall vacate all items from T-Hanger and leave T-Hanger in a clean condition no later than September 15, 2017.

3. **Waiver of Remaining Rental Fees.** City shall forego collection of any and all fees, fines, and interest arising out of Paquin's use of the T-Hanger and shall waive any and all rights to collect the remaining past due T-Hanger rental fees and/or interest in the amount of Three Thousand, Seven Hundred and Sixteen Dollars (\$3,716.00).

4. **General Release Regarding the Dispute.** Except for the obligations of the parties set forth herein, the Parties irrevocably and unconditionally releases each other and their agents, assigns, attorneys, executives, managers, officers, trustees, and successors-in-interest from all charges, complaints, claims, allegations, actions, causes of action, or liabilities of any nature whatsoever, including contemplated civil actions, state or federal administrative complaints, and any other claims or complaints of any nature whatsoever arising out or related to the collection of Three Thousand, Seven Hundred and Sixteen Dollars (\$3,716.00) in past due T-Hanger rental fees, the Lease Agreement, or the lease of the T-Hanger ("the Dispute").

The Parties expressly acknowledge that this release is intended to include in its effect all claims and causes of action, known or unknown, suspected or unsuspected, which the Parties presently have or might have with regard to the Dispute as of the date of this Agreement.

The Parties expressly waive and release all rights and benefits afforded by section 1542 of the Civil Code of the State of California related to the Dispute and does so understanding and acknowledging the significance and consequence of such specific waiver of section 1542. Section 1542 of the California Civil Code states as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties hereby expressly waives the provisions of California Civil Code section 1542 and further expressly waives any right to invoke said provisions now or at any time in the future with regard to the Dispute. The Parties expressly do not waive or release any rights or benefits not arising from the Dispute.

5. **Future Enforcement.** City expressly reserves the right to future enforcement of the King City Municipal Code and Resolution No. 2016-4554, and any other future resolution, ordinance or fee schedule enacted by the City regarding the Mesa Del Rey Airport. Except as otherwise stated herein, this Agreement shall not be construed or interpreted to limit, restrict, diminish, or waive the right to such enforcement by City.

6. **No Admission of Liability.** This Agreement is entered into by the Parties for the purpose of compromising and settling the Disputes. It does not constitute, nor shall it be construed as, an admission of liability by any party for any purpose.

7. **Fees and Costs.** Each party shall bear his/its own attorney's fees and costs for all such attorney's fees and costs incurred prior to the date of execution of this Agreement.

8. **Dispute Resolution.** If any alleged violation of this Agreement arises, the party alleging a violation of this Agreement shall provide notice to the other party with specific information about the alleged violation, including relevant documents and witnesses in support of the alleged violation. The Parties agree that any dispute concerning alleged violations of this Agreement shall be referred to a third-party mediator for resolution. The mediator shall be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, then the parties shall retain the right to proceed with other methods of redressing their grievances and concerns, up to and including initiating a lawsuit.

9. **Independent Review.** The Parties have had the opportunity to obtain independent legal or other professional advice with regard to this Agreement. The Parties acknowledge that the terms of this Agreement have been read and fully explained and that those terms are fully understood and voluntarily accepted.

10. **City Council Approval.** This Agreement is contingent upon approval by majority vote of the City Council of the City of King. If the City Council of the City of King does not approve this agreement, then it is understood and agreed that this agreement may not be given as evidence in any later proceeding and it shall be void.

11. **Miscellaneous.**

a. **Assignment.** The Parties may not assign or transfer by operation of law any or all of their rights, burdens, duties, or obligations under this Agreement without the prior written consent of the other Parties.

b. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

c. **Amendments.** This Agreement shall only be amended by a written instrument signed by the Parties.

d. **Interpretation.** This Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against either of the Parties.

e. **Voluntary Agreement.** The Parties represent and warrant that they have read this Agreement in full and understand and voluntarily agree to all such provisions. The Parties further represent and warrant that prior to executing this Agreement, they availed themselves of relevant information, through sources of their own selection, including legal counsel of their choosing, in deciding whether to execute this Agreement.

f. **Written Notice.** Any notice or other communication regarding this Agreement shall be personally delivered or sent via certified mail, return receipt requested, to the address located next to the Parties' signatures below or to the last business address known to the person sending the notice or other communication.

g. **Governing Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action or proceeding seeking any relief under or with respect to this Agreement shall be brought solely in the Superior Court of California, County of Monterey, or the U.S. District Court for the Northern District of California, San Jose Division, as appropriate.

h. **Entire Agreement.** This Agreement is intended by the Parties as the final and complete expression of their agreement with respect to such matters and terms as are included herein and may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement, nor explained or supplemented by evidence of consistent additional terms.

i. **Execution in Counterparts.** This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy, facsimile, or an original of this Agreement, with all signatures appended together, shall be deemed a fully executed agreement.

j. **Warranty of Authority.** The persons who have signed this Agreement represent and warrant that they are legally authorized to do so on behalf of the respective Parties, and by their signatures to bind the respective Parties to this Agreement.

k. **Attorney's Fees.** In the event of any action to enforce rights under this Agreement, the prevailing party shall be entitled its costs and expenses, including reasonable attorney's fees, incurred in connection with such action.

l. **Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the Effective Date.

CITY OF KING

JACK PAQUIN

By: _____
Michael LeBarre, Mayor
City of King

By: _____
Jack Paquin

Address: City of King
City Hall
212 S. Vanderhurst Avenue
King City, CA 93930

Address: Jack Paquin
448 Ramona Avenue, Apt. B
1 Monterey, CA 93940-4075

ATTEST:

By: _____
Steven Adams, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

By: _____
Shannon L. Chaffin, Interim City Attorney

RESOLUTION NO. 2016-4554

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
APPROVING THE MASTER FEE SCHEDULE FOR FY 2017**

WHEREAS, the City of King maintains a Master Fee Schedule of all user fees; and

WHEREAS, the purpose of user fees is for users of services to pay the cost of providing that service; and

WHEREAS, the City has evaluated its fees and recommended adjustments to make the fees more accurately reflect the cost of the service provided to increase cost recovery; and

WHEREAS, it has been determined that the Mesa Del Rey Airport fees for rents of hangars and other facilities are not commensurate with the market; and

WHEREAS, it has been determined that the City's fees do not exceed the City's direct cost of providing services.

WHEREAS, the City duly noticed this public hearing and published notices as required by law; and

WHEREAS, the City held a public hearing on November 22, 2016, and considered all evidence in the record.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of King hereby approves the Master Fee Schedule attached and included herein as Exhibit A.

This resolution was passed and adopted this **22nd** day of **November** by the following vote:

AYES, Council Members: Cullen, Jernigan, Acosta, Hendrickson, LeBarre

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:



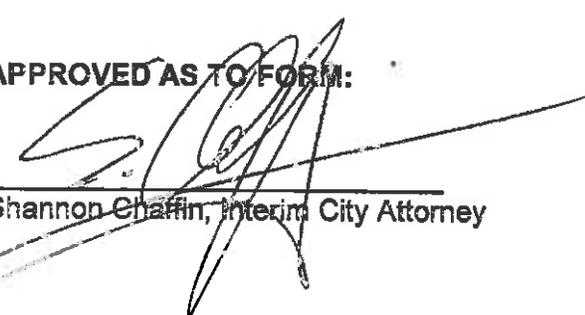
Robert Cullen, Mayor

ATTEST:



Steven Adams, City Clerk

APPROVED AS TO FORM:



Shannon Chaffin, Interim City Attorney

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|------------------------------|--|----------|-----------|
| Franchise Fees | | | | |
| PG&E Electric Franchise Fee | | 2.00% | | |
| CATV Franchise Fee | | 5.00% | | |
| Refuse Franchise Fee | | 16.50% | | 12.50% |
| Cal Water Franchise Fee | | 2.00% | | |
| City Hall Front Counter Fees | | | | |
| Bicycle License | | \$10.00 | | |
| Garage Sale Permit | | \$15.00 | | |
| Returned Check Charge | | \$40.00 | | |
| Rebiling Fee | | \$5.00 | | |
| Copies - Black and White | | \$.25 per page | | |
| Copies - Color | | \$1.50 per page | | |
| San Antonio Park Vendor Fee | Annual | \$450.00 | | |
| Fireworks Sales Application | Annual | \$35.00 | | |
| Fireworks Stand Inspection (normal business hours) | As required | \$147.00 | | |
| Fireworks Stand Inspection (outside normal business hours) | As required | \$294.00 | | |
| Fireworks Sales Stand Deposit | Annual | \$1,000.00 | | |
| Public Works Permit Fees | | | | |
| Staff Time | | Actual Cost Plus 5% Administrative Fee | | |
| Encroachment Permit - General | | \$375.00 | | |
| Encroachment Permit - Electric and Gas Utilities | Annual/Service Improvements | \$5,000.00 | | New |
| Encroachment Permit - Water Utilities | Annual/Service Improvements | \$7,500.00 | | New |
| Encroachment Permit - Utilities | Major Trunkline Replacements | Actual Cost | | |
| Administration Services | | Actual Cost | | |
| Curb/Sidewalk/Driveway Review | | Actual Cost | \$300.00 | |
| Encroachment Permit - Sidewalk Repairs Due to Tree Damage | | No Charge | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Minimum | Prior Fee |
|---|----------|--------------------------------------|---------|-------------|
| Police Department Fees | | | | |
| Police Special Services | | | | |
| False Alarm Fee | | | | |
| | | | | Actual Cost |
| | | Third false alarm in 12 months | | \$200.00 |
| | | Fourth false alarm in 12 months | | \$300.00 |
| | | Fifth false alarm in 12 months | | \$400.00 |
| | | Additional false alarms in 12 months | | \$500.00 |
| Finger Printing | \$20.00 | | | |
| Tow Provider Application | \$75.00 | | | |
| Vehicle Releases | \$150.00 | | | |
| Immigration Letters | \$20.00 | | | |
| Citation Sign Offs | \$15.00 | | | |
| Room Rental | \$25.00 | First hour | | |
| | \$15.00 | Each additional hour | | |
| Special Event Permits | \$27.00 | | | |
| DUI Response Charges | \$256.00 | | | |
| Police Reports | \$15.00 | First three pages | | |
| | \$2.50 | Each additional page | | |
| | \$30.00 | Maximum charge per report | | |
| | \$125.00 | Initial | | |
| | \$25.00 | Renewal | | |
| Concealed Weapon Permit | | | | |
| Animal Control Fees | | | | |
| Licensing Fees (Spayed/Neutered) | \$10.00 | 1 month to 1 year | | |
| | \$15.00 | 13 months to 2 years | | |
| | \$30.00 | 25 months to 3 years | | |
| | \$9.00 | Seniors over 60 up to 3 years | | |
| | \$40.00 | 1 month to 1 year | | |
| | \$50.00 | 13 months to 2 years | | |
| | \$60.00 | 25 months to 3 years | | |
| Licensing Fees (Not Spayed/Neutered) | | | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|------------------|-------------|---------|-----------|
| Animal Control Fees (Continued) | | | | |
| Impound Fees (Spayed/Neutered) | First time | \$25.00 | | |
| | Second time | \$40.00 | | |
| | Third time | \$55.00 | | |
| Impound Fees (Not Spayed/Neutered) | First time | \$35.00 | | |
| | Second time | \$50.00 | | |
| | Third time | \$80.00 | | |
| Reclaiming of Impound | | | | |
| Care and Feeding of Animals (Excludes medical care) | | | | |
| Dog | Per day | \$10.00 | | |
| Cat | Per day | \$10.00 | | |
| Late fee for renewal license | | \$20.00 | | |
| Euthanasia & Disposing of Animal | | | | |
| | 25 lbs. or less | \$63.00 | | |
| | 26-50 lbs. | \$71.00 | | |
| | 51 - 75 lbs. | \$79.00 | | |
| | 76 - 100 lbs. | \$86.00 | | |
| | 101 lbs. or more | \$94.00 | | |
| Adoption Charges (Does Not Include Spay/Neuter Surgery) | | | | |
| Dog | | \$10.00 | | |
| Cat | | \$10.00 | | |
| Medical Care | | | | |
| Surrender Fee | | Actual Cost | | |
| | | \$50.00 | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|--|-----------------------|------------|----------------|------------------|
| Community Development Department Fees | | | | | |
| Staff Time | | | | | |
| Annexation | Actual Cost Plus 5% Administrative Fee | | | | |
| Appeals | Actual Cost | | | \$3,000.00 | |
| City Council | Actual Cost | | | \$250.00 | |
| Planning Commission | Actual Cost | | | \$250.00 | |
| Architectural Review | | | | | |
| New | Actual Cost | | | \$600.00 | |
| Amendment | Actual Cost | | | \$400.00 | |
| Certificate of Compliance | Actual Cost | | | \$300.00 | |
| Conditional Use Permit | | | | | |
| New | Actual Cost | | | \$850.00 | |
| Amendment | Actual Cost | | | \$650.00 | |
| Special Event Use Permit | Actual Cost | | | \$300.00 | |
| Temporary Use Permit | Actual Cost | | | \$300.00 | |
| Mural Permit | Actual Cost | | | \$300.00 | |
| Condominium Conversion | Actual Cost | | | \$650.00 | |
| Development Agreement | | | | | |
| New | Actual Cost | | | \$5,000.00 | |
| Amendment | Actual Cost | | | \$3,000.00 | |
| Environmental Review | | | | | |
| Categorical Exemption | Actual Cost | | | \$100.00 | |
| Environmental Impact Report Admin | Actual Cost | | | \$500.00 | |
| Environmental Impact Report | Actual Cost | | | \$2,000.00 | |
| Environmental Impact Report Review | Actual Cost | | | \$250.00 | |
| Negative Declaration Fee | Actual Cost | | | \$600.00 | |
| Mitigated Negative Declaration Fee | Actual Cost | | | \$800.00 | |
| Negative Declaration Fish & Game | Actual Cost | | | \$100.00 | |
| Filing Fee with County Clerk | Actual Cost | | | | |
| General Plan Amendment | Actual Cost | | | \$1,200.00 | |
| | | Residential - Per Lot | | | |
| | | Other - Per Lot | | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|----------|-------------|------------|-----------|
| Community Development Department Fees (continued) | | | | |
| General Plan Consistency Review | | Actual Cost | \$300.00 | |
| Home Occupation Permit | | \$150.00 | | |
| Interpretation from City Council of Planning Commission | | Actual Cost | \$300.00 | |
| Landscaping Plan Review | | Actual Cost | \$300.00 | |
| Lot Line Adjustment | | Actual Cost | \$500.00 | |
| Medical Cannabis Cult./Nursery/Manufact./Testing License | | | | |
| Application Fee | | \$11,000 | | New |
| License | Annual | \$7,500 | | New |
| Miscellaneous Items | | | | |
| Fence/Wall Review | | Actual Cost | \$100.00 | |
| Radius Map and Mailing (Noticing) | | Actual Cost | \$250.00 | |
| Records Research Fee | | Actual Cost | \$100.00 | |
| Plot Plan Review | | | | |
| Major Plot Plan Review | | Actual Cost | \$600.00 | |
| Minor Plot Plan Review | | Actual Cost | \$300.00 | |
| Pre Application Review | | Actual Cost | \$300.00 | |
| Specific Plan and Planned Development | | | | |
| New | | Actual Cost | \$3,200.00 | |
| Amendment | | Actual Cost | \$1,000.00 | |
| Planned Development | | Actual Cost | \$1,000.00 | |
| Sign Permit | | | | |
| Individual Permanent Sign | | Actual Cost | \$300.00 | |
| Master Sign Program | | Actual Cost | \$462.00 | |
| Temporary Sign Permit | | Actual Cost | \$100.00 | |
| Penalty for No Sign Permit | | Actual Cost | \$300.00 | |
| Sphere of Influence Amendment | | Actual Cost | \$3,200.00 | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|-----|---------------------------------|--|--|-----------|
| Community Development Department Fees (continued) | | | | | |
| Tentative Tract Map and Parcel Maps Vesting | | | | Actual Cost \$1,100.00 Plus \$30.00 per lot | |
| Non-Vesting | | | Actual Cost | \$1,100.00 | |
| Time Extensions | | | Actual Cost | Plus \$50.00 per lot | |
| Variance | | | Actual Cost | \$300.00 | |
| Zoning Change Text & Map | | | Actual Cost | \$500.00 | |
| New | | | | | |
| Pre-Zoning Request | | | Actual Cost | \$1,200.00 | |
| | | | Actual Cost | \$600.00 | |
| Building Department Fees | | | | | |
| Staff Time | | | | | |
| Minimum Permit Fee | | Per Permit | Actual Cost Plus 5% Administrative Fee | \$100.00 | |
| Certificate of Occupancy | | | | \$180.00 | |
| Building Permit Fees | | 2015 International Code Council | | 110.00% | |
| Plan Check Fees | | 2015 International Code Council | | 110.00% | |
| Permit Issuance Fee | | Per Permit | | \$100.00 | |
| Building Permit Training Surcharge | | Per Permit | | \$15.00 | |
| Re-Roof Fee | | | | | |
| Buildup, Shingle or Wood Shake | | | | \$170.00 | |
| Concrete Tile, Clay Tile or Metal | | | | \$285.00 | |
| Fence or Wall Over 6 Feet High | | Linear foot | | \$5.00 | |
| Property Inquiry Fee | | Per Inquiry | | \$65.00 | |
| Annual Fire Inspection | | Per Inspection | | \$250.00 | |
| Demolition Permit | | | Actual Cost | \$150.00 | |
| Building Moving Fee | | | Actual Cost | \$350.00 | |
| Street Address Change | | | | \$50.00 | |
| Waste Reduction and Recycling Plan Fee | | Per Building | | \$125.00 | |
| | | Per Subdivision | | \$300.00 | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Minimum | Prior Fee |
|--------------------------------------|-----|-----------------------------|----------|-----------|
| Recreation Department Fees | | | | |
| Raquetball (Access up to four) | | | | |
| | | Year | \$110.00 | \$220.00 |
| | | Quarter | \$30.00 | \$60.00 |
| | | Month | \$10.00 | \$20.00 |
| | | Day | \$2.00 | \$2.50 |
| Aquatic Center | | | | |
| Open Rec Swim | | | | |
| 6 years and under | | Day | \$2.50 | |
| 6 years and older | | Day | \$3.00 | |
| Pass | | 10 visits | \$25.00 | |
| Lap Swim (16 years and older) | | Daily | \$3.00 | |
| Pass | | 10 visits | \$25.00 | |
| Summer Swim Pass | | | | |
| Individual | | Season | \$75.00 | |
| Family (immediate family up to 4) | | Season | \$250.00 | |
| Each individual family member over 4 | | | \$25.00 | |
| Swim Lessons | | | | |
| Private | | 45 minutes | \$30.00 | |
| Semi-private | | 45 minutes | \$20.00 | |
| Group | | 45 minutes | \$50.00 | |
| Late Fee - Swim Lesson Registration | | Percent of registration fee | 20.00% | |
| Summer Day Camp (6-13 year olds) | | Day | \$10.00 | |
| | | Week | \$50.00 | |
| | | Child per season | \$60.00 | |
| | | 2 children per season | \$100.00 | |
| | | 3 children per season | \$130.00 | |
| | | Child per season | \$60.00 | |
| | | 2 children per season | \$100.00 | |
| | | 3 children per season | \$130.00 | |
| Soccer | | | | |
| Girls Softball | | | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| Fee | Per Unit | Fee | Minimum | Prior Fee |
|---|---------------------------------------|----------|---------|-----------|
| Recreation Department Fees (continued) | | | | |
| Girls and Boys Basketball | Child per season | \$60.00 | | |
| | 2 children per season | \$100.00 | | |
| | 3 children per season | \$130.00 | | |
| After School Sports Club | Year | \$10.00 | | |
| | Drop-in | \$1.00 | | |
| | Late Fee - Percentage of Registration | 20.00% | | |
| Adult Sports | | | | |
| Men's Basketball | Season per team | \$420.00 | | |
| CoEd Volleyball | Season per team | \$200.00 | | |
| | Individual per season | \$18.00 | | |
| CoEd Softball | Season per team | \$295.00 | | |
| | Individual per season | \$18.00 | | |
| Adult Recreation League | Month | \$20.00 | | |
| | Drop-in | \$5.00 | | |
| Facility/Amenity Rentals | | | | |
| Recreation Center | Hour Non-Profit | \$15.00 | | |
| | Hour Private | \$55.00 | | |
| | Event | \$200.00 | | |
| Security Deposit | Day | \$75.00 | | |
| Set Up Fee | Hour | \$25.00 | | |
| Security Fee Per Guard | Day | \$0 | | |
| Joint Facility Agreement With Other Public Agencies | Day Private | \$102.00 | | |
| Concession Stands - Centennial/Arena/SAP | | | | |
| Equipment | | | | |
| Dunk Tank | Day Non-Profit | \$50.00 | | |
| | Day Private | \$60.00 | | |
| Aquatic Complex | | | | |
| Wade Pool | Hour Non-Profit | \$40.00 | | |
| | Hour Private | \$52.00 | | |
| | Hour Non-Profit | \$80.00 | | |
| Dive Pool | Hour Private | \$100.00 | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| Fee | Per Unit | Fee | Minimum | Prior Fee |
|---|------------------|--|---------|-----------|
| Recreation Department Fees (continued) | | | | |
| Lap Pool | Hour Non-Profit | \$80.00 | | |
| | Hour Private | \$100.00 | | |
| Slide Pool | Hour Non-Profit | \$100.00 | | |
| | Hour Private | \$120.00 | | |
| Additional Supervision | Hour | Actual Cost | | |
| Field Reservations | | | | |
| Ballfields w/o Lights - Games/Tournaments | Hour Non-Profit | \$20.00 | | |
| | Hour Private | \$25.00 | | |
| Ballfields w/Lights - Games/Tournaments | Hour Non-Profit | \$28.00 | | |
| | Hour Private | \$30.00 | | |
| Ballfields w/o Lights - Practice | Hour Non-Profit | \$3.50 | | |
| | Hour Private | \$6.00 | | |
| Ballfields w/Lights - Practice | Hour Non-Profit | \$12.00 | | |
| | Hour Private | \$20.00 | | |
| Soccer-Multi-Sports Fields w/o Lights | Hour Non-Profit | \$20.00 | | |
| | Hour Private | \$25.00 | | |
| Soccer-Multi-Sports Fields w/Lights | Hour Non-Profit | \$25.00 | | |
| | Hour Private | \$30.00 | | |
| Shelter/Picnic Reservations | | | | |
| Picnic Shelters | Day Non-Profit | \$40.00 | | |
| | Day Private | \$80.00 | | |
| Electricity | Event Non-Profit | \$7.00 | | |
| | Event Private | \$12.00 | | |
| Park Open Spaces | Day Non-Profit | \$12.00 | | |
| | Day Private | \$125.00 | | |
| Volleyball Court | Day Non-Profit | \$6.00 | | |
| | Day Private | \$30.00 | | |
| Miscellaneous Fees | | | | |
| Personnel | Hour | Actual Cost Plus 5% Administrative Fee | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| Fee | Per Unit | Fee | Minimum | Prior Fee |
|-----------------------------------|--------------------------|----------|---------|-----------|
| Airport Fees | | | | |
| T-Hanger | Monthly | \$130.00 | | \$121.00 |
| Tie Down | Monthly | \$42.00 | | \$39.00 |
| Office Space | Monthly | \$54.00 | | \$50.00 |
| Commercial Operators | Monthly | \$54.00 | | \$50.00 |
| | Each additional aircraft | \$42.00 | | \$39.00 |
| Crop Dusting | Monthly | \$68.00 | | \$61.00 |
| | Daily | \$12.00 | | \$11.00 |
| Crop Dusting Storage Area | Monthly | \$54.00 | | \$50.00 |
| Airplane/Helicopter Transit Fee | Daily | \$8.00 | | \$7.00 |
| Vehicle Transit Fee | Monthly | \$22.00 | | \$20.00 |
| Major Temporary Staging Operation | Daily | \$200.00 | | |
| | | | | New |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|------------|-----------------|------------|----------------|------------------|
| Impact Fees for Projects Vested as of August 21, 2010 | | | | | |
| Law Enforcement Facilities | | | | | |
| Single Family Dwelling | | Unit | \$881.22 | | |
| Multiple Family Dwelling | | Unit | \$249.16 | | |
| Mobile Home Dwelling | | Unit | \$251.45 | | |
| Commercial Lodging Unit | | Unit | \$2,130.47 | | |
| Commercial | | Square foot | \$0.40 | | |
| Industrial | | Square foot | \$0.01 | | |
| Fire Protection Facilities | | | | | |
| Single Family Dwelling | | Unit | \$865.22 | | |
| Multiple Family Dwelling | | Unit | \$692.64 | | |
| Mobile Home Dwelling | | Unit | \$692.64 | | |
| Commercial Lodging Unit | | Unit | \$376.03 | | |
| Commercial | | Square foot | \$0.57 | | |
| Industrial | | Square foot | \$0.16 | | |
| Bridges Signals and Thoroughfares | | | | | |
| Single Family Dwelling | | Unit | \$2,181.91 | | |
| Multiple Family Dwelling | | Unit | \$1,385.26 | | |
| Mobile Home Dwelling | | Unit | \$1,098.38 | | |
| Commercial Lodging Unit | | Unit | \$1,160.10 | | |
| Commercial | | Square foot | \$5.30 | | |
| Industrial | | Square foot | \$0.87 | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|-----|-------------|----------|---------|-----------|
| Impact Fees for Projects Vested as of August 21, 2010 (continued) | | | | | |
| Storm Drainage Facilities | | | | | |
| Single Family Dwelling | | Unit | \$521.29 | | |
| Multiple Family Dwelling | | Unit | \$246.92 | | |
| Mobile Home Dwelling | | Unit | \$289.22 | | |
| Commercial Lodging Unit | | Unit | \$181.77 | | |
| Commercial | | Square foot | \$0.30 | | |
| Industrial | | Square foot | \$0.25 | | |
| General Government Facilities | | | | | |
| Single Family Dwelling | | Unit | \$757.79 | | |
| Multiple Family Dwelling | | Unit | \$757.79 | | |
| Mobile Home Dwelling | | Unit | \$757.79 | | |
| Commercial Lodging Unit | | Unit | \$757.79 | | |
| Commercial | | Square foot | \$0.32 | | |
| Industrial | | Square foot | \$0.32 | | |
| Library Expansion Facilities | | | | | |
| Single Family Dwelling | | Unit | \$500.61 | | |
| Multiple Family Dwelling | | Unit | \$533.76 | | |
| Mobile Home Dwelling | | Unit | \$494.90 | | |
| Commercial Lodging Unit | | Unit | - | | |
| Commercial | | Square foot | - | | |
| Industrial | | Square foot | - | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|------------|-----------------|------------|----------------|------------------|
| Impact Fees for Projects Vested as of August 21, 2010 (continued) | | | | | |
| Public Meeting Facilities | | | | | |
| Single Family Dwelling | | Unit | \$705.21 | | |
| Multiple Family Dwelling | | Unit | \$754.35 | | |
| Mobile Home Dwelling | | Unit | \$697.21 | | |
| Commercial Lodging Unit | | Unit | | | |
| Commercial | | Square foot | | | |
| Industrial | | Square foot | | | |
| Aquatic Center Facilities | | | | | |
| Single Family Dwelling | | Unit | \$697.21 | | |
| Multiple Family Dwelling | | Unit | \$746.35 | | |
| Mobile Home Dwelling | | Unit | \$690.35 | | |
| Commercial Lodging Unit | | Unit | | | |
| Commercial | | Square foot | - | | |
| Industrial | | Square foot | | | |
| Park and Open Space Acquisition | | | | | |
| Single Family Dwelling | | Unit | \$3,675.75 | | |
| Multiple Family Dwelling | | Unit | \$3,932.91 | | |
| Mobile Home Dwelling | | Unit | \$3,639.17 | | |
| Commercial Lodging Unit | | Unit | | | |
| Commercial | | Square foot | | | |
| Industrial | | Square foot | | | |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Minimum | Prior Fee |
|--|-------------|-------------|---------|------------|
| Impact Fees for Projects Vested as of August 21, 2010 (continued) | | | | |
| Total Impact Fees | | | | |
| Single Family Dwelling | \$11,152.92 | Unit | | |
| Multiple Family Dwelling | \$9,615.32 | Unit | | |
| Mobile Home Dwelling | \$8,903.88 | Unit | | |
| Commercial Lodging Unit | \$4,762.77 | Unit | | |
| Commercial | \$7.13 | Square foot | | |
| Industrial | \$1.66 | Square foot | | |
| Impact Fees for Projects Vested after August 21, 2010 | | | | |
| Law Enforcement Facilities | | | | |
| Single Family Dwelling | \$1,695.28 | Unit | | \$1,634.00 |
| Multiple Family Dwelling | \$269.75 | Unit | | \$260.00 |
| Mobile Home Dwelling | \$170.15 | Unit | | \$164.00 |
| Commercial Lodging Unit | \$386.99 | Unit | | \$373.00 |
| Commercial | \$0.745 | Square foot | | \$0.718 |
| Industrial | \$0.005 | Square foot | | \$0.005 |
| Storage Units | \$0.411 | Square foot | | \$0.396 |
| Fire Protection Facilities | | | | |
| Single Family Dwelling | \$1,387.14 | Unit | | \$1,337.00 |
| Multiple Family Dwelling | \$1,067.59 | Unit | | \$1,029.00 |
| Mobile Home Dwelling | \$703.43 | Unit | | \$678.00 |
| Commercial Lodging Unit | \$0.432 | Unit | | \$0.416 |
| Commercial | \$0.320 | Square foot | | \$0.308 |
| Industrial | \$0.019 | Square foot | | \$0.018 |
| Storage Units | \$0.020 | Square foot | | \$0.019 |

KING CITY MASTER FEE SCHEDULE

Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|-----|-------------|------------|---------|------------|
| Impact Fees for Projects Vested after August 21, 2010 (continued) | | | | | |
| Bridges Signals and Thoroughfares | | | | | |
| Single Family Dwelling | | Unit | \$7,658.83 | | \$7,382.00 |
| Multiple Family Dwelling | | Unit | \$5,112.80 | | \$4,928.00 |
| Mobile Home Dwelling | | Unit | \$4,006.83 | | \$3,862.00 |
| Commercial Lodging Unit | | Unit | \$4,028.61 | | \$3,883.00 |
| Commercial | | Square foot | \$9.269 | | \$8.934 |
| Industrial | | Square foot | \$5.003 | | \$4.822 |
| Storage Units | | Square foot | \$2.191 | | \$2.112 |
| Storm Drainage Facilities | | | | | |
| Single Family Dwelling | | Unit | \$1,321.50 | | \$2,643.00 |
| Multiple Family Dwelling | | Unit | \$475.00 | | \$950.00 |
| Mobile Home Dwelling | | Unit | \$526.00 | | \$1,052.00 |
| Commercial Lodging Unit | | Unit | \$240.50 | | \$481.00 |
| Commercial | | Square foot | \$0.452 | | \$0.904 |
| Industrial | | Square foot | \$0.365 | | \$0.730 |
| Storage Units | | Square foot | \$0.246 | | \$0.491 |
| General Government Facilities | | | | | |
| Single Family Dwelling | | Unit | \$582.50 | | \$1,165.00 |
| Multiple Family Dwelling | | Unit | \$582.50 | | \$1,165.00 |
| Mobile Home Dwelling | | Unit | \$582.50 | | \$1,165.00 |
| Commercial Lodging Unit | | Unit | \$161.50 | | \$323.00 |
| Commercial | | Square foot | \$0.204 | | \$0.407 |
| Industrial | | Square foot | \$0.204 | | \$0.407 |
| Storage Units | | Square foot | \$0.204 | | \$0.407 |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|------------|-----------------|-------------|----------------|------------------|
| Impact Fees for Projects Vested after August 21, 2010 (continued) | | | | | |
| Wastewater Collection System | | | | | |
| Single Family Dwelling | | Unit | \$2,463.03 | | \$2,374.00 |
| Multiple Family Dwelling | | Unit | \$1,458.73 | | \$1,406.00 |
| Mobile Home Dwelling | | Unit | \$1,458.73 | | \$1,406.00 |
| Commercial Lodging Unit | | Unit | \$552.99 | | \$533.00 |
| Commercial | | Square foot | \$0.668 | | \$0.644 |
| Industrial | | Square foot | \$1.002 | | \$0.966 |
| Storage Units | | Square foot | \$0.362 | | \$0.349 |
| Wastewater Treatment Plant | | | | | |
| Single Family Dwelling | | Unit | \$4,523.50 | | \$4,360.00 |
| Multiple Family Dwelling | | Unit | \$2,679.86 | | \$2,583.00 |
| Mobile Home Dwelling | | Unit | \$2,679.86 | | \$2,583.00 |
| Commercial Lodging Unit | | Unit | \$1,014.68 | | \$978.00 |
| Commercial | | Square foot | \$1.227 | | \$1.183 |
| Industrial | | Square foot | \$1.841 | | \$1.774 |
| Storage Units | | Square foot | \$0.666 | | \$0.642 |
| Public Meeting Facilities | | | | | |
| Single Family Dwelling | | Unit | \$946.500 | | \$1,893 |
| Multiple Family Dwelling | | Unit | \$1,027.000 | | \$2,054 |
| Mobile Home Dwelling | | Unit | \$980.500 | | \$1,961 |
| Commercial Lodging Unit | | Unit | - | | - |
| Commercial | | Square foot | - | | - |
| Industrial | | Square foot | - | | - |
| Storage Units | | Square foot | - | | - |

KING CITY MASTER FEE SCHEDULE
Effective 1/1/17

| | Fee | Per Unit | Fee | Minimum | Prior Fee |
|--|------------|-----------------|-------------|----------------|------------------|
| Impact Fees for Projects Vested after August 21, 2010 (continued) | | | | | |
| Aquatic Center Facilities | | | | | |
| Single Family Dwelling | | Unit | \$343.00 | | \$686.00 |
| Multiple Family Dwelling | | Unit | \$371.00 | | \$742.00 |
| Mobile Home Dwelling | | Unit | \$355.00 | | \$710.00 |
| Commercial Lodging Unit | | Unit | - | | |
| Commercial | | Square foot | - | | |
| Industrial | | Square foot | - | | |
| Storage Units | | Square foot | - | | |
| Park and Open Space Acquisition | | | | | |
| Single Family Dwelling | | Unit | \$3,323.50 | | \$6,647.00 |
| Multiple Family Dwelling | | Unit | \$3,602.50 | | \$7,205.00 |
| Mobile Home Dwelling | | Unit | \$3,442.00 | | \$6,884.00 |
| Commercial Lodging Unit | | Unit | - | | |
| Commercial | | Square foot | - | | |
| Industrial | | Square foot | - | | |
| Storage Units | | Square foot | - | | |
| Total Impact Fees | | | | | |
| Single Family Dwelling | | Unit | \$24,244.78 | | \$30,121.00 |
| Multiple Family Dwelling | | Unit | \$16,646.73 | | \$22,322.00 |
| Mobile Home Dwelling | | Unit | \$14,905.00 | | \$20,465.00 |
| Commercial Lodging Unit | | Unit | \$6,385.70 | | \$6,571.42 |
| Commercial | | Square foot | \$12.89 | | \$13.10 |
| Industrial | | Square foot | \$8.44 | | \$8.72 |
| Storage Units | | Square foot | \$4.10 | | \$4.42 |



Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017
TO: CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
ROBERT MASTERSON, POLICE CHIEF
RE: CONSIDERATION OF DISTRICT WATCH ACTIVITIES AND MEETINGS

RECOMMENDATION:

It is recommended the City Council: 1) approve staff's recommended strategies for future District Watch activities and meetings; and 2) provide staff with additional input.

BACKGROUND:

In January 2017, the City Council approved the King City Comprehensive Plan to End Youth Violence, which was prepared by a 23-member community task force and included recommended prevention, intervention, enforcement, re-entry and community outreach measures. The primary recommendation for Community Outreach included forming public outreach groups for each Council District. They are proposed to be structured similar to Neighborhood Watch groups so the program is being referred to as "District Watch."

The purpose of the groups will be to educate the public about the City's efforts and public safety issues; seek both support and involvement with these efforts; and to encourage residents to work together in enhancing safety in their neighborhoods. A minimum of two meetings per year are proposed to be scheduled, which will be led by the City Council Member from that District. The first series of meetings were held in March 2017 and a total of nearly 200 people attended community-wide.

At the May 9th meeting, Council Member Cullen requested staff place on a future agenda discussion of expectations and ideas to assist Districts in planning their efforts. Staff has met and developed proposed ideas for future meetings and activities. Additional City Council input is requested. It is staff's hope that two

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CONSIDERATION OF DISTRICT WATCH ACTIVITIES AND MEETINGS
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District meetings or activities will be coordinated by the City per year and other activities will be coordinated independently by each District unique to their neighborhoods.

DISCUSSION:

The following are concepts and strategies proposed for the District Watch program for the upcoming two-year period:

Police Chief's Advisory Committee

At the January 10, 2017 meeting, the City Council approved formation of a Police Chief's Advisory Committee. The purpose of the Advisory Committee will be to provide input and feedback on community concerns and complaints, assist in review and implementation of proposals to address neighborhood public safety issues, and advise on public outreach efforts. It will include 10 members. Five are selected by the City Council and five by the City Manager and Police Chief. Each Council Member has selected one representative from their District.

It is staff's intent to also utilize the Committee and the District representatives to help coordinate activities in their District. The Committee has been formed and the first meeting is tentatively scheduled to be held on August 24th. The Committee Members include the following:

Domingo Uribe, District 1 Representative
Mercy Vasquez, District 2 Representative
Margarita Lopez, District 3 Representative
Eileen Castillo, District 4 Representative
Raye Ann Houx, District 5 Representative
Denise Berrara, At-large
Gerry Dudek, At-large
Johnny Gallagher, At-large
John Laughton, At-large
Open Seat (individual identified, but not confirmed)

District Officer Program

A supervisor and two officers are being assigned to each District. Due to staff turnover, some changes to the original officers assigned to each District have been made. E-mail addresses have been established for each District. It is the responsibility of the District Officer to establish relationships and visibility within their District, identify reoccurring and systemic public safety issues and concerns within the District, and develop proposed strategies to address these issues and concerns on a long-term basis. The District Officer will present their proposals to

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CONSIDERATION OF DISTRICT WATCH ACTIVITIES AND MEETINGS
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the Police Chief's Advisory Committee for feedback and recommendations to the Police Chief. It is important to educate the community that specific incidents and issues requiring immediate attention should continue to be directed to the Police Department general number or 9-1-1 if it is an emergency. The purpose of the Districts' contact information is for concerns involving ongoing problems that require a longer term solution.

The following Police Officers have been assigned to each District:

District 1: Capt. Allen Rowe
Officer Richie Robles
TBD

District 2: Sgt. Kip Bowen
Officer Ryan Kenedy
TBD

District 3: Sgt. Steve Kennedy
Officer Dom Mercurio
Officer Jace Bernal

District 4: Sgt. Joey Perez
Officer Joe Andriola
Officer Kris Wood

District 5: Sgt. Brennon Lux
Officer Josh Partida
Officer Austin Vetetto

Future Semi-Annual Meetings

- October 2017 – District Block Parties

One of the goals of the District Program is to increase interaction among neighborhoods. Block parties are one way in which neighbors become closer and get to know each other better. Staff recommends following up on the National Night Out by designating a District Night Out when a block will be selected in each District for a block party. The City would fund a bounce house, pizza, waters and entertainment for each block party. The District Officer would help to coordinate with the City Council Member and District Representative to plan the event, which would include identifying the block, obtaining consent from residents on that block, promotion, selecting the entertainment, and soliciting help in providing a "pot luck"

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CONSIDERATION OF DISTRICT WATCH ACTIVITIES AND MEETINGS
AUGUST 22, 2017
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table of desserts and snacks. It is tentatively proposed to schedule the District Night Out on October 26th.

- **March 2018 – District Meetings**

It is recommended meetings be held again at locations within each District. At the meetings, staff will provide an update on the progress of the Comprehensive Plan to End Youth Violence and the District Officers will present their findings, recommendations, and progress on specific District issues and concerns. The meetings will also be an opportunity to discuss additional concerns and involve the community in problem solving.

- **August 2018 – National Night Out**

For the next National Night Out, it is recommended that activities be planned in each District similar to the October block parties rather than one central event. Staff believes this will foster greater attendance and ownership. Staff also observed that the majority of people attending this year drove to the event. If the activities were held in each District, it would promote the goal of encouraging residents to get out in the evening, which will be a deterrent to crime.

- **February 2019 – District Meetings**

Concerns and progress will also be discussed at a set of meetings the following year. During these meetings, staff also proposes to utilize District Watch to introduce information regarding Disaster Preparedness and how neighborhoods can work together to become better prepared.

Block Parties

The proposed October event can also be used to encourage neighborhoods to plan their own block parties. Currently, a Special Event permit is required, which costs a minimum of \$27. It is recommended this fee be waived for the next year. As part of the Temporary Use Permit and Special Event Permit Ordinance under development, it is recommended special provisions be included for block parties to make the process easier for neighborhoods to plan these activities.

Financial Support for District Activities

It is recommended that \$1,000 be budgeted for each District that could be used for any expenses approved by the Police Chief and City Manager that promote and/or increase public safety. This would be funding that the Council Member and District representative could use for measures they develop in conjunction

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CONSIDERATION OF DISTRICT WATCH ACTIVITIES AND MEETINGS
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with residents in the District. For example, one District has discussed funding banners promoting safety. It could be used for other promotion, activities and events, newsletter, cameras at key locations, etc. The purpose would be provide seed money to help Districts to develop and pursue ideas on their own.

COST ANALYSIS:

It is estimated that the recommendations will cost approximately \$12,000. If established as a priority, this cost would be funded from the Community Promotion funds in the City Council account.

ENVIRONMENTAL REVIEW:

The program is not considered a project for the purposes of CEQA and has no potential for resulting in either a direct or indirect impact to the environment.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve staff's recommendations;
2. Approve staff's recommendations and provide additional direction;
3. Modify and approve proposed activities;
4. Do not approve the recommendations; or
5. Provide other direction to staff.

Prepared and Approved by: 
Steven Adams, City Manager



Item No. 11(B)

REPORT TO THE CITY COUNCIL

DATE: AUGUST 22, 2017

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROCESS AND FUNDING GOALS

RECOMMENDATION:

It is recommended the City Council: 1) receive public input; 2) direct staff to prepare for Council consideration a CDBG application requesting up to \$4,400,000 for sidewalk improvements, \$500,000 for the ProYouth after-school expanded learning program, and \$100,000 for environmental review for the proposed Wastewater Treatment Plant Upgrade project; and 3) schedule the second Public Hearing for the November 14, 2017 meeting.

BACKGROUND:

The Community Development Block Grant (CDBG), one of the longest-running programs of the U.S. Department of Housing and Urban Development (HUD), funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development. The City should be competitive for funding from this program due its income levels. Last year, the City submitted a grant application for funding for sidewalk improvements, rehabilitation of the skate park, and the after-school expanded learning program. However, while the application scored high, it was not awarded. Additional points are received for submittal of consecutive applications so staff believes the City will be more competitive this year and submittal of an application is recommended.

Most grant applications submitted by the City are prepared by staff. Since the CDBG grant involves such a high potential funding amount, staff recommends contracting for the services of a professional consultant that specializes in preparing and administering CDBG grants. A Request for Proposal has been distributed and proposals have been received. A consultant will be selected during the next two weeks.

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CONSIDERATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROCESS AND FUNDING GOALS
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Two public hearings are required in order to submit an application. The first was conducted by staff on August 9, 2017. One member of the community was in attendance. Staff reviewed the program, presented initial ideas, and received input. The purpose of this report is to present the findings and review of the program, provide initial recommendations, receive direction from the City Council, and schedule the second public hearing.

This Notice of Funding Availability (NFA) provided by the California Department of Housing and Community Development (HCD) applies to the CDBG Community Development, CDBG Economic Development, Colonia and Native American Allocations. Typical activities funded under these allocations include: business assistance projects and programs; micro-enterprise assistance programs; housing rehabilitation programs and projects; homeownership assistance programs; housing acquisition projects; public infrastructure projects; public facility projects; public services programs; and planning and technical assistance grants.

Some changes in the program have been implemented by HCD this year. Given staffing demands, HCD will be issuing a smaller number of grants for larger amounts. Therefore, the City has an opportunity to apply for a larger grant, but the program will become more competitive because fewer grants will be awarded. Last year, the City applied for \$1.5 million for sidewalk improvements, \$300,000 for the after-school program, and \$200,000 for the skate park renovation.

DISCUSSION:

Funding limits have been increased this year. The overall maximum the City may apply for has increased from \$2 million to \$5 million. However, while last year the City was able to apply for three activities, the limit is now two activities plus a planning study.

Below is a list of eligible activities with maximum funding amounts for each:

- Enterprise Fund: \$500,000 (up to two count as one activity)
- Housing Assistance or Housing Rehabilitation: \$3 million
- Multi-Family Rental Rehabilitation: \$3 million
- Public Facilities: \$5 million
- Public Improvements: \$5 million
- Public Services: \$500,000 (up to two count as one activity)
- Planning Activity: \$100,000

**CITY COUNCIL
CONSIDERATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROCESS AND FUNDING GOALS
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Exhibit 1 includes a summary of the changes and limits. Exhibit 2 is the CDBG Matrix, which provides a description of all the eligible categories of projects and services.

Last year, the sidewalk improvements and after-school program scored high. The skate park project did not. Therefore, staff is recommending the application this year be limited to the sidewalk improvements and after-school program. These are also good projects because they can be implemented in a relatively short period. Under CDBG guidelines, 50% of the funds are required to be expended before the City can submit another application. Therefore, staff does not recommend pursuing funds for projects that are not ready to begin.

The sidewalk improvement plan was originally proposed in two phases. Since the grant amount limits are now higher, staff is revising the plan to incorporate most of the Phase II items in Phase I. However, to be competitive, it is recommended to include only sidewalks in census tracts with the lowest income levels. In addition, only residential areas are eligible. Therefore, Phase II will include those areas that are not eligible or competitive for CDBG funds. The specific amount will be determined when update of the sidewalk improvement plan is completed. The intent will be to maximize the amount requested in the grant for the competitive and eligible areas. If funded, staff believes the project could have a dramatic impact on the City's sidewalk system and infrastructure, improve accessibility and beautification, reduce liability, and invest in improvements that will be very visible and impactful to the community at-large.

The maximum amount of \$500,000 is recommended for the ProYouth after-school program. Since this program was only in the early conceptual stage last year, it should be more competitive this year. The goal is to raise enough funds to expand the program next year to include the Arts Magnet Elementary School.

In addition to the two projects, staff recommends the City apply for a \$100,000 planning grant to help fund the environmental review work required to proceed with the Wastewater Treatment Plant Upgrade project. The master plan will be presented to the City Council in September for consideration so staff anticipates being ready to proceed to the next phase of planning. These funds will help reduce costs to the Sewer Fund, which will maintain more funding for future construction costs.

Applications are due to be submitted by December 2017. Therefore, the second public hearing when Council will consider approval of the application is recommended to be scheduled at the November 14, 2017 meeting.

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CONSIDERATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROCESS AND FUNDING GOALS
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Other priority needs staff believes CDBG funds could be instrumental in addressing include construction of the Wastewater Treatment Plant Upgrade and housing rehabilitation projects. Therefore, these items are identified as priorities for future grant applications, but are not at a stage ready to be considered for application of funding at this time.

COST ANALYSIS:

The grant application could potentially result in \$3 to \$5 million in additional funding to the City for these projects. The anticipated cost for preparation of the application is approximately \$5,000, which can be funded from the existing General Fund budget.

ENVIRONMENTAL REVIEW:

The application process is not considered a project for the purposes of CEQA and has no potential for resulting in either a direct or indirect impact to the environment. Environmental review for the updated sidewalk improvement plan will be presented to the City Council in September.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve staff's recommendations and direct staff to proceed with preparation of the application;
2. Direct staff to change the items to be included in the application;
3. Direct staff not to prepare a CDBG grant application; or
4. Provide other direction to staff.

Exhibits:

1. California of Housing and Community Development CDBG 2017 NOFA Changes
2. CDBG Matrix Codes and Definitions

Prepared and Approved by: _____



Steven Adams, City Manager

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CDBG 2017 NOFA Changes

| NOFA Application Parameters | Proposed 2017 |
|--|--|
| Allowable activities per application | Two eligible activities + a planning activity. Housing Combo; Enterprise Fund Combo; or two Public Services, count as <i>one</i> activity. |
| Contract Limits | \$5 million |
| Housing – Housing Assistance or Housing Rehabilitation | \$1 million - single or combo activity |
| Enterprise Fund – Business Assistance or Micro-enterprise | \$500,000 – single activity or combo |
| Multi-Family Rental Rehabilitation (with or without acquisition) | Up to \$3 million |
| Public Facilities | Up to \$5 million |
| Public Improvement | Up to \$5 million |
| Public Services | Two Public Services = One Activity Up to \$500,000 |
| Planning Activity | \$100,000, one planning activity |
| Supplemental Activities | One, single activity only, no combo activities. |
| Capacity - Reporting Requirements Points (up to 70 pts) | FY 2016/17 Program Income (PI) Reporting requirements. <ol style="list-style-type: none"> 1. Semi-Annual 1; 2. Semi-Annual 2; 3. Annual Report |
| Modify State Objective Points, to be defined in the NOFA (up to 100 pts) | <ol style="list-style-type: none"> 1. Fair Housing Outreach (100 pts) 2. Disaster Resiliency activities (100 pts) 3. Remove Urgent Need (100 pts) |
| 50% Expenditure Rule | Waiver for shovel ready projects only. Programs are not eligible for waiver. |

Appendix A

CDBG MATRIX CODES

CDBG Matrix Codes by Category

Matrix codes are listed here by category so you can quickly review the available choices.

Acquisition, Disposition, Clearance, Relocation

| | | | |
|----|------------------------------|-----|-------------------------------|
| 01 | Acquisition of Real Property | 04A | Cleanup of Contaminated Sites |
| 02 | Disposition of Real Property | 08 | Relocation |
| 04 | Clearance and Demolition | | |

Administration and Planning

| | | | |
|-----|--|-----|---|
| 20 | Planning | 21E | Submission of Applications for Federal Programs |
| 21A | General Program Administration | 21H | CDBG Funding of HOME Admin |
| 21B | Indirect Costs | 21I | CDBG Funding of HOME CHDO Operating Expenses |
| 21C | Public Information | 14H | Rehab: Administration |
| 21D | Fair Housing Activities (subject to Admin cap) | | |

Economic Development

| | | | |
|-----|---|-----|--|
| 14E | Rehab: Publicly or Privately Owned Commercial/Industrial (CI) | 17D | CI: Other Improvements |
| 17A | CI: Acquisition/Disposition | 18A | ED: Direct Financial Assistance to For-Profits |
| 17B | CI: Infrastructure Development | 18B | ED: Technical Assistance |
| 17C | CI: Building Acquisition, Construction, Rehabilitation | 18C | ED: Micro-Enterprise Assistance |

Housing

| | | | |
|-----|---|-----|---|
| 12 | Construction of Housing | 14G | Rehab: Acquisition |
| 13 | Direct Homeownership Assistance | 14H | Rehab: Administration |
| 14A | Rehab: Single-Unit Residential | 14I | Lead-Based Paint/Lead Hazards Testing/Abatement |
| 14B | Rehab: Multi-Unit Residential | 14J | Housing Services |
| 14C | Rehab: Public Housing Modernization | 16A | Residential Historic Preservation |
| 14D | Rehab: Other Publicly Owned Residential Buildings | 19E | Operation/Repair of Foreclosed Property |
| 14F | Rehab: Energy Efficiency Improvements | | |

Public Facilities and Infrastructure Improvements

| | | | |
|-----|---|-----|--|
| 03A | Senior Centers | 03L | Sidewalks |
| 03B | Handicapped Centers | 03M | Child Care Centers |
| 03C | Homeless Facilities (not operating costs) | 03N | Tree Planting |
| 03D | Youth Centers | 03O | Fire Stations/Equipment |
| 03E | Neighborhood Facilities | 03P | Health Facilities |
| 03F | Parks, Recreational Facilities | 03Q | Facilities for Abused and Neglected Children |
| 03G | Parking Facilities | 03R | Asbestos Removal |
| 03H | Solid Waste Disposal Improvements | 03S | Facilities for AIDS Patients (not operating costs) |
| 03I | Flood Drainage Improvements | 03 | Other Public Facilities/Improvements |
| 03J | Water/Sewer Improvements | | |
| 03K | Street Improvements | | |

Public Services

| | |
|--|--|
| 05A Senior Services | 05N Services for Abused and Neglected Children |
| 05B Handicapped Services | 05O Mental Health Services |
| 05C Legal Services | 05P Screening for Lead Poisoning |
| 05D Youth Services | 05Q Subsistence Payments |
| 05E Transportation Services | 05R Homeownership Assistance (not direct) |
| 05F Substance Abuse Services | 05S Rental Housing Subsidies |
| 05G Services for Battered and Abused Spouses | 05T Security Deposits |
| 05H Employment Training | 05U Housing Counseling |
| 05I Crime Awareness/Prevention | 05V Neighborhood Cleanups |
| 05J Fair Housing Activities (subject to Public Services cap) | 05W Food Banks |
| 05K Tenant/Landlord Counseling | 03T Operating Costs of Homeless/AIDS Patients Programs |
| 05L Child Care Services | 05 Other Public Services |
| 05M Health Services | |

Section 108 Loans

| | |
|---|---|
| 19F Planned Repayments of Section 108 Loans | 24A Payment of Interest on Section 108 Loans |
| 19G Unplanned Repayments of Section 108 Loans | 24B Payment of Costs of Section 108 Financing |
| | 24C Debt Service Reserve |

Other

| | |
|---|---|
| 06 Interim Assistance | 19C Non-Profit Organization Capacity Building |
| 07 Urban Renewal Completion | 22 Unprogrammed Funds |
| 09 Loss of Rental Income | 23 Tornado Shelters Serving Private Mobile Home Parks |
| 11 Privately Owned Utilities | |
| 15 Code Enforcement | |
| 16B Non-Residential Historic Preservation | |

Definitions of the matrix codes are provided in the table that follows.

MATRIX CODE DEFINITIONS

Matrix codes are used to indicate—but do not establish—activity eligibility. An activity must be eligible in accordance with the regulations at 570.201–570.207. Grantees need to refer to the regulations to determine an activity's eligibility; the codes defined below are used in IDIS chiefly to categorize activities for reporting purposes.

| Code | Definition |
|-------------|--|
| 01 | <p>Acquisition of Real Property</p> <p>Acquisition of real property that will be developed for a public purpose. Use code 01 for the CDBG-funded purchase of real property on which, for example, a public facility or housing will be constructed.</p> <p><i>When CDBG funds are used to:</i></p> <ul style="list-style-type: none"> • <i>acquire a public facility that will be rehabilitated with CDBG funds and continue to be used as a public facility, assign the appropriate 03* code.</i> • <i>acquire housing that will be rehabilitated, use code 14G.</i> |
| 02 | <p>Disposition of Real Property</p> <p>Costs related to the sale, lease, or donation of real property acquired with CDBG funds or under urban renewal. These include the costs of temporarily maintaining property pending disposition and costs incidental to disposition of the property.</p> |
| 03A | <p>Senior Centers</p> <p>Acquisition, construction, or rehabilitation of facilities (except permanent housing) for seniors.</p> <p>03A may be used for a facility serving both the elderly and the handicapped provided it is not intended primarily to serve persons with handicaps. If it is, use 03B instead.</p> <p><i>For the construction of permanent housing for the elderly, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i></p> |
| 03B | <p>Handicapped Centers</p> <p>Acquisition, construction, or rehabilitation of centers, group homes, and other facilities (except permanent housing) for the handicapped.</p> <p>03B may be used for a facility serving both the handicapped and the elderly provided it is not intended primarily to serve the elderly. If it is, use 03A instead.</p> <p><i>For the construction of permanent housing for the handicapped, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i></p> |
| 03C | <p>Homeless Facilities (not operating costs)</p> <p>Acquisition, construction, or rehabilitation of temporary shelters and transitional housing for the homeless, including battered spouses, disaster victims, runaway children, drug offenders, and parolees.</p> <p><i>For the construction of permanent housing for the homeless, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i></p> |

| Code | Definition |
|------|---|
| 03D | <p>Youth Centers</p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for young people age 13 to 19. These include playground and recreational facilities that are part of a youth center.</p> <p><i>For the acquisition, construction or rehabilitation of facilities intended primarily for children age 12 and under, use 03M; for facilities for abused and neglected children, use 03Q.</i></p> |
| 03E | <p>Neighborhood Facilities</p> <p>Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or for multiple purposes (including recreation). Such facilities may include libraries and community centers.</p> |
| 03F | <p>Parks, Recreational Facilities</p> <p>Development of open space areas or facilities intended primarily for recreational use.</p> |
| 03G | <p>Parking Facilities</p> <p>Acquisition, construction, or rehabilitation of parking lots and parking garages. Also use 03G if the primary purpose of rehabilitating a public facility or carrying out a street improvement activity is to improve parking.</p> <p><i>If parking improvements are only part of a larger street improvement activity, use 03K.</i></p> |
| 03H | <p>Solid Waste Disposal Improvements</p> <p>Acquisition, construction, or rehabilitation of solid waste disposal facilities.</p> |
| 03I | <p>Flood Drainage Improvements</p> <p>Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins. Do not use 03I for construction/rehabilitation of storm sewers, street drains, or storm drains.</p> <p><i>Use 03J for storm sewers and 03K for street and storm drains.</i></p> |
| 03J | <p>Water/Sewer Improvements</p> <p>Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. Costs of street repairs (usually repaving) made necessary by water/sewer improvement activities are included under 03J.</p> <p><i>For water/sewer improvements that are part of:</i></p> <ul style="list-style-type: none"> • <i>more extensive street improvements, use 03K (assign 03K, for example, to an activity that involves paving six blocks of Main Street and installing 100 feet of new water lines in one of those blocks).</i> • <i>a housing rehabilitation activity, use the appropriate 14* matrix code.</i> <p><i>For construction or rehabilitation of flood drainage facilities, use 03I.</i></p> |

| Code | Definition |
|------------|--|
| 03K | <p>Street Improvements</p> <p>Installation or repair of streets, street drains, storm drains, curbs and gutters, tunnels, bridges, and traffic lights/signs. Also use 03K:</p> <ul style="list-style-type: none"> • for improvements that include landscaping, street lighting, and/or street signs (commonly referred to as "streetscaping"). • If sidewalk improvements (see code 03L) are part of more extensive street improvements. |
| 03L | <p>Sidewalks</p> <p>Improvements to sidewalks. Also use 03L for sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees.</p> |
| 03M | <p>Child Care Centers</p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers.</p> <p><i>For the construction or rehabilitation of facilities for abused and neglected children, use 03Q; for the construction or rehabilitation of facilities for teenagers, use 03D.</i></p> |
| 03N | <p>Tree Planting</p> <p>Activities limited to tree planting (sometimes referred to as "beautification").</p> <p><i>For streetscape activities that include tree planting, use 03K; for sidewalk improvement activities that include tree planting, use 03L.</i></p> |
| 03O | <p>Fire Stations/Equipment</p> <p>Acquisition, construction, or rehabilitation of fire stations and/or the purchase of fire trucks and emergency rescue equipment.</p> |
| 03P | <p>Health Facilities</p> <p>Acquisition, construction, or rehabilitation of physical or mental health facilities. Examples of such facilities include neighborhood clinics, hospitals, nursing homes, and convalescent homes.</p> <p><i>Health facilities for a specific client group should use the matrix code for that client group. For example, use 03Q for the construction or rehabilitation of health facilities for abused and neglected children.</i></p> |
| 03Q | <p>Facilities for Abused and Neglected Children</p> <p>Acquisition, construction, or rehabilitation of daycare centers, treatment facilities, or temporary housing for abused and neglected children.</p> |
| 03R | <p>Asbestos Removal</p> <p>Rehabilitation of any public facility undertaken primarily to remove asbestos.</p> |
| 03S | <p>Facilities for AIDS Patients (not operating costs)</p> <p>Acquisition, construction, or rehabilitation of facilities for the treatment or temporary housing of people who are HIV positive or who have AIDS.</p> <p><i>For the construction or rehabilitation of facilities for AIDS education and prevention, use 03P.</i></p> |

| Code | Definition |
|------------|---|
| 03T | <p>Operating Costs of Homeless/AIDS Patients Programs</p> <p>Costs associated with the operation of programs for the homeless or for AIDS patients, such as staff costs, utilities, maintenance, and insurance.</p> <p>Because payment of operating costs for these programs is a public service under CDBG, all CDBG expenditures for 03T activities are included in the calculation of the Public Services cap.</p> |
| 03 | <p>Other Public Facilities and Improvements</p> <p>Do not use this code unless an activity does not fall under a more specific 03* code. Also, do not use one activity for multiple facilities and then assign it an 03 because the types of facilities are different.</p> <p>One legitimate use of 03 is for activities that assist persons with disabilities by removing architectural barriers from or providing ADA improvements to government buildings (activities that otherwise would not be eligible for CDBG funding).</p> |
| 04 | <p>Clearance and Demolition</p> <p>Clearance or demolition of buildings/Improvements, or the movement of buildings to other sites.</p> |
| 04A | <p>Cleanup of Contaminated Sites</p> <p>Activities undertaken primarily to clean toxic/environmental waste or contamination from a site.</p> |
| 05A | <p>Senior Services</p> <p>Services for the elderly. 05A may be used for an activity that serves both the elderly and the handicapped provided it is not intended primarily to serve persons with handicaps. If it is, use 05B instead.</p> |
| 05B | <p>Handicapped Services</p> <p>Services for the handicapped, regardless of age.</p> |
| 05C | <p>Legal Services</p> <p>Services providing legal aid to low- and moderate-income (LMI) persons.</p> <p><i>If the only legal service provided is for the settlement of tenant/landlord disputes, use 05K.</i></p> |
| 05D | <p>Youth Services</p> <p>Services for young people age 13 to 19 that include, for example, recreational services limited to teenagers and teen counseling programs. Also use 05D for counseling programs that target teens but include counseling for the family as well.</p> <p><i>For services for children age 12 and under, use 05L; for services for abused and neglected children, use 05N.</i></p> |
| 05E | <p>Transportation Services</p> <p>General transportation services.</p> <p><i>Transportation services for a specific client group should use the matrix code for that client group. For example, use 05A for transportation services for the elderly.</i></p> |

| Code | Definition |
|-------------|--|
| 05F | Substance Abuse Services Substance abuse recovery programs and substance abuse prevention/education activities. If the services are provided for a specific client group, the matrix code for that client group may be used instead. For example, substance abuse services that target teenagers may be coded either 05D or 05F. |
| 05G | Services for Battered and Abused Spouses Services for battered and abused spouses and their families. <i>For services limited to abused and neglected children, use 05N.</i> |
| 05H | Employment Training Assistance to increase self-sufficiency, including literacy, independent living skills, and job training. <i>For activities providing training for permanent jobs with specific businesses, use 18A.</i> |
| 05I | Crime Awareness/Prevention Promotion of crime awareness and prevention, including crime prevention education programs and paying for security guards. |
| 05J | Fair Housing Activities (subject to Public Services cap) Fair housing services (e.g. counseling on housing discrimination) that meet a national objective. <i>For fair housing services activities carried out as part of general program administration (and thus not required to meet a national objective), use 21D.</i> |
| 05K | Tenant/Landlord Counseling Counseling to help prevent or settle disputes between tenants and landlords. |
| 05L | Child Care Services Services that will benefit children (generally under age 13), including parenting skills classes. <i>For services exclusively for abused and neglected children, use 05N.</i> |
| 05M | Health Services Services addressing the physical health needs of residents of the community. <i>For mental health services, use 05O.</i> |
| 05N | Services for Abused and Neglected Children Daycare and other services exclusively for abused and neglected children. |
| 05O | Mental Health Services Services addressing the mental health needs of residents of the community. |
| 05P | Screening for Lead Poisoning Activities undertaken primarily to provide screening for lead poisoning. <i>For lead poisoning testing/abatement activities, use 14I.</i> |

| Code | Definition |
|------------|---|
| 05Q | <p>Subsistence Payments</p> <p>One-time or short-term (no more than three months) emergency payments on behalf of individuals or families, generally for the purpose of preventing homelessness. Examples include utility payments to prevent cutoff of service and rent/mortgage payments to prevent eviction.</p> |
| 05R | <p>Homeownership Assistance (not direct)</p> <p>Homeowner downpayment assistance provided as a public service. If housing counseling is provided to those applying for downpayment assistance, the counseling is considered part of the 05R activity.</p> <p>Assistance provided under 05R must meet the low/mod housing national objective. Therefore, unless the assistance is provided by a CBDO in an NRSA, it is subject to the public service cap and only low/mod households may be assisted. If the assistance is provided by a CBDO in an NRSA, the housing units for which CDBG funds are obligated in a program year may be aggregated and treated as a single structure for purposes of meeting the housing national objective (that is, only 51% of the units must be occupied by LMI households).</p> <p><i>For more extensive types of homeownership assistance provided under authority of the National Affordable Housing Act, use code 13.</i></p> |
| 05S | <p>Rental Housing Subsidies</p> <p>Tenant subsidies exclusively for rental payments for more than three months. Activities providing this form of assistance must be carried out by CBDOs.</p> |
| 05T | <p>Security Deposits</p> <p>Tenant subsidies exclusively for payment of security deposits.</p> |
| 05U | <p>Housing Counseling</p> <p>Housing counseling for renters, homeowners, and/or potential new homebuyers that is provided as an independent public service (i.e., not as part of another eligible housing activity).</p> |
| 05V | <p>Neighborhood Cleanups</p> <p>One-time or short-term efforts to remove trash and debris from neighborhoods. Examples of legitimate uses of this code include neighborhood cleanup campaigns and graffiti removal.</p> |
| 05W | <p>Food Banks</p> <p>Costs associated with the operation of food banks, community kitchens, and food pantries, such as staff costs, supplies, utilities, maintenance, and insurance.</p> |
| 05 | <p>Other Public Services</p> <p>Do not use this code for public services activities unless an activity does not fall under a more specific 05* code.</p> <p>Examples of legitimate uses of this code are referrals to social services, neighborhood cleanup, graffiti removal, and food distribution (community kitchen, food bank, and food pantry services).</p> |

| Code | Definition |
|------|---|
| 06 | <p>Interim Assistance</p> <p>Only for activities undertaken either to:</p> <ul style="list-style-type: none"> • Make limited improvements (e.g., repair of streets, sidewalks, or public buildings) intended solely to arrest further deterioration of physically deteriorated areas prior to making permanent improvements. • Alleviate emergency conditions threatening public health and safety, such as removal of tree limbs or other debris after a major storm. |
| 07 | <p>Urban Renewal Completion</p> <p>Completion of urban renewal projects funded under Title I of the Housing Act of 1949.</p> <p>Do not use code 07 for a downtown renewal, downtown development, or urban renewal activity unless the activity will result in the closing out of a federally-approved urban renewal project.</p> |
| 08 | <p>Relocation</p> <p>Relocation payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms.</p> |
| 09 | <p>Loss of Rental Income</p> <p>Payments to owners of housing for loss of rental income due to temporarily holding rental units for persons displaced by CDBG-assisted activities.</p> |
| 11 | <p>Privately Owned Utilities</p> <p>Acquisition, reconstruction, rehabilitation, or installation of distribution lines and facilities of federally regulated, privately owned utilities. This includes placing new or existing distribution lines/facilities underground.</p> |
| 12 | <p>Construction of Housing</p> <p>Construction of housing with CDBG funds must be carried out by CBDOS, in accordance with the regulations at 570.204(a).</p> |
| 13 | <p>Direct Homeownership Assistance</p> <p>Homeownership assistance to LMI households as authorized under 105(a)(24).</p> <p>Forms of assistance include subsidizing interest rates and mortgage principal, paying up to 50% of downpayment costs, paying reasonable closing costs, acquiring guarantees for mortgage financing from private lenders, and financing the acquisition by LMI households of the housing they already occupy.</p> <p>If housing counseling is provided to households receiving direct homeownership assistance, the counseling is considered part of the code 13 activity.</p> <p>All recipients of assistance provided under matrix code 13 must be LMI.</p> |
| 14A | <p>Rehab: Single-Unit Residential</p> <p>Rehabilitation of privately owned, single-unit homes.</p> |

| Code | Definition |
|------------|---|
| 14B | <p>Rehab: Multi-Unit Residential</p> <p>Rehabilitation of privately owned buildings with two or more permanent residential units.</p> <p><i>For the rehabilitation of units that will provide temporary shelter or transitional housing for the homeless, use 03C.</i></p> |
| 14C | <p>Rehab: Public Housing Modernization</p> <p>Rehabilitation of housing units owned/operated by a public housing authority (PHA).</p> |
| 14D | <p>Rehab: Other Publicly Owned Residential Buildings</p> <p>Rehabilitation of permanent housing owned by a public entity other than a PHA.</p> <p><i>For the rehabilitation of other publicly owned buildings that will provide temporary shelter or transitional housing for the homeless, use 03C.</i></p> |
| 14E | <p>Rehab: Publicly or Privately Owned Commercial/Industrial</p> <p>Rehabilitation of commercial/Industrial property. If the property is privately owned, CDBG-funded rehab is limited to:</p> <ul style="list-style-type: none"> • Exterior Improvements (generally referred to as "facade improvements"). • Correction of code violations <p><i>For more extensive rehabilitation of privately owned commercial/industrial property, use 17C; for infrastructure developments and improvements at commercial/industrial sites, use 17B.</i></p> |
| 14F | <p>Rehab: Energy Efficiency Improvements</p> <p>Housing rehabilitation with the sole purpose of improving energy efficiency (e.g., a weatherization program).</p> <p><i>For energy efficiency improvements to public housing units, use 14C; for other publicly owned residential buildings, use 14D.</i></p> |
| 14G | <p>Rehab: Acquisition</p> <p>Acquisition of property to be rehabilitated for housing. 14G may be used whether CDBG funds will pay only for acquisition or for both acquisition and rehabilitation.</p> |
| 14H | <p>Rehab: Administration</p> <p>All delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing; survey, site and utility plans; application processing; and other fees.</p> <p>Do not use 14H for the costs of actual rehabilitation and do not use it for costs unrelated to running a rehab program (e.g., tenant/landlord counseling).</p> <p><i>For housing rehabilitation administration activities carried out as part of general program administration (and thus not required to meet a national objective), use code 21.</i></p> |

| Code | Definition |
|------------|--|
| 14I | <p>Lead-Based Paint/Lead Hazards Testing/Abatement</p> <p>Housing rehabilitation activities with the primary goal of evaluating and reducing lead-based paint/lead hazards.</p> <p><i>For lead-based paint/lead hazards screening, use 05P.</i></p> |
| 14J | <p>Housing Services</p> <p>Housing services in support of the HOME Program, eligible under 570.201(k).</p> |
| 15 | <p>Code Enforcement</p> <p>Salaries and overhead costs associated with property inspections and follow-up actions (such as legal proceedings) directly related to the enforcement (not correction) of state and local codes.</p> <p><i>For the correction of code violations, use the appropriate rehabilitation code.</i></p> |
| 16A | <p>Residential Historic Preservation</p> <p>Rehabilitation of historic buildings for residential use.</p> |
| 16B | <p>Non-Residential Historic Preservation</p> <p>Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by an historic preservation society.</p> |
| 17A | <p>Commercial/Industrial: Acquisition/Disposition</p> <p>Land acquisition, clearance of structures, or packaging of land for the purpose of creating industrial parks or promoting commercial/industrial development. 17A activities must be carried out by the grantee or by non-profits.</p> |
| 17B | <p>Commercial/Industrial: Infrastructure Development</p> <p>Street, water, parking, rail transport, or other improvements to commercial/industrial sites. 17B also includes the installation of public improvements, such as the construction of streets to and through commercial/industrial areas. 17B activities must be carried out by the grantee or by non-profits.</p> |
| 17C | <p>Commercial/Industrial: Building Acquisition, Construction, Rehabilitation</p> <p>Acquisition, construction, or rehabilitation of commercial/industrial buildings. 17C activities must be carried out by the grantee or by non-profits.</p> |
| 17D | <p>Commercial/Industrial: Other Improvements</p> <p>Commercial/industrial improvements not covered by other 17* codes. 17D activities must be carried out by the grantee or by non-profits.</p> |
| 18A | <p>Economic Development: Direct Financial Assistance to For-Profits</p> <p>Financial assistance to for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, loan guarantees, and grants.</p> <p>With one exception, a separate 18A activity must be set up for each business assisted. The exception is an activity carried out under 570.208(a)(4)(vi), for which job aggregation is allowed.</p> |

| Code | Definition |
|-------------|---|
| 18B | Economic Development: Technical Assistance Technical assistance to for-profit businesses, including workshops, marketing, and referrals. Also use 18B for activity delivery costs eligible under 570.203(c). |
| 18C | Economic Development: Micro-Enterprise Assistance Financial assistance, technical assistance, or general support services to owners and developers of micro-enterprises. A micro-enterprise is a business with five or fewer employees, including the owner(s). With one exception, a separate activity must be set up for each micro-enterprise assisted. The exception is an activity carried out under 570.208(a)(4)(vi), for which job aggregation is allowed. |
| 19A | Obsolete – use code 21H. |
| 19B | Obsolete – use code 21H. |
| 19C | CDBG Non-Profit Organization Capacity Building Activities specifically designed to increase the capacity of non-profit organizations to carry out eligible neighborhood revitalization or economic development activities. Such activities may include providing technical assistance and specialized training to staff. |
| 19D | CDBG Assistance to Institutes of Higher Education Obsolete. Instead of using this matrix code, set the INSTITUTION OF HIGHER EDUCATION field to "yes" on the Add/Edit Subordinate Organization screen to indicate that the activity will be carried out by an institution of higher education. Then assign the appropriate matrix code based on the nature of the activity to be undertaken by the institution. |
| 19E | CDBG Operation and Repair of Foreclosed Property Activities to prevent the abandonment and deterioration of housing acquired through tax foreclosure. These include making essential repairs to the housing and paying operating expenses to maintain its habitability. |
| 19F | Planned Repayments of Section 108 Loans Repayments of principal for Section 108 loan guarantees. |
| 19G | Unplanned Repayments of Section 108 Loans Unplanned repayments of principal for Section 108 loan guarantees. |
| 20 | Planning Program planning activities, including the development of comprehensive plans (e.g., a consolidated plan), community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans. |

| Code | Definition |
|-------------|---|
| 21A | <p>General Program Administration</p> <p>Overall program administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in program management, monitoring, and evaluation.</p> <p>Also use 21A to report the use of CDBG funds to administer federally designated Empowerment Zones or Enterprise Communities.</p> <p><i>For CDBG funding of HOME admin costs, use 21H; for CDBG funding of HOME CHDO operating expenses, use 21I.</i></p> |
| 21B | <p>Indirect Costs</p> <p>Costs charged under an indirect cost allocation plan.</p> |
| 21C | <p>Public Information</p> <p>Providing information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of CDBG-assisted activities.</p> |
| 21D | <p>Fair Housing Activities (subject to Admin cap)</p> <p>Fair housing activities carried out as part of general program administration rather than as a public service. They are subject to the Admin cap, but do not have to meet a national objective.</p> <p><i>For fair housing activities carried out as a public service, use 05J.</i></p> |
| 21E | <p>Submission of Applications for Federal Programs</p> <p>Preparation of (1) documents that must be submitted to HUD to receive CDBG funds or (2) applications to other federal programs for community development assistance.</p> |
| 21H | <p>CDBG Funding of HOME Admin</p> <p>CDBG funding of administrative costs for HOME Program activities eligible under 570.206(i)(2).</p> |
| 21I | <p>CDBG Funding of HOME CHDO Operating Expenses</p> <p>CDBG funding of CHDO operating expenses for HOME Program activities eligible under 570.206(i)(2).</p> |
| 22 | <p>Unprogrammed Funds</p> <p>Identification of funds that are not yet programmed for use—e.g., reserve or contingency funds.</p> |
| 23 | <p>Tornado Shelters Serving Private Mobile Home Parks</p> <p>Construction or improvement of tornado-safe shelters for residents of manufactured housing and the provision of assistance (including loans and grants) to nonprofit and for-profit entities, in accordance with Section 105(a)(24). {Note that two pars. 24 have been enacted.}</p> |
| 24A | <p>Payment of Interest on Section 108 Loans</p> <p>Payment of interest on the guaranteed loan.</p> |

Appendix A: CDBG Matrix Codes

| Code | Definition |
|-------------|---|
| 24B | Payment of Costs of Section 108 Financing Payment of issuance, underwriting, servicing, trust administration, and other costs associated with private sector financing of debt obligations. |
| 24C | Debt Service Reserve A debt service reserve to be used in accordance with requirements specified in the contract entered into pursuant to CFR 570.705(b)(1). |