

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

TUESDAY FEBRUARY 13, 2018
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**

None
- 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 Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion.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 Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.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 January 23, 2018 Council Meeting
Recommendation: approve and file.
- B. City Check Register
Recommendation: approve and file.
- C. Successor Agency Check Register
Recommendation: approve and file.
- D. City Monthly Treasurer's Report- December 2017
Recommendation: approve and file.
- E. Successor Agency Monthly Treasurer's Report- December 2017
Recommendation: approve and file.
- F. Consideration: Approval of One Year Extension of the Rental Fee of \$250.00 Per Month for the King City Boxing Club
Recommendation: approve by motion the extension of the \$250.00 rental fee with the King City Boxing Club for rental of the racquetball facility.
- G. Consideration: Agreement with South County YMCA to provide Spring and Fall Youth Soccer Program
Recommendation: approve by motion the agreement with the South County YMCA to provide a Spring and Fall Youth Soccer program in King City.
- H. Consideration: Declaration and Disposition of Surplus Property
Recommendation: adopt a Resolution declaring Fire Department equipment as surplus and approving donation of the equipment to the Volunteer Fire Department of San Luis Rio Colorado, Sonora A.C. in Mexico.
- I. Consideration: Appointment to the Airport Advisory Committee
Recommendation: adopt a Resolution appointing Bill Casey to the Airport Advisory Committee.
- J. Consideration: United States Department of Agriculture Community Facilities Grant Agreement for the Security Camera System Project
Recommendation: approve and authorize the City Manager to execute a United States Department of Agriculture (USDA) Community Facilities Grant Agreement for the security camera system project.

- K. Consideration: Side Letter of Agreements with the King City Police Sergeants Association and the King City Police Officers Association Extending Current Labor Agreements

Recommendation: 1) adopt a Resolution approving a Side Letter of Agreement with the King City Police Sergeants Association (KCPSA) to extend the current Memorandum of Understanding (MOU) by one year; and 2) adopt a Resolution approving a Side Letter of Agreement with the King City Police Officers Association (KCPOA) to extend the current MOU by one year.

10. PUBLIC HEARINGS

None

11. REGULAR BUSINESS

- A. Consideration: Purchase and Sale Agreement for Purchase of APN #026-195-010, APN #026-195-012 and a Portion of APN #026-195-018

Recommendation: 1) approve an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with Ho Ming Cheung as Trustee of the Cheung Family Living Trust for acquisition of APN #026-195-010, APN #026-195-012 and a portion of APN #026-195-018 for \$460,000; 2) adopt a Resolution authorizing the City Manager to execute all purchase and sale documents and any necessary changes in a form approved by the City Attorney; 3) appropriate an additional \$175,000 in FY 2017-18 for the purchase; and 4) reduce funding allocated in FY 2018-19 for the purchase by \$175,000.

- B. Consideration: Update on Community Choice Aggregation Program

Recommendation: 1) receive and update from Pilot Power Group, Inc. on the Community Choice Aggregation (CCA) program; and 2) provide staff direction to proceed with the process of executing the agreement and launching the program.

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.

13. ADJOURNMENT

**City Council Meeting
January 23, 2018**

1. CALL TO ORDER:

Regular Meeting called to order at 6:00pm by Mayor LeBarre.

2. FLAG SALUTE:

The flag salute was led by Mayor LeBarre.

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; Assistant City Attorney Tommi Sagatelian; Admin. Asst./Deputy City Clerk, Erica Sonne

4. CLOSED SESSION ANNOUNCEMENTS:

None

5. PRESENTATIONS:

None

6. PUBLIC COMMUNICATIONS:

None

7. COUNCIL COMMUNICATIONS:

Council Member DeLeon stated that the school district is adding a behavioral health.

Council Member Acosta thanked King City in Bloom for the planters in front of City Hall. She notices the welcome to King City sign on Broadway is moving forward. Four cities for peace, they have applied for a Cal VIP grant.

Mayor Pro Tem Victoria attended the Fire Departments Dinner and witnessed the Fireman of the Year, he complemented them on the good job that they do for the city.

Council Member Cullen he spoke on the council being invited to the So Mo Co Foundation on Feb. 8th and King City in Bloom will be recognized at their event. Salinas Valley Solid Waste Authority meeting where the board is looking for other locations for Sunset transfer station and if they choose a costly location the cost will trickle down to South County. He is paying close attention to this matter as it can affect King City residence. He is working with High School for the February 15 career day. He invited all in the room to participate. He has tickets for the annual Citizen, Business and Friend of the Community Event, March 10th \$50 each.

Mayor LeBarre handed out his monthly meeting schedule, he just found out that he was re-appointed to the Mo. Co. Water Resource Agency. He attended the King City Fireman of the Year dinner, very enjoyable. He recognized our volunteer Fire Department and appreciates them. He also attended Pinnacles Partners

meeting which had a presentation on regional tourism efforts. He thanked former Mayor Pro Tem Jernigan for being the city's liaison for the pinnacles.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Adams thanked Council member Acosta for acknowledging King City in Bloom, we are going to get a thank you together for them as well. AMGEN Tour of California meeting was this afternoon and planning is happening. Schools will be allowing kids to be out of school to participate. We are looking for sponsors and volunteers. He explained what the AMGEN Tour is. He announced the survey is going out again as it has been 2 years. We look forward to people returning them. CCA is moving ahead as scheduled. He reminded everyone the State of the City Address is January 31st and February 4th at Saint John's Church and is a free bilingual session.

Assistant City Attorney Tommi Saghatelian explained that she is filling in for Shannon Chaffin and Roy Santos who is a new father of a baby girl.

9. CONSENT AGENDA

- A. Meeting Minutes of January 9, 2018 Council Meeting
- B. Meeting Minutes of January 9, 2018 Public Financing Authority Meeting
- C. City Check Register
- D. City Monthly Treasurer's Report- November 2017
- E. Successor Agency Monthly Treasurer's Report- November 2017
- F. Consideration: Second Reading and Adoption of an Ordinance of the City Council of the City of King Amending Chapter 5.12 of the King City Municipal Code Pertaining to Business Licenses
- G. Consideration: List of Local Appointments
- H. Consideration: Amendments to the FY 2017-18 City of King Job Classification Plan
- I. Consideration: Award the Project Initiation Document for a Roundabout at Broadway Street at San Antonio Drive/US101 Northbound Ramp Terminals to Kimley Horn
- J. Consideration: Funding Agreement with Sun Street Centers for Recover Center Project.
- K. Consideration: Professional Service Agreements for Preparation of a Recycled Water Feasibility Study and Industrial Pretreatment Assistance

Bob Brunson, Director of Recovery Services, representing Sun Street Centers thanking for the support that they have gotten from the City. He feels that this is going to be a great addition to the City. They are trying to help people that will be displaced from the motel. They are not charging them rent for January or February. They are trying to help them find places to live because no one has anywhere to go. He is asking if anyone would know somewhere they could go Sun Street would appreciate that information. He also shared a story about the sobering center in Salinas has folks they hired from Hartnell and the two young girls helped a lady that frequents the center, remove the socks that had grown to her feet. They cleaned her feet and put lotion on her feet and told her that she didn't have to live like that.

Council member Acosta pulled Item J.

Council member DeLeon pulled Item I.

Attorney Saghatelian clarified that there is an amendment 1 supplement for Item I. Reading into the record the title "Amendment 01 to AB 2766 Grant Acceptance Agreement 17-03".

Action: Motion to approve consent agenda items A-H and K by Victoria and seconded by Acosta.

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 from Item J and left the room.

Action: Motion to approve consent agenda item J by Cullen and seconded by DeLeon.

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

NOES: Council Members:

ABSENT: Council Members: Acosta

ABSTAIN: Council Members:

Council member DeLeon ask if there was an illustration of what the round about will look like as he is getting questions about how they will get on the freeway.

City Manager explained that the feasibility study was done that shows the layout.

City Engineer Octavio Hurtado explained that they have good exhibits of the layout. He also explained why there was a change of scope.

Action: Motion to approve consent agenda item I by DeLeon and seconded by Acosta.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

10. PUBLIC HEARINGS:

None

11. REGULAR BUSINESS:

A. Consideration: 2018 Fireworks Permit Process

City Manager Adams introduced this item. Chamber of Commerce does not want to do a fireworks booth however they still want to raise funds to do the aerial fireworks.

Darla Mantel, FFA, need clarification on the fees and what they are for. She is sorry to see the Chamber not do their booths because she feels it is an easy way for them to make money.

Karen Jernigan, she would like to see the Council approve the permits for the fireworks sales but she would like to see the Council not approve the donation to the Chamber of Commerce for the aerial fireworks as it does not promote business and she feels the Chamber should be doing things to promote business. She feels that it affects the Chamber budget. She feels fireworks are scary for animals that don't like them.

Council member DeLeon ask about how the fees came about and about the booth that was broken into.

Council member Cullen had a suggestion that the booths be open until 9:30p.m or 10:00p.m.

Council member Victoria understands Ms. Jernigan's comments but he knows that the little ones look forward to it and his is in favor.

Council member Acosta understands Ms. Jernigan's comments but she feels this is good for the non-profits to raise money for their organizations. Even though she has to medicate her dog she is in favor of this.

City Manager stated that this is a transition year and the City has ideas in for the future.

Darla Mantel spoke to the hours of operation and the break in.

Oly Perez, Vice President for the football, are they considering relocation of the booths.

It was clarified that the organizations have to get permission to have the booths on property where they want to have them.

Council member Cullen is the co-chair for the fireworks fundraiser and the Fireworks will be on the 3rd of July.

Action: Motion to 1) adopt a resolution setting forth the number of permits to sell fireworks and the method of selection of permit holders; 2) approve a payment of \$3,500 to the Chamber of Commerce and Agriculture for the aerial fireworks show; and 3) appropriate \$2,500 from the General Fund and \$1,000 from donation revenue by Victoria and seconded by Acosta.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

B. Consideration: Comprehensive Plan to End Youth Violence Annual Status Report

City Manager Adams introduced this item with a PowerPoint.

Council member Cullen is so happy with this program and the fast progress.

Mayor LeBarre feels this is progressing so fast because it came from the Community and that is the way government should work. Parents feel so much better knowing where their children are and not having to pay childcare.

Council member Acosta stated that the ProYouth and the Security System is beyond our expectations.

Council member DeLeon thanked staff and the community. He is feeling safer in his neighborhood with more lights.

Action: Motion to approve the Comprehensive Plan to End Youth Violence Annual Status Report 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:

ADJOURNMENT:

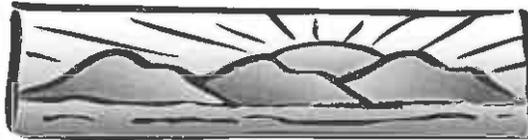
There being no further business to come before the City Council, Mayor LeBarre adjourned the regular meeting at 7:14pm. to closed session reading the item into the record.

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Government Code, § 54956.9(d)(1))

Approved Signatures:

**Mayor, Michael LeBarre
City of King**

**City Clerk, Steven Adams
City of King**



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

Item No. 9(B)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: CONSIDERATION OF 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.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

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
FEBRUARY 13, 2018
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by:



Patricia Grainger, Accountant

Approved by:



Steven Adams, City Manager

Check Register Report

Jan 26, 2018 (FY 2017-18)

Date: 01/26/2018

Time: 1:59 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							
60061	01/26/2018	Printed		AT&T-GA	A T & T	K C Fire Dept. -	6.82
60062	01/26/2018	Printed		KCTVHARD	ALCANTAR HARDWARE INC	Janitorial Supplies	206.27
60063	01/26/2018	Printed		A & W	ALESHIRE & WYNDER LLP	Legal Services - Wastewater	33,536.05
60064	01/26/2018	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	Add Client Crime Star to	1,207.50
60065	01/26/2018	Printed		AT & T	AT & T	Monthly Access Transport.	1,930.30
60066	01/26/2018	Printed		AT&T - C	AT&T	KCPD Phone -	50.33
60067	01/26/2018	Printed		CABRERO	ISIDRO CABRERO	Youth BB Ref. -	66.00
60068	01/26/2018	Printed		CDTFADMIN	CALIFORNIA DEPT OF TAX AND	Underground tank maint fee.	335.74
60069	01/26/2018	Printed		CAROLLO	CAROLLO ENGINEERS, INC	Waste Water Fac. Master	14,071.48
60070	01/26/2018	Printed		CASEY PRIN	CASEY PRINTING, INC.	Winter 2018 Newsletter	2,307.73
60071	01/26/2018	Printed		COFM-PRO	COUNTY OF MONTEREY	Campus Service	5,035.82
60072	01/26/2018	Printed		COMINFO	COUNTY OF MONTEREY	IT/Telcam - KCPD	1,226.65
60073	01/26/2018	Printed		CSGCON	CSG CONSULTANTS INC	Plan Check for KCB 170-158	11,110.09
60074	01/26/2018	Printed		DEPT CONS	DEPARTMENT OF CONSERVATION	Simp Fees - Oct - Dec 2017	408.55
60075	01/26/2018	Printed		ETSERVICE	ENVIRONMENTAL TECHNICAL	Repair on Civic Attic HUAC	2,610.00
60076	01/26/2018	Printed		FIRE PROGR	EWERS TECHNOLOGY LLC	Computer Program	861.00
60077	01/26/2018	Printed		FED EXP	FEDEX	Fedex Mailing Permits.	67.18
60078	01/26/2018	Printed		FIRST AL	FIRST ALARM, INC	Building Alarm -	364.62
60079	01/26/2018	Printed		FRANK'S GA	FRANK'S GARDENING SERVICE	KC Entry Sign Landscaping	8,500.00
60080	01/26/2018	Printed		GARCIAES	ESTEVAN GARCIA	Youth BB Ref -	66.00
60081	01/26/2018	Printed		GARCIAJ	JOVANY GARCIA	BB Youth Ref -	137.50
60082	01/26/2018	Printed		GREEN'S	GREEN'S ACCOUNTING	December 2017 Accounting	14,303.96
60084	01/26/2018	Printed		HANNA	HANNA & BRUNETTI	Infrastructure- First St. So	19,961.50
60085	01/26/2018	Printed		SCOFIELD	IRMA SCOFIELD	Reprint of Sergio Bus Cards.	26.31
60086	01/26/2018	Printed		JAM	J A MOMANEY SERVICES, INC	Solar Pedestrian Crossing	11,095.63
60087	01/26/2018	Printed		JOLLEY/BRY	BRYANT L. JOLLEY	FY 16-17 Audit & Financial	24,820.00
60088	01/26/2018	Printed		KRKC	KING CITY COMMUNICATIONS CORP	Services for Acct 253	890.00
60089	01/26/2018	Printed		KING'S WEL	KING'S WELDING	Addition to Sound Wall-Rec.	2,222.05
60090	01/26/2018	Printed		KNIGHTS OF	KNIGHTS OF COLUMBUS	Refund Over charge on Bldg	100.00
60091	01/26/2018	Printed		LAWSON	LAWSON PRODUCTS INC.	Electric Switches	205.19
60092	01/26/2018	Printed		MARIN	MARIN CONSULTING ASSOCIATES	Assertive Supervisor training.	600.00
60093	01/26/2018	Printed		MO BAY SYS	MONTEREY BAY OFFICE PRODUCTS	Service Contract -	857.41
60094	01/26/2018	Printed		OFFICE DEP	OFFICE DEPOT	Office Supplies	640.72
60095	01/26/2018	Printed		PALACIOS	SINDIA PALACIOS	Refund - Youth BB Coach	60.00
60096	01/26/2018	Printed		PARMAR	HIREN PARMAR	Youth BB Rep. -	66.00
60097	01/26/2018	Printed		PEREZCE	CEDRICK PEREZ	Youth BB Rep -	33.00
60098	01/26/2018	Printed		PURCHASE P	PURCHASE POWER*PITNEY BOWES	Postage -	55.18
60099	01/26/2018	Printed		RAILPROS	RAILPROS, INC.	K C Station	7,291.54
60100	01/26/2018	Printed		SIRCHIE AC	SIRCHIE ACQUISITION CO., LLC	Lift Finger Prints for	101.84
60101	01/26/2018	Printed		STERI	STERICYCLE, INC	Waste Disposal	338.06
60102	01/26/2018	Printed		SURVEI	SURVEILLANCEGRID INTEGRATION	Final Payment - Camera	10,708.57
60103	01/26/2018	Printed		SPCA	THE SPCA FOR MONTEREY COUNTY	Animal Fees	2,100.00
60104	01/26/2018	Printed		DUNKIN	TIMOTHY L. DUNKIN	Dunkinworks services	1,447.31
60105	01/26/2018	Printed		TIRE KING	TIRE KING & AUTO EXPRESS	Monthly car wash - Dec	1,202.24
60106	01/26/2018	Printed		TORO	TORO PETROLEUM CORP.	Monthly Gas - Acct 1679	4,439.82
60107	01/26/2018	Printed		TULARE	TULARE COUNTY JAIL INDUSTRIES	PD Building Sign	269.38
60108	01/26/2018	Printed		U.S. BANCO	U.S. BANCORP EQUIPMENT FINANCE	Copier contract service.	278.42
60109	01/26/2018	Printed		U.S. BANCO	U.S. BANCORP EQUIPMENT FINANCE	Copier Contract Service.	330.32
60110	01/26/2018	Printed		U.S. BAN	U.S. BANK CORP PAYMENT SYSTEM	Various Charges -	2,341.91
60111	01/26/2018	Printed		VERIZON WI	VERIZON WIRELESS	Cell Phones -	1,881.98
60112	01/26/2018	Printed		WEDGE	WEDGE & FOBES INVESTIGATIONS	Report/Review Services	11,085.58

Check Register Report

Jan 26, 2018 (FY 2017-18)

Date: 01/26/2018

Time: 1:59 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
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WELLS FARGO BANK Checks

60113	01/26/2018	Printed		XTEL	XTELESIS CORPORATION	Telephone service	1,744.24
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Total Checks: 52

Checks Total (excluding void checks): 205,603.79

Total Payments: 52

Bank Total (excluding void checks): 205,603.79

Total Payments: 52

Grand Total (excluding void checks): 205,603.79



Item No. 9(C)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: CONSIDERATION OF 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.

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.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

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
FEBRUARY 13, 2018
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

Jan 26, 2018 (FY 2017-18)SA

Date: 01/26/2018

Time: 2:13 pm

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							
223	01/26/2018	Printed		GREEN'S	GREEN'S ACCOUNTING	Accounting Services - RDA	742.50
224	01/26/2018	Printed		JOLLEY/BRY	BRYANT L. JOLLEY	FY 16-17 Audit &	9,180.00
Total Checks: 2						Checks Total (excluding void checks):	9,922.50
Total Payments: 2						Bank Total (excluding void checks):	9,922.50
Total Payments: 2						Grand Total (excluding void checks):	9,922.50



Item No. 9(D)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

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 –
DECEMBER 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 Weil 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 – DECEMBER 2017
FEBRUARY 13, 2018
PAGE 2 OF 2**

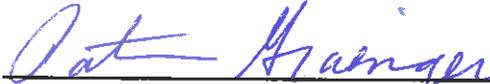
ALTERNATIVES:

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
December 31, 2017

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
Institution	Investment Type				
State of California LAIF - City	Pooled	1.20%	2,278,895.85	On Demand	N/R
1st Capital Bank	Checking Acct Housing Rehab	-	91,920.07	On Demand	N/R
Wells Fargo Bank	General Checking	-	3,310,884.56	On Demand	N/R
Wells Fargo Bank	Payroll Checking Account	-	135,837.74	On Demand	N/R
Petty Cash-City Hall/Change Fund	Change Cash Drawer	-	500.00	On Demand	N/R
Invested by City Treasurer (Subtotal):			5,818,038.22		
Total Cash and Investments			5,818,038.22		

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 02/13/2018. Cash flow liquidity is still limited.

SIGNED:  _____
City Treasurer



Item No. 9(E)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

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 – DECEMBER 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 – DECEMBER 2017
FEBRUARY 13, 2018
PAGE 2 OF 2**

ALTERNATIVES:

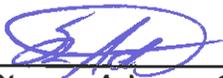
The following alternatives are provided for Council consideration:

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
December 31, 2017

Investment Instrument	Yield	Amount	Maturity	Value
Invested by City Treasurer				
Institution	Investment Type			
Wells Fargo Bank				
	SA Checking Account	950,826.25	On Demand	N/R
Invested by City Treasurer (Subtotal):		950,826.25		
Invested by Trustees (as of December 2017 Statements)				
Bond Reserves (1)				
U.S. Bank - 2011 TARB				
US Bank Money Market Ct	Escrow Fund #5050	0.00%	5,628,131.17	8/1/2034
				5,628,131.17
U.S. Bank - 2016 A & B TARB				
US Bank Money Market Ct	Debt Service Fund #5000	0.00%	51.56	3/31/2025
				51.56
US Bank Money Market Ct	Interest Account #5001	0.10%	9,239.27	3/31/2025
				9,239.27
US Bank Money Market Ct	Cost of Issu Acct. #5009	0.10%	0.00	3/31/2025
				0.00
U.S. Bank - 2016 TARB				
US Bank Money Market Ct	Debt Service Fund #6000	0.10%	65.01	3/31/2025
				65.01
US Bank Money Market Ct	Interest Account #6001	0.00%	520.77	9/30/2016
				520.77
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%	319,713.65	3/31/2025
				319,713.65
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):		5,957,721.43		
Total Cash and Investments		6,908,547.68		

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 02/13/2018. Cash flow liquidity is still limited.

SIGNED:  _____
City Treasurer

Note:
(1) Bonds



Item No. 9(F)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ANDREA WASSON, RECREATION COORDINATOR

RE: CONSIDERATION OF APPROVAL OF A ONE YEAR EXTENSION OF THE RENTAL FEE OF \$250 PER MONTH FOR THE KING CITY BOXING CLUB

RECOMMENDATION:

It is recommended City Council approve a one year extension of the \$250 per month lease payment with the King City Boxing Club for use of the racquetball courts.

BACKGROUND:

The renovation of the racquetball courts for use by the King City Boxing Club was approved by the City Council in the September 27, 2016 meeting and the rental fee of \$250 was extended in September 2017 to March 2018.

DISCUSSION:

The King City Boxing Club offers a positive environment for over 30 King City youth, four nights a week at the King City racquetball courts. The Club requests continuation of the \$250 rental fee in order to continue the program at current levels. The Club has obtained 501c3 status and has received grants that have been invested back into the program for equipment, travel expenses, ASA Boxing registration and insurance and other costs. The Club is also working on expanding current programming for King City youth.

COST ANALYSIS:

The rent of the building by the King City Boxing Club will remain at \$250 until March 2019. The City originally projected income at \$4,200 with the current agreement. The revised agreement would reduce the revenue to \$3,000.

**CITY COUNCIL
CONSIDERATION OF APPROVAL OF A ONE YEAR EXTENSION OF THE
RENTAL FEE OF \$250 PER MONTH FOR THE KING CITY BOXING CLUB
FEBRUARY 13, 2018
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve the proposed contract;
2. Do not approve the proposed contract; or
3. Provide other direction to staff.

Exhibits:

1. Proposed Contract

Submitted by: 
Andrea Wasson, Department Director

Approved by: 
Steven Adams, City Manager



Item No. 9(G)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ANDREA WASSON, RECREATION COORDINATOR

RE: CONSIDERATION OF AGREEMENT WITH SOUTH COUNTY YMCA TO PROVIDE SPRING AND FALL YOUTH SOCCER PROGRAM

RECOMMENDATION:

It is recommended City Council approve by motion the Agreement with South County YMCA to provide a Spring and Fall Youth Soccer program in King City.

BACKGROUND:

The Recreation Department has organized and run the Youth Soccer program for the last several years. The program has required more and more staff time each year due to the number of participants and increased demands of the program. In the fall of 2017, the City contracted with the South County YMCA to provide a soccer program for King City children and they had 141 children playing in the league.

The Recreation Department has established a goal of partnering with other non-profit organizations to increase youth programming. As a result, staff has contracted the YMCA to discuss ways in which to increase their involvement in King City. Expansion of youth activities through partnerships is also one of the strategies in the Comprehensive Plan to End Youth violence.

DISCUSSION:

The South County YMCA proposes to no expand to an eight-week soccer program for three to 14 years-olds in King City for the spring and fall. The program includes coach and volunteer training, a character development program and financial assistance program that will benefit King City children and families. The South County YMCA program would be offered to King City

**CITY COUNCIL
CONSIDERATION OF AGREEMENT WITH SOUTH COUNTY YMCA TO
PROVIDE SPRING AND FALL YOUTH SOCCER PROGRAM
FEBRUARY 13, 2018
PAGE 2 OF 3**

children from three years old to 14 years old and run for eight weeks in the spring and fall.

Advantages

The South County YMCA soccer program offers many advantages. Currently, the Recreation Coordinator is the sole employee of the Recreation Department and staff time is limited. The South County YMCA, as part of the Central Coast YMCA, has much more extensive resources. These include more program staff, a ready-made program with coach and volunteer training, increased buying power for uniforms and equipment, and financial assistance to those in need. Therefore, staff believes they have the capacity to expand the program to reach more children.

At the conclusion of the fall 2017 league, YMCA staff conducted a program evaluation of participants. According to the survey, 49 out of 50 families would recommend the program to others, and 90 percent of respondents rated that program as 'Excellent'.

The South County YMCA will offer two Youth Clinics and three on-site program registration days for both programs. They will also offer two Community "Family Nights" for all King City community members, so residents can get to know the YMCA and staff.

All games will be played on Saturdays at San Antonio Park in King City. The Recreation Coordinator will work cooperatively with the YMCA staff to promote and expand the soccer program. King City residents will also be able to sign up for the program and apply for financial assistance at the City's Recreation Department.

Disadvantages

The only disadvantage is decreased local control over the program.

COST ANALYSIS:

The South County YMCA will incur all expenses related to the program, as well as collect all fees related to the program. Currently, the City's program expenses meet the revenues earned, not including staff time. The South County YMCA's revenue sharing agreement proposes that all expenses are incurred and all fees will be collected by the South County YMCA. At the close of the program, if the revenue exceeds the expenses and generates a surplus, the YMCA will reimburse the city 10 percent. If there is a negative balance, the City will

**CITY COUNCIL
CONSIDERATION OF AGREEMENT WITH SOUTH COUNTY YMCA TO
PROVIDE SPRING AND FALL YOUTH SOCCER PROGRAM
FEBRUARY 13, 2018
PAGE 3 OF 3**

reimburse the YMCA up to \$5000. For the fall 2017 season, the City was reimbursed by the YMCA \$285 for the program. Therefore, the program appears to be self-sufficient at this time.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve the agreement;
2. Request staff to renegotiate the agreement;
3. Do not approve the agreement; or
4. Provide other direction to staff.

Exhibits:

1. Memorandum of Understanding with the South County YMCA and the City of King
2. King City YMCA Fall Youth Soccer 2017 Program Evaluation Summary

Submitted by:



Andrea Wasson, Department Director

Approved by:



Steven Adams, City Manager



King City YMCA Fall Youth Soccer 2017 Program Evaluation Summary

Total # of Participants: 141
Total Evaluation Responses: 52
Overall Response Rate: 37%

Overall:	Poor	Fair	Good	Excellent	Program Eval. % "Good"/"Excellent" of total responses
○ Overall Rating of prg.	0	1	2	<u>28</u>	57%
○ Value for cost of prg.	3	17	<u>26</u>	6	62%
○ Info & smooth reg.	0	4	25	23	92%
○ How did you learn of program: Friends, previous participant, Flyer, Facebook					
Program:					
○ Supervision	2	3	17	30	90%
○ Interaction: vol. & kid	0	3	18	31	94%
○ Age appropriate activi.	0	2	16	34	96%
○ Rate Coach	0	0	17	35	100%
○ Was Coach positive role model	2(no)		50(yes)		96%
○ Were snacks nutritious	3(no)		47(yes)		90%
Facility					
○ Facility/Field Cleanliness	0	0	5	3	15%
○ Was atmosphere Positive	0 (no)		8 (yes)		15%
○ Was it a safe environment	0 (no)		8 (yes)		15%

Answer Options Below: Strongly Disagree, Disagree, Agree, Strongly Agree

Did this prg. benefit participant	SD	D	A	SA	Program Eval. % "Agree"/"Str. Agree" of total responses
○ Improved family communication	0	1	32	19	98%
○ Better understands rules/conse.	0	0	33	19	100%
○ Learned Personal Safety	0	0	32	20	100%
○ Appears motivated to learn more	0	0	30	22	100%
○ Plans/makes appropriate choices	0	1	30	21	98%

○ **Would you reccoment this program? (Net Promoter Score) YES (49) NO (1) 94% (NPS)**

Open Ended Questions: Top Five Most Common Responses from parents

What did you enjoy most about this program?

- My kids making friends and learning values (*team work, winning & losing, responsibility, caring*)
- Spending quality time with entire Family
- Program was well organized & really great
- Volunteer coaches & refs (*giving teens opportunity to give back*)
- Opportunity for children to get outside and be active

How could we improve this program? More YMCA Programs in King City

- Great Program
- Reduce cost
- Increase amount of advertisement
- More Teams

Do you have any suggestions?

- Increase level of training provided to volunteer coaches
- Better Communication among parents & coaches
- Excellent coaches
- Great staff on site, was always walking around checking in with coaches/parents
- Thank you for all the work that goes into making this program available to the community.

MEMORANDUM OF UNDERSTANDING

Between

Central Coast YMCA/South County YMCA

And the

City of King City

Spring/Fall 2018

Purpose

This agreement was developed and entered into by the Central Coast YMCA, hereafter referred to as YMCA and the *City of King City*, hereafter referred to as King City. The purpose of this agreement is to specify the services provided by YMCA for the community members of King City. This MOU intends to specify general areas of responsibility while delivering services agreed upon between YMCA and King City, it is intended to clarify the manner of delivery of the services to King City families and children. This agreement conforms to applicable federal and state laws.

YMCA

The South County YMCA is a branch of the Central Coast YMCA, which is an independent, private, non-profit corporation, governed by the laws of the State of California. The YMCA is an organization based on fellowship and values whose mission is to provide opportunities, which promote Youth Development, Healthy Living, and Social Responsibility through programs and services available to the entire community.

PRINCIPLES OF AGREEMENT

General Areas of Responsibilities

YMCA agrees:

- To provide no less than 3 on-site program registration days for both Spring and Fall Youth Soccer Programs throughout 2018. On-site registration dates, times, and locations will be advertised no less than 2 weeks in advance throughout entire community
- To provide two 8 Week Youth Soccer Leagues (Spring & Fall) for children ages 3 yrs. – 14 yrs.
 - Practices and games: will be based on field availability within King City
 - YMCA will be responsible for volunteer coach recruitment and training
- To provide no less than 2 Community "Family Nights" for all King City community members with on-site family friendly activities led by Y staff, allowing community to get to know YMCA and staff.

- To provide a certificate of General Liability insurance for all sites & spaces utilized within King City
- To provide a program evaluation report to King City at the conclusion of the Fall Youth Soccer Program. These program evaluations will provide feedback from participants, parents and volunteers regarding the program.
- To provide marketing materials for upcoming programs for all activities to the City and distributed to all program participants.

King City agrees:

- To provide the use of King City sports fields/parks/facilities to conduct Summer/Fall youth soccer clinics, program registrations, practices, and games as needed.
- To promote/advocate the goals and objectives of YMCA to all King City community members as appropriate.
- To participate in, and work to increase, opportunities to collaborate with other providers to improve or expand services.
- To work cooperatively with YMCA staff to overcome any barriers to services, identify positive solutions to problems.
- To work towards a mutual agreement to compensate YMCA to provide additional services beyond the 8 week Fall Youth Soccer program as funding becomes available.

YMCA and King City Agree:

Revenue Sharing Proposal:

- YMCA will incur all expenses related to YMCA programs and services delivered to King City
- YMCA will collect all fees related to YMCA programming in order to cover costs for delivery of programs and services. Costs covered by the YMCA will also include administrative fees at 14%.
- At the close of the agreed upon MOU, the YMCA will submit a standard profit and loss statement exclusively incorporating all revenue and expense for all programs and services provided as part of this MOU. This profit and loss statement will be generated and signed by the CFO of the Central Coast YMCA. If revenue exceeds expense (i.e. a positive Net Operating Income or NOI), then the YMCA will share the positive NOI with the City at 10% of the positive NOI generated by the provided YMCA programs and services.

- At the close of the agreed upon MOU, if gross expense is greater than gross revenue (i.e. a negative Net Operating Loss or NOL), King City will reimburse the YMCA for the NOL amount, up to a maximum of \$5,000.

Confidentiality:

Confidentiality regulations for each agency apply. The YMCA collaborative staff will obtain the necessary written consent to share information with other agencies or professionals.

Indemnification and Insurance:

Indemnification. YMCA shall indemnify, protect, defend and hold harmless the City and its managers, officers, directors, members, employees, agents, contractors, partners and lenders, from and against any and all claims, and/or damages, costs, liens, judgments, penalties, permits, reasonable attorneys' and consultant's fees, expenses and/or liabilities arising out of, involving, or in dealing with (1) the youth soccer program; (2) youth soccer clinics and/or camps; (3) any acts, omissions or negligence of YMCA or any person or entity claiming through or under YMCA, or YMCA's agents, employees, contractors, invitees or visitors; (4) any claim arising under the Americans With Disabilities Act of 1990, California Disabled Persons Act and/or similar laws; (5) any claims and/or liability arising or governed by Workers Compensation law; (6) any special events sponsored or associated with the youth soccer program and/or the YMCA; and/or (7) any injuries incurred by participants and/or spectators of the youth soccer program. The foregoing shall include, but not be limited to, all costs of the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against City) litigated and/or reduced to judgment. In case any action or proceeding is brought against City by reason of any of the foregoing matters, YMCA upon notice from the City shall defend the same at YMCA's expense by counsel reasonably satisfactory to the City and the City shall cooperate with YMCA in such defense. The City need not have first paid any such claim in order to be so indemnified. In addition, the City may require YMCA to pay the City's attorneys' fees and costs in defending against or participating in such claim, action or proceeding if the City shall decide, in its exercise of reasonable judgment, it is unsatisfied with the representation of its interest by YMCA or its counsel.

The City shall not be liable for security, injury or damage to the person or goods, wares, merchandise or other property of YMCA, YMCA's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, earthquake, flood, terrorism, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other any other cause, including the commission of a crime, whether the said injury or damage results from conditions arising out of the youth soccer program or from other source or places except if such injury or damage is the result of the gross negligence or willful misconduct of the City or the City's employees, contractors or agents.

The provisions of this section shall survive the expiration or termination of this Agreement.

Compliance with Laws. YMCA shall comply with all state and federal statutes, ordinances, regulations, and requirements of all governmental entities (including the City of King), relating to the youth soccer program and/or related activities, whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. YMCA shall comply with all applicable requirements of the Americans with Disabilities Act of 1990, California Disabled Persons Act and the California Building Code. Further, YMCA, its successors, heirs, executors, administrators and assigns, and all persons claiming under or through the YMCA, shall not discriminate against or segregate any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the use, occupancy, tenure or enjoyment of the youth soccer program and/or provided soccer fields.

Notice. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid registered mail at the address of such party as provided below, or to any such address as such party shall notify the other in writing. Notice shall be deemed communicated when received if personally served or three (3) days after mailing if mailed.

City of King
Attn: City Manager
212 S. Vanderhurst Avenue
King City, CA 93930

South County YMCA
560 Walker Drive
PO Box 1106
Soledad, CA 93960

Relationship of Parties. The City is not, nor shall it become or be deemed to be, a partner or a joint venturer with YMCA by reason of the provisions of this Agreement nor shall this Agreement be construed to authorize either party to act as the agent for the other.

Effect of Termination of Agreement. Termination of this Agreement shall not release any party hereto from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to such termination or expiration, or thereafter in case by the terms of this Agreement it is provided that anything shall or may be done after termination or expiration hereof.

Amendments. This Agreement shall not be modified or amended in any way except in writing signed by the parties hereto.

Interpretation. This Agreement shall be construed and interpreted in accordance with the laws of the State of California. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it.

Entire Agreement. This Agreement contains all the agreements of the parties concerning the subject matter of it and cannot be amended or modified except by a subsequent written agreement.

Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid, or illegal.

Attorney's Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the party prevailing in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

Voluntary Agreement; Authority to Execute. YMCA and the City each represent that they have read this Agreement in full and understand and voluntarily agree to all provisions herein. The parties further declare that prior to signing this Agreement they each had the opportunity to apprise themselves of relevant information, through sources of their own selection, including consultation with legal counsel of their choosing if desired, in deciding whether to execute this Agreement. The signatories to this Agreement represent that they have the proper authority to execute this Agreement on behalf of the respective party.

Binding Effect; Choice of Law. This Agreement shall be binding upon the Parties, their successors and assigns and be governed by the laws of the State of California. Any litigation between the Parties hereto concerning this Agreement shall be initiated in the Superior Court of the State of California for the County of Monterey.

EFFECTIVE DATE OF AGREEMENT:

This agreement shall become effective when signed by the City Manager of King City and the Executive Director of the YMCA, or her/his designee, and terminates on December 31, 2018. Any party upon 30 days written notice to the other may cancel this agreement at any time. This agreement will be reviewed or updated at the conclusion of term 12/31/18 or at the inception of new interagency programs. If, during the term of this agreement it is deemed necessary, by either party, the agreement may be reviewed and thereafter revised by mutual agreement. All parties may continue this agreement beyond 12/31/18, with written agreement.

Steven Adams, City Manager
City of King City

Date

Joe Gonzales, Executive Director
Central Coast YMCA/South County YMCA

Date



Item No. 9(H)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

RECOMMENDATION:

It is recommended City Council adopt a Resolution declaring Fire Department equipment as surplus and approving donation of the equipment to the Volunteer Fire Department of San Luis Rio Colorado, Sonora A.C. in Mexico.

BACKGROUND:

The Fire Department currently has 20 air packs and 50 bottles that have exceeded their useful life. The Fire Chief has recommended they be disposed of and donated to the Volunteer Fire Department of San Luis Rio Colorado, Sonora A.C. in Mexico.

DISCUSSION:

It is a common practice for California fire departments to donate surplus equipment to fire departments in Mexico that no longer meet existing standards, but can still be of use by emergency personnel in Mexico that have very limited resources and access to needed equipment. This has also been a past practice of the King City Fire Department. Attached is a request from the Volunteer Fire Department of San Luis Rio Colorado, Sonora A.C.

COST ANALYSIS:

There is currently no resale value for the equipment so there is no cost impact from this item.

**CITY COUNCIL
CONSIDERATION OF DECLARATION AND DISPOSITION OF SURPLUS
PROPERTY
FEBRUARY 13, 2018
PAGE 2 OF 2**

ENVIRONMENTAL REVIEW:

The disposal of surplus equipment is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as it does not have the potential for resulting in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolution declaring the equipment as surplus and authorizing the recommended donation.
2. Do not adopt the Resolution; or
3. Provide direction to staff.

Exhibits:

1. Request from Volunteer Fire Department of San Luis Rio Colorado, Sonora A.C. for surplus equipment.

Submitted and Approved by:



Steven Adams, City Manager

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
DECLARING CERTAIN PROPERTY SURPLUS AND PROVIDING FOR THE
DISPOSITION OF SAID PROPERTY**

WHEREAS, the City of King ("City") is the owner of specific property, including approximately 20 Fire Department air packs and 50 bottles;

WHEREAS, the City has found that said equipment is no longer useable and has outlived its useable life span;

WHEREAS, the City desires to dispose of said equipment by donation to the Volunteer Fire Department of San Luis Rio Colorado, Sonora A.C. to the benefit of the King City community, while enabling some use of the equipment to benefit another Fire Department in need of resources; and

WHEREAS, the City derives the right to dispose of said property through Government Code Section 37350.

NOW THEREFORE, BE IT RESOLVED THAT the City Council of the City of King declares the property, including approximately 20 Fire Department air packs and 50 bottles as surplus and authorizes the City Manager to dispose of said property through donation to the Volunteer Fire Department of San Luis Rio Colorado, Sonora A.C.

PASSED AND ADOPTED at a regular meeting of the City Council on the 13th day of January, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney



H. Cuerpo de Bomberos Voluntarios de San Luis R.C., Son., A.C.

Prof. Humberto Ochoa Martínez †

Tels. Emergencia: 068 / 534-1555

E-mail: bomberos_rojos@hotmail.com

PERMISO S.R.E. 1052

San Luis Río Col. A 26 de Diciembre del 2017

Estación Central
Av. Juárez y Calle 5ta.
C.P. 83449 • San Luis R. C., Sonora

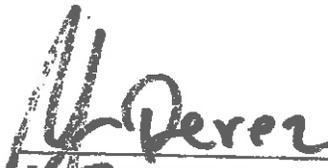
DEPARTMENT KING CITY CAL. VOLUNTER F.D.

PRESENTE.-

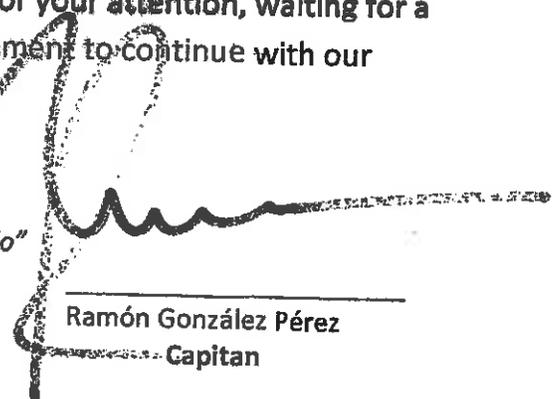
Through this the H. Volunteer Fire Department of San Luis Río Colorado, Sonora A.C. We extend a cordial greeting expecting you to be well and we inform you that our Voluntary institution gives service to our municipality for 64 uninterrupted years in social work, fire fighting, rescue of people, pre-hospital care, Mat-Pel, dissemination of prevention in education and commercial sector, among other tasks. Counting with a population near 250,000 inhabitants in a geographic position to the north 20 miles border with Yuma Arizona, to the west 60 km with Mexicali B.C. to the South 80 km with the Pacific Ocean, To the east 200 km with Sonoyta are. Counting 3 stations 2 in the city 1 in the valley, and 1 more that is in project in the periphery of the city, covering in the city, valley, 120 km road to Sonoyta, 10 km road to Baja California. With programs in support of the community called borremos ash, and safe house, we do not have the support of the governments,

As we approach you is to ask them for equipment, accessories tools, pythons, ladders, gloves, hoses, boots, firemen, ambulance, medical equipment. Etc.

Without further ado, we extend a thank you for your attention, waiting for a positive response on your part to obtain equipment to continue with our work that we do every day.


 Francisco Mario González Pérez
 Comandante Operativo

Atentamente
 "Voluntad y Sacrificio"


 Ramón González Pérez
 Capitan



Item No. 9(1)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF APPOINTMENT TO THE AIRPORT ADVISORY COMMITTEE

RECOMMENDATION:

It is recommended the City Council adopt a Resolution appointing Bill Casey to the Airport Advisory Committee.

BACKGROUND:

According to the Municipal Code, the Mayor, City Manager and Commission or Committee Chair shall recommend appointments. All appointments shall then be made by the City Council by resolution.

DISCUSSION:

There is currently a vacancy on the Airport Advisory Committee, which was advertised. An application was received from Bill Casey, which is attached. There is a vacancy in the Chair position due to the resignation of Committee Member McElmoyl. Therefore, the Mayor and City Manager have reviewed the application and recommend his appointment. Mr. Casey meets the requirements of the Airport Advisory Committee membership.

COST ANALYSIS:

There is no cost impact from the recommended action.

ENVIRONMENTAL REVIEW:

The appointment is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as they do not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable

**CITY COUNCIL
CONSIDERATION OF APPPOINTMENT TO THE AIRPORT ADVISORY
COMMITTEE
FEBRUARY 13, 2018
PAGE 2 OF 2**

indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

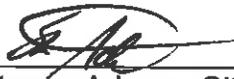
The following alternatives are presented for Council consideration:

1. Approve the appointment;
2. Request the vacancy be re-advertised; or
3. Provide other direction to staff.

Exhibits:

1. Application

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. _____

**A RESOLUTION OF CITY COUNCIL OF CITY OF KING, CALIFORNIA APPOINTING
BILL CASEY TO THE AIRPORT ADVISORY COMMITTEE**

WHEREAS, consistent with the State Law, City of King Municipal Code and City Charter, City Council has the authority to appoint Airport Advisory Committee Members for the City of King; and

WHEREAS, due to the expiration of the term of one of the members, there is currently a vacancy on the Airport Advisory Committee; and

WHEREAS, the vacancy was duly publicized to the community; and

WHEREAS, an application was received from Bill Casey, which was reviewed per the process set forth in the King City Municipal Code for appointment of Committee vacancies; and

WHEREAS, appointment of Bill Casey to the Airport Advisory Committee was recommended by the Mayor and City Manager.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of King, California that Bill Casey is hereby appointed to the City of King Airport Advisory Committee.

PASSED AND ADOPTED at a regular meeting of the City Council on the 13th day of February, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney



**CITY OF KING
APPLICATION**

**FOR APPOINTMENT TO
COMMISSIONS, COMMITTEES, AND BOARDS**

Please print or type the following information:

Name: Bill Casey

Address: 45335 Vista Place, King City, CA 93930

Telephone (day): 831-385-3222 fax/e-mail (optional) caseyb@caseyprinting.com

Commission/Committee/Board applying for: Airport Advisory Committee

Describe your interest in becoming a member of this commission/committee/board:

I am a instrument rated multi-engine pilot and aircraft owner. Sixteen years ago I learned to fly at Mesa del Rey and bought my first airplane. I have occupied hanger #7 since that time, now with my Twin Commache.

I feel that the airport brings a lot of value to the community and has the potential to be much more than it is now.

King City is unique among the valley towns as being the only town with an airport. This is an advantage in attracting new business, but only if the airport is up to standards required by corporate flight departments

I think that my aviation knowledge and experiance, my deep roots in the community, and my desire to see the airport improve and prosper, will add to the committee.

Background relevant to this commission/committee/board:

I am a instrument rated multi-engine pilot and aircraft owner. I served on the AAC in years past and have some understanding of airport matters, the FAA and CalTrans Div of Aeronautics. I am a local business owner.

Other comments:

Applicant's Signature

Date

RETURN TO: City Hall, 212 S. Vanderhurst Ave., King City, CA 93930
Ph (831) 386-5932 * Fx (831) 385-0373



Item No. 9 (J)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF UNITED STATES DEPARTMENT OF AGRICULTURE COMMUNITY FACILITIES GRANT AGREEMENT FOR THE SECURITY CAMERA SYSTEM PROJECT

RECOMMENDATION:

It is recommended the City Council approve and authorize the City Manager to execute a United States Department of Agriculture (USDA) Community Facilities Grant Agreement for the security camera system project.

BACKGROUND:

The City Council approved a contract with SurveillanceGRID Integration, Inc. at the February 28, 2017 meeting for design, equipment and installation of a police security camera system. Installation of an extensive citywide security camera system was established as a key goal in the Comprehensive Plan to End Youth Violence. As part of the overall funding plan for the project, the City received approval for \$42,707 from a USDA Community Facilities Grant in 2016.

DISCUSSION:

Phase I of the security camera project is now complete. In order to obtain disbursement of the grant funding, submittal of a formal grant agreement is necessary, which requires City Council approval. A copy of the grant agreement is attached.

**CITY COUNCIL
CONSIDERATION OF UNITED STATES DEPARTMENT OF AGRICULTURE
COMMUNITY FACILITIES GRANT AGREEMENT FOR THE SECURITY
CAMERA SYSTEM PROJECT
FEBRUARY 13, 2018
PAGE 2 OF 2**

COST ANALYSIS:

The final cost of Phase I of the security camera system was \$467,660. This item will result in a reimbursement of \$42,707 of those costs. This amount was previously approved and incorporated into the budget.

ENVIRONMENTAL REVIEW:

The grant agreement is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as they do not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Approve staff's recommendation;
2. Do not approve the agreement and reject the grant funding; or
3. Provide staff other direction.

Exhibits:

1. USDA Community Facilities Grant Agreement

Prepared and Approved by:



Steven Adams, City Manager

Form RD 3570-3
(Rev. 5-99)

Form Approved
OMB No. 0575-0173

**United States Department of Agriculture
Rural Housing Service**

COMMUNITY FACILITIES GRANT AGREEMENT

THIS GRANT AGREEMENT (Agreement) dated _____, is a contract for receipt of grant funds under the Community Facility Grant program (7 C.F.R. part 3570, subpart B). These requirements do not supersede the applicable requirements for receipt of Federal funds stated in 7 C.F.R. parts 3015, "Uniform Federal Assistance Regulations," 3016 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," or 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations." Further, 7 C.F.R. part 3570, subpart B, and all relevant regulatory requirements apply to applicants whether contained in here or not.

BETWEEN _____ City of King _____

a public body, nonprofit corporation, or Indian tribe (Grantee) and the United States of America acting through the Rural Housing Service (RHS), Department of Agriculture, (Grantor)

WITNESSETH:

All references herein to "Project" refer to a community facility to serve a rural community generally known as _____ Surveillance Security System _____ The principal amount of the grant is \$ _____ 42,707.00 (Grant Funds) which is _____ 26 percent of Project costs.

WHEREAS

Grantee has determined to undertake the acquisition, construction, enlargement, capital improvement, or purchase of equipment for a project with a total estimated cost of \$ _____ 162,707.00 Grantee is able to finance and has committed \$ _____ 120,000.00 of Project costs.

The Grantor has agreed to give the Grantee the Grant Funds, subject to the terms and conditions established by the Grantor. Provided, however, that any Grant Funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of this Agreement or the applicable regulation.

As a condition of this Agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including those contained in 7 C.F.R. § 3015.205(b), which are incorporated into this agreement by reference, and such other statutory provisions as are specifically contained herein.

NOW, THEREFORE, in consideration of said grant;

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0173. The time required to complete this information collection is estimated to average 13 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Grantee agrees that Grantee will:

A. Cause said Project to be constructed within the total sums available to it, including Grant Funds, in accordance with any architectural or engineering reports, and any necessary modifications, prepared by Grantee and approved by Grantor;

B. Provide periodic reports as required by Grantor and permit periodic inspection of the Project by a representative of the Grantor. For grant-only Projects, Form SF-269, "Financial Status Report," and a project performance report will be required on a quarterly basis (due 15 working days after each of each calendar quarter). A final project performance report will be required with the last "Financial Status Report." The final report may serve as the last quarterly report. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. The project performance reports shall include, but not limited to, the following:

1. A comparison of actual accomplishments to the objectives established for that period;
2. Reasons why established objectives were not met;
3. Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accomplished by a statement of the action taken or planned to resolve the situation; and
4. Objectives and timetables established for the next reporting period.

C. Manage, operate, and maintain the facility, including this Project if less than the whole of said facility, continuously in an efficient and economical manner;

D. Not use grant funds to replace any financial support previously provided or assured from any other source. The Grantee agrees that the Grantee's level of expenditure for the Project shall be maintained and not reduced as a result of Grant Funds;

E. Make the public facility or services available to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental disability at reasonable rates, including assessments, taxes, or fees. Grantee may make modifications as long as they are reasonable and nondiscriminatory;

F. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, that agreement applies equally to the grant and another identical agreement need not be executed in connection with this grant;

G. Upon any default under its representations or agreements contained in this instrument, Grantee, at the option and demand of Grantor, will immediately repay to Grantor the Grant Funds with any legally permitted interest from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Agreement may be enforced by Grantor, at its option and without regard to prior waivers of previous defaults by Grantee, by judicial proceedings to require specific performance of the terms of this Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Agreement and the laws and regulations under which this grant is made;

H. Use the real property including land, improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed;

1. Title to real property shall vest in the Grantee subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain Grantor's approval to use the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed, as provided in paragraphs 1 and 2 above, the Grantee shall request disposition instructions from the Grantor. The Grantor will observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal government in an amount computed by applying the Federal percentage of participation in the cost of the original Project to the fair market value of the property;

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor and pay the Federal government an amount computed by applying the Federal percentage of participation in the cost of the original Project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return;

(c) The Grantee may be directed to transfer title to the property to the Federal government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or Project to the current fair market value of the property;

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

I. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with Grant Funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment as defined below:

1. Use of equipment.

(a) The Grantee shall use the equipment in the Project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other federally sponsored activities, if any, in the following order of priority:

(i) Activities sponsored by the Grantor.

(ii) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the property as provided in paragraph 1 (a) and (b) above, the equipment may be sold or used for other activities in accordance with the following standards:

(a) Equipment with a current fair market value of less than \$5,000. The Grantee may use the property for other activities without reimbursement to the Federal government or sell the property and retain the proceeds.

(b) Equipment with a current fair market value of \$5,000 or more. The Grantee may retain the property for other uses provided that compensation is made to the Grantor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original Project to the current fair market value of the property. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the Grantor.

(c) The Grantor shall determine whether the equipment can be used to meet RHS or its successor agency's requirements. If no such requirements exist, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor shall issue instructions to the Grantee no later than 120 days after the Grantee's request and the following procedures shall govern:

(i) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share 10 percent of the proceeds or \$500, whichever is less, for the Grantee's selling and handling expenses.

(ii) If the Grantee is instructed to ship the property elsewhere, the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant Project or program to the current fair market value of the equipment plus any reasonable shipping or interim storage costs incurred.

(iii) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall include:

(a) Property records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the Project for which the equipment was acquired; location, use, and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return;

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

All cameras, communication equipment and other items installed under the attached contract with Surveillance Grid Integration, Inc.

J. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property, and other assets. Grantees shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

K. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts, and transcripts;

L. Provide either an audit report, annual financial statements, or other documentation prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations, and this Agreement;

M. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or an instrumentality of a State shall not be held accountable for interest earned on Grant Funds pending their disbursement;

N. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item H and I; and

O. Not duplicate other Project purposes for which monies have been received, are committed, or are applied to from other sources (public or private).

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$42,707.00 which it will advance to Grantee to meet not to exceed 35 percent of the Project development costs in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the Project and coordinating the plan with local official comprehensive plans for essential community facilities and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the Project will not produce beneficial results commensurate with the further expenditure of funds.

IN WITNESS WHEREOF, Grantee has this day authorized and caused this Agreement to be executed

By _____

and attested with its corporate seal affixed (if applicable)
by _____

Attest: _____

By _____

(Title) _____

UNITED STATES OF AMERICA
RURAL HOUSING SERVICE

By _____
Alfred Correale Programs Specialist
(Name) (Title)



Item No. 9(K)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF SIDE LETTER OF AGREEMENTS WITH THE KING CITY POLICE SERGEANTS ASSOCIATION AND THE KING CITY POLICE OFFICERS ASSOCIATION EXTENDING CURRENT LABOR AGREEMENTS

RECOMMENDATION:

It is recommended the City Council: 1) adopt a Resolution approving a Side Letter of Agreement with the King City Police Sergeants Association (KCPA) to extend the current Memorandum of Understanding (MOU) by one year; and 2) adopt a Resolution approving a Side Letter of Agreement with the King City Police Officers Association (KCPOA) to extend the current MOU by one year.

BACKGROUND:

The current MOUs with KCPA and KCPOA are due to expire on June 30, 2018. They both covered a three-year period and included a 15% base pay increase the first year and a 2.5% increase the second and third years for each represented group. As a result, staff recently met with each of the labor groups to initiate discussions on how to approach negotiation of new agreements.

DISCUSSION:

There are a number of significant uncertainties regarding the City's future revenue projections. As a result, staff believes it would not be in the City's best interest to enter into long-term commitments regarding employee compensation adjustments until more information is obtained regarding progress of revenue enhancement efforts. Therefore, it was decided that it would be beneficial for both the City and the labor groups to pursue a one-year extension of the current agreement and delay negotiations of a new agreement until next year, at which

**CITY COUNCIL
CONSIDERATION OF SIDE LETTER OF AGREEMENTS WITH THE KING
CITY POLICE SERGEANTS ASSOCIATION AND THE KING CITY POLICE
OFFICERS ASSOCIATION EXTENDING CURRENT LABOR AGREEMENTS
FEBRUARY 13, 2018
PAGE 2 OF 2**

time more clarity of future revenues is anticipated. KCPSA and KCPOA have both agreed to these changes.

Attached for City Council's consideration is a Resolution and Side Letter of Agreement approving the extensions for KCPSA and KCPOA. In exchange for the one-year extension, the proposed amendment includes an 8% COLA for each group effective July 1, 2018. This will help to address inequities compared to similar positions in other agencies. Salaries for sworn positions are currently 11% to 14% below other agencies in South Monterey County. The increase will help maintain existing staff and successfully fill positions when vacancies occur.

COST ANALYSIS:

It is estimated the COLAs will result in an increased annual cost of approximately \$130,000 for FY 2018-19. Approximately \$50,000 of that amount is already included in the adopted budget. The remaining funding will be paid for by delaying hiring of the additional officer position funded this fiscal year. Since the COLAs will not take effect until July 1, 2018, there is no additional cost impact to this fiscal year's budget. In addition, there will be a significant savings in FY 2017-18 by eliminating costs normally associated with the negotiation process.

ENVIRONMENTAL REVIEW:

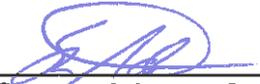
The labor agreements are not a "project" for the purposes of the California Environmental Quality Act (CEQA) as they do not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

1. Adopt the Resolutions;
2. Request staff to propose different provisions to the labor groups;
3. Do not adopt the Resolution and direct staff to commence negotiations of new labor agreements; or
4. Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
APPROVING A SIDE LETTER OF AGREEMENT TO THE
KING CITY POLICE SERGEANTS ASSOCIATION
FY 2015/16 - FY 2017/18 MEMORANDUM OF UNDERSTANDING**

WHEREAS, the City Council of the City of King ("City") deems it in the best interest of the City to approve a Side Letter of Agreement amending the King City Police Sergeants Association ("KCPSA") current Memorandum of Understanding, which includes modifications to work schedules and benefits, as hereinafter provided.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of King that:

1. An amendment to the Memorandum of Understanding ("MOU") with KCPSA is hereby approved, a copy of said amendment entitled "Side Letter of Agreement, Modification to Memorandum of Understanding" is attached hereto, marked Exhibit "A", and incorporated herein by this reference.
2. This Resolution shall become effective upon execution by both parties.

This resolution was passed and adopted this 13th day of **February, 2018** 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

**SIDE LETTER OF AGREEMENT
MODIFICATON TO MEMORANDUM OF UNDERSTANDING**

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of King ("City") and the King City Police Sergeants Association ("KCPSA") hereby agree to modify the current Memorandum of Understanding ("MOU") between the City and KCPSA as follows:

1. **ARTICLE II; SECTION 1 - SALARY** shall be amended as follows:

SECTION 1 – SALARY

- 1.1 The City shall increase the base pay of each KCPSA employee twenty-eight percent (28%) over the term of this contract.
 - a. A fifteen percent (15%) base pay increase, effective retroactively as of February 1, 2016.
 - b. On July 1, 2016, a two and one half percent (2.5%) base pay increase.
 - c. On July 1, 2017, a two and one half percent (2.5%) base pay increase.
 - d. On July 1, 2018, an eight percent (8%) base pay increase.

2. **ARTICLE XIV; SECTION 3** shall be added as follows:

SECTION 3 – DURATION

- 3.1 Except as otherwise provided herein this MOU shall be in full force and effect from July 1, 2015, and shall remain in full force and effect to and including June 30, 2019.
3. **Appendix F** shall be added to provide the salary schedule effective 7/1/18 attached hereto as Attachment 1.
 4. All other provisions approved in side letters of agreement amending the existing MOU shall be incorporated herein and remain in effect through the extension of the MOU as provided by this side letter of agreement.

For City of King:

Steven Adams, City Manager

Date

For the King City Police Sergeants Association:

Steven Kennedy, President

Date

**APPENDIX F
SALARY SCHEDULE
EFFECTIVE JULY 1, 2017**

Job Class	A	B	C	D	E	F
Police Sergeant	\$81,009	\$85,060	\$89,313	\$93,777	\$98,468	\$ 103,391

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
APPROVING A SIDE LETTER OF AGREEMENT TO THE
KING CITY POLICE OFFICERS ASSOCIATION
FY 2015/16 - FY 2017/18 MEMORANDUM OF UNDERSTANDING**

WHEREAS, the City Council of the City of King ("City") deems it in the best interest of the City to approve a Side Letter of Agreement amending the King City Police Officers Association ("KCPOA") current Memorandum of Understanding, which includes modifications to work schedules and benefits, as hereinafter provided.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of King that:

1. An amendment to the Memorandum of Understanding ("MOU") with KCPOA is hereby approved, a copy of said amendment entitled "Side Letter of Agreement, Modification to Memorandum of Understanding" is attached hereto, marked Exhibit "A", and incorporated herein by this reference.
2. This Resolution shall become effective upon execution by both parties.

This resolution was passed and adopted this **13th** day of **February, 2018** 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

**SIDE LETTER OF AGREEMENT
MODIFICATON TO MEMORANDUM OF UNDERSTANDING**

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of King ("City") and the King City Police Officers' Association ("KCPOA") hereby agree to modify the current Memorandum of Understanding ("MOU") between the City and KCPOA as follows:

1. **ARTICLE II; SECTION 1 - SALARY** shall be amended as follows:

SECTION 1 – SALARY

- 1.1 The City shall increase the base pay of each KCPOA employee twenty-eight percent (28%) over the term of this contract.
 - a. A fifteen percent (15%) base pay increase, effective retroactively as of February 1, 2016.
 - b. On July 1, 2016, a two and one half percent (2.5%) base pay increase.
 - c. On July 1, 2017, a two and one half percent (2.5%) base pay increase.
 - d. On July 1, 2018, an eight percent (8%) base pay increase.

2. **ARTICLE XIV; SECTION 3** shall be added as follows:

SECTION 3 – DURATION

- 3.1 Except as otherwise provided herein this MOU shall be in full force and effect from July 1, 2015, and shall remain in full force and effect to and including June 30, 2019.
3. **Appendix B** shall be amended to provide the salary schedule effective 7/1/18 attached hereto as Attachment 1.
 4. All other provisions approved in side letters of agreement amending the existing MOU shall be incorporated herein and remain in effect through the extension of the MOU as provided by this side letter of agreement.

For City of King:

Steven Adams, City Manager

Date

For the King City Police Officers Association:

Joshue Partida, President

Date

APPENDIX B
SALARY SCHEDULE

EFFECTIVE February 1, 2016

TITLE	A	B	C	D	E	F
Police Patrol Officer	53,274	55,937	58,735	61,672	64,755	67,995

EFFECTIVE July 1, 2016

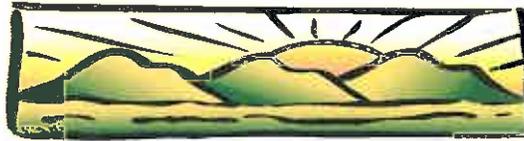
TITLE	A	B	C	D	E	F
Police Patrol Officer	54,606	57,336	60,203	63,214	66,374	69,695

EFFECTIVE July 1, 2017

TITLE	A	B	C	D	E	F
Police Patrol Officer	55,971	58,769	61,709	64,794	68,034	71,437

EFFECTIVE July 1, 2018

TITLE	A	B	C	D	E	F
Police Patrol Officer	60,449	63,471	66,646	69,978	73,477	75,152



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

Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF PURCHASE AND SALE AGREEMENT
FOR PURCHASE OF APN #026-195-010, APN #026-195-012
AND A PORTION OF APN #026-195-018**

RECOMMENDATION:

It is recommended the City Council: 1) approve an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with Ho Ming Cheung as Trustee of the Cheung Family Living Trust for acquisition of APN #026-195-010, APN #026-195-012 and a portion of APN #026-195-018 for \$460,000; 2) adopt a Resolution authorizing the City Manager to execute all purchase and sale documents and any necessary changes in a form approved by the City Attorney; 3) appropriate an additional \$175,000 in FY 2017-18 for the purchase; and 4) reduce funding allocated in FY 2018-19 for the purchase by \$175,000.

BACKGROUND:

Staff has recommended the first key step of the City's new economic development efforts be to target improvements to the downtown area. Staff believes if the City is able to improve and make the downtown more successful, it will attract new investment and businesses to not only the downtown, but also other areas of the community.

At the January 10th meeting, the City Council approved a draft Downtown Streetscape Conceptual Plan, which included funding strategies to implement the plan in phases. The first phase was identified as Vanderhurst Avenue to Second Street. The objectives of the plan are to make the downtown more pedestrian friendly, more active, and an area that will attract people to shop, eat and visit. The final version of the plan was approved by the City Council at the May 23, 2017 meeting. Unfortunately, the City did not receive the grant funds it applied

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for to implement the plan. However, staff is continuing to work on strategies to implement individual components of the plan on an ongoing basis.

Included in the plan is a proposal to create a downtown plaza on the property at the northeast corner of Broadway Street and Vanderhurst Avenue. In order to begin progress on that project, staff is recommending the City acquire the property necessary. The Planning Commission approved a consistency finding at their meeting on August 1, 2017.

The property includes three parcels, which are depicted below:



DISCUSSION:

The two parcels fronting Broadway Street would be needed for the future downtown plaza. The footprint of the parcel to the east appears to include a portion of two existing storefronts. However, these lie on two small separate existing legal lots that do not have separate APN numbers. APN numbers will be established as part of the purchase process. Exhibit A-1 in the purchase and sale agreement show these two other parcels. The parcel to the north is proposed to be maintained for public parking. The structure on the corner would

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be removed in the future. The other existing building in the back of the corner parcel facing Vanderhurst Avenue would be maintained.

The purchase price is recommended after several months of negotiations. It is consistent with a restricted appraisal report that was prepared by Stephen Brown Associates on the corner property and estimates of the value of the other two lots based upon the findings of that appraisal. Therefore, staff believes the proposed price is less than the projected cost of the City to acquire the property through eminent domain. The parcels were originally proposed to acquire in phases, which is why the funding was budgeted over two years. However, the seller is now willing to sell all three parcels at one time.

A number of items needed to be addressed in order to reach agreement on the purchase. First, the seller requested an agreement establishing that their adjacent property at 322 Broadway Street will continue to meet City parking requirements if the City removes the parking on one of the parcels being purchased, which has been provided. Second, since the future plaza will remove existing parking in front of two storefronts, an agreement was also provided that ensures pedestrian access from the adjacent parking lot to those businesses. Third, the City has agreed to assume the two existing leases on the parcels. The lease on the front building is month to month. The lease on the rear building expires in April 2019. Fourth, as a condition of the sale, the proposed agreement will require the seller to participate in the façade enhancement program for the building he owns at 322 Broadway Street. Under the proposed terms, the seller must contribute \$12,500 toward the improvements to match the City's grant.

COST ANALYSIS:

The cost of acquisition is \$460,000. The total cost when legal, testing, escrow and other fees are included is projected to be in the range of \$485,000. The FY 2017-18 and FY 2018-19 Biennial Budget adopted by City Council includes \$310,000 from the Public Use Facilities Fund in FY 2017-18 for the project. In FY 2018-19, there is \$25,000 from the Public Use Facilities Fund and \$245,000 from the Park Impact Fee Fund budgeted. Staff recommends \$25,000 from the Public Use Facilities Fund and \$150,000 from the Park Improvement Fee Impact Fund be transferred from FY 2018-19 to FY 2017-18 to pay for the acquisition. Sufficient funding exists from both these funds to cover the expense.

**CITY COUNCIL
CONSIDERATION OF PURCHASE AND SALE AGREEMENT FOR
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ENVIRONMENTAL REVIEW:

The City Council approved a finding of Categorical Exemption under 15301 and 15302 under the California Environmental Quality Act (CEQA) for the Downtown Streetscape Plan at the May 23, 2017 meeting, and this purchase is consistent with the Plan. Therefore, no further environmental analysis is required.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Approve staff's recommendation;
2. Request staff to renegotiate the purchase price, which staff does not recommend would be successful at this point;
3. Do not approve purchase of the property at this time; or
4. Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
AUTHORIZING THE CITY MANAGER TO EXECUTE ALL PURCHASE AND SALE
DOCUMENTS FOR THE PURCHASE OF APN #026-195-010, APN #026-195-012
AND A PORTION OF APN #026-195-018**

WHEREAS, on May 23, 2017, the City Council of the City of King ("City") adopted a Resolution approving the final Downtown Streetscape Conceptual Plan and a Categorical Exemption under California Environmental Quality Act (CEQA) for the project

WHEREAS, purpose of the Downtown Streetscape Conceptual Plan is to improve the downtown area in order to increase businesses, jobs, shopping and dining, pedestrian accessibility, and other benefits to the entire community; and

WHEREAS, an important component of the Downtown Streetscape Conceptual Plan is the development of a Downtown Plaza project; and

WHEREAS, the City has identified APN #026-195-010, APN #026-195-012 and a portion APN #026-195-018 as the preferred and most desirable location to develop the Downtown Plaza project; and

WHEREAS, the City desires to acquire said parcels from owner Cheung Family Living Trust; and

WHEREAS, City and Ho Ming Cheung as Trustee of Cheung Family Living Trust ("Seller") have agreed on the terms of acquisition of said parcels; and

WHEREAS, the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions is attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED THAT the City Council of the City of King authorizes the City Manager to execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions and all other documents, and to make any changes as approved to form by the City Attorney, necessary to execute the purchase of APN #026-195-010, APN #026-195-012 and a portion APN #026-195-018 from Seller.

PASSED AND ADOPTED at a regular meeting of the City Council on the 13th day of February, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made this ___ day of _____, 2018 ("**Agreement Date**") by and between the KING CITY, a municipal corporation ("**Buyer**") and HO MING CHEUNG as Trustee of the Cheung Family Living Trust dated 7/13/2000 ("**Seller**") with CHICAGO TITLE INSURANCE COMPANY, a California corporation as escrow holder ("**Escrow Holder**").

RECITALS:

A. Seller owns that certain improved real property located in the City of King City, County of Monterey, State of California, consisting of (i) APN # 026-195-010 ("**Parcel A**"); (ii) APN #026-195-018 but **excluding** segments Parcel 2A and 2B as depicted on Exhibit A-1) ("**Parcel B**"); and (iii) APN # 026-195-012 ("**Parcel C**"). Parcel A, B and C are each legally described on Exhibit A and depicted on Exhibit A-1. Parcel A, B & C are sometimes collectively referred to herein as the "**Parcels**" and individually as the "**Applicable Parcel**."

B. Parcel B is adjacent to that certain real property commonly known as 322 Broadway, King City which is also owned by Seller and on which certain businesses are operating ("**Adjacent Business Parcel**").

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

TERMS AND CONDITIONS:

1. PURCHASE AND SALE OF PARCELS. Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the Parcels AS-IS subject to the terms and conditions in this Agreement.

2. OPENING OF ESCROW. Within three (3) Business Days (as defined in Section 15.11) of the Agreement Date, the parties shall open an escrow ("**Escrow**") with Escrow Holder by causing an executed copy of this Agreement to be deposited with Lina DeMelo as Escrow Officer at Chicago Title Insurance Company, 50 Winham St., Salinas, Ca 93901 (831) 424-8011 ("**Escrow Holder**"). Escrow shall be deemed open on the date that (i) a fully executed copy of this Agreement is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder's executed acceptance on the signature page, and (ii) Escrow Holder concurrently receives the Initial Deposit (as defined in Section 3.2) from Buyer ("**Opening of Escrow**").

3. PURCHASE PRICE.

3.1 Purchase Price for Parcels. The purchase price for the Parcels is Four Hundred Sixty Thousand Dollars (\$460,000) ("**Purchase Price**").

3.2 Deposit of Funds. At Opening of Escrow, Buyer shall deposit the sum of Five

Thousand Dollars (\$5,000) ("Initial Deposit") with the Escrow Holder, to be held in Escrow for the benefit of the parties and applied against the Purchase Price at the Closing or refunded or forfeited in accordance with the terms of this Agreement.

If Buyer issues Buyer's Disapproval Due Diligence Notice (as defined in Section 7.2), Buyer shall be entitled to a refund of the Initial Deposit, less reasonable escrow fees.

If Buyer elects to proceed with the transaction and issues Buyer's Approval Due Diligence Notice (as defined in Section 7.2), Buyer shall promptly deliver the sum of Eight Thousand Eight Hundred Dollars (\$8,800) ("Additional Deposit"). Upon delivery of the Additional Deposit to Escrow Holder, the Initial Deposit and Additional Deposit shall thereafter be referred to as the "Deposit." Upon expiration of the Due Diligence Period, the Deposit shall be non-refundable such that should this Agreement and Escrow terminate as the result of Buyer's default, the Deposit shall be disbursed to Seller as liquidated damages as set forth in Section 12.1 and such payment to Seller shall be the sole and exclusive remedy for Buyer's default.

3.3 Balance of Purchase Price. At least two (2) Business Days prior to the Closing, Buyer shall deposit with Escrow Holder the Purchase Price less the Deposit. Upon confirmation of the Closing Date (as defined in Section 5.1), Escrow Holder shall disburse the Purchase Price to Seller less any applicable charges to Seller.

3.4 Good Funds. All funds deposited into Escrow shall be in "Good Funds" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

3.5 Waiver and Release. The Purchase Price is all-inclusive of Seller's interest in the Parcels and all damages of every kind and nature suffered, or to be suffered as a result of Buyer's acquisition of the Parcels for public purposes. By execution of this Agreement, Seller and its successors and assigns shall be deemed to have knowingly and voluntarily waived, released and discharged Buyer from liability and responsibility for or related to any right Seller has, has had or in the future may have to any claim for compensation or damages or liability of any kind, whether known, unknown, foreseen or unforeseen, relating in any way to or arising out of Buyer's acquisition of the Parcels. In that regard, Seller and its successors and assigns knowingly and voluntarily waive and release Buyer, its employees, agents and officers from liability as to the following: and any rights or obligations which exist or may arise out of the acquisition of the Parcels for public purposes including, without limitation, Seller's fee interest in the land, severance damages, relocation expenses or damages, loss of business goodwill and/or lost profits, loss or impairment of any "bonus value" attributable to any lease; damage to or loss of improvements pertaining to realty, costs, interest, attorneys' fees, and any claim whatsoever of Seller which might arise out of or relate to any respect to the acquisition of the Parcels by Buyer.

H.M.C
Seller's Initials

4. ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1 Seller. Seller agrees that on or before 12:00 noon on the day preceding the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- a. An executed and acknowledged grant deed in the attached form of Exhibit B for the Parcels ("**Grant Deed**") and such other documents as reasonably required by Title Company (as defined in Section 4.1).
- b. One (1) executed and acknowledged copy of the Parking & Access Agreement (as defined in Section 8.1).
- c. Two (2) executed copies of the Jose Perez Lease Assignment (as defined in Section 7.3) and the Jose Perez Estoppel Certificate.
- d. Two (2) executed copies of the Maria Perez Lease Assignment (as defined in Section 7.3) and the Maria Perez Estoppel Certificate.
- e. A FIRPTA Affidavit (as defined in Section 10.7).
- f. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.2 Buyer. Buyer agrees that on or before 12:00 noon on the date preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- a. A Preliminary Change of Ownership Statement completed in the manner required in Monterey County.
- b. The statutorily required Certificate of Acceptance of the Grant Deed in the form provided in Exhibit B ("**Certificate of Acceptance**").
- c. One (1) executed and acknowledged copy of the Parking & Access Agreement.
- d. The Certificate of Compliance (as defined in Section 6.4).
- e. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.3 Recordation, Completion and Distribution of Documents. When the Title Company confirms it will issue the Title Policy in accordance with Section 6.2 and Escrow Holds the funds due to Seller as set forth herein, Escrow Holder will cause the following documents to be recorded in the following order:

- (i) Grant Deed (with the Certificate of Acceptance attached);
- (ii) The Parking & Access Agreement; and
- (iii) The Certificate of Compliance.

At Closing, Escrow Holder shall assemble two (2) copies of the Jose Perez Lease Assignment and the Maria Perez Lease Assignment and deliver one (1) fully executed copy to each party.

5. **CLOSING DATE; TIME IS OF ESSENCE.**

5.1 Closing Date. Escrow shall close forty-five (45) Days (as defined in Section 14.11) following Buyer's issuance of the Buyer's Acceptance Due Diligence Notice pursuant to Section 7.2 ("**Closing Date**") unless otherwise extended by the mutual agreement of the parties as evidenced in writing executed by the parties.

5.2 "Closing" and "Close of Escrow" Defined. The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the time (i) the Grant Deed with the Certificate of Acceptance; (ii) the Parking & Access Agreement; and the (iii) Certificate of Compliance are filed for recording by the Escrow Holder in the Office of the County Recorder of Monterey County, California.

5.3 Possession. Upon the Close of Escrow, exclusive possession and occupancy of the Parcels shall be delivered to Buyer free and clear of all tenants, personal property and debris, except for the parties in possession of the Applicable Parcel under the Jose Perez Lease and the Maria Perez Lease (as defined in Section 7.3).

5.4 Time is of Essence. The parties specifically agree that time is of the essence of this Agreement.

5.5 Authority of City Manager. The City Manager or his designee, in his sole and exclusive discretion on behalf of Buyer, shall have the authority to approve written requests for extending any deadline and approve minor modifications under this Agreement. All extensions or modifications shall be in writing and executed by the City Manager or his designee.

6. **TITLE POLICY.**

6.1 Approval of Title.

(a) Promptly following execution of this Agreement but, in no event, later than five (5) Business Days following Opening of Escrow, a preliminary title report for the Parcels (subject to Section 6.3) shall be issued by Chicago Title Company ("**Title Company**") with Maryrose Mancha as the title officer ("**Title Officer**"), describing the state of title of the Parcels, together with copies of all exceptions specified therein and a map depicting the Parcels and plotting all easements specified therein (each a "**Preliminary Title Report**"). Within fifteen (15) Business Days after Buyer's receipt of the Preliminary Title Report, Buyer shall notify Seller in writing ("**Buyer's Title Notice**") of Buyer's disapproval of any matters contained in the Preliminary Title Report ("**Disapproved Exceptions**").

(b) In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of ten (10) Days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Parcels subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) Business Days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

(c) Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to ten (10) Days following receipt of notice of such additional exceptions.

(d) Nothing to the contrary herein withstanding, Buyer shall be deemed to have automatically objected to all leases (except the Jose Perez Lease and the Maria Perez Lease, both as defined in Section 7.3), deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Parcels, and Seller shall discharge any such non-permitted title matter of record prior to or concurrently with the Close of Escrow.

6.2 Title Policy. At the Closing, Escrow Holder shall furnish Buyer with an ALTA owner's non-extended policy of title insurance ("**Title Policy**") insuring title to the Parcels vested in Buyer, containing no exception to title which has not been approved or waived by Buyer in accordance with this Section 6.1 but it shall include the Parking & Access Agreement as an exception. The cost of the Title Policy shall be paid by Seller (subject to the limitation in Section 10.4). The Title Policy shall include any available title insurance, extended coverage or endorsements that Buyer has reasonably requested. Notwithstanding the foregoing, Buyer shall have the right to request the issuance of an ALTA extended owner's policy provided that (i) Buyer shall have caused an ALTA survey to have been prepared at its sole cost and expense and delivered to the Title Company in a timely fashion so as to not delay Closing, and (ii) the additional cost for the extended coverage shall be paid by Buyer.

6.3 Revised Legal Description for Parcel B. Buyer shall work with the Title Company to create a revised legal description for Parcel B to exclude segments Parcel Two A & B as depicted on Exhibit A-1 ("**Excluded Property**") which is being retained by Seller.

6.4 Certificate of Compliance. Buyer shall issue a certificate of compliance in accordance with the Subdivision Map Act for the Excluded Property which shall be recorded at the Closing ("**Certificate of Compliance**").

7. DUE DILIGENCE.

7.1 Scope of Due Diligence. Buyer shall have the right to conduct an analysis of the Parcels consisting of such engineering, feasibility studies, soils tests, environmental studies and other investigations as Buyer in its sole discretion may desire, to permit Buyer to determine the suitability of the Parcels for Buyer's contemplated uses and to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Parcels. Buyer shall further have the right to make an examination of all licenses, permits, authorizations, approvals and governmental regulations which affect the Parcels, including zoning and land use issues and conditions imposed upon the Parcels by governmental agencies.

Seller represents and warrants to Buyer that as of the Agreement Date, Seller has previously provided to Buyer all documents and information in Seller's possession or knowledge concerning the Parcels including, but are not limited to, true, correct and complete copies of the following ("**Due Diligence Documents**"):

(a) All leases, rental agreements, contracts, and other agreements pertaining to the use or operation of the Parcels.

(b) All reports inspections, investigations or information of any kind regarding the condition of the Parcels including, but not limited to, Phase I and Phase II reports.

(c) Any letters, notices or information from any third party or governmental agency regarding the Parcels.

(d) All documents relating to or evidencing the condition of any building or structure on the Parcels, including records of repairs and maintenance and any complaints regarding the condition of any building or structure.

7.2 Approval of Due Diligence Matters. Buyer shall notify Seller in writing no later than sixty (60) Days from the Opening of Escrow ("**Due Diligence Period**"), of Buyer's approval or disapproval of the condition of the Parcels and Buyer's investigations with respect thereto (excluding title matters which are to be approved or disapproved pursuant to Section 6), which approval may be issued or withheld in Buyer's sole and absolute discretion. If Buyer's notice approves its due diligence and elects to proceed with the transaction ("**Buyer's Approval Due Diligence Notice**"), Buyer shall also deliver the Additional Deposit to Escrow Holder. If Buyer's notice disapproves its due diligence regarding the Parcels, such notice shall constitute Buyer's election to not proceed with the transaction and to terminate this Agreement and the Escrow ("**Buyer's Disapproval Due Diligence Notice.**")

7.3 Leases. As of the Agreement Date, the Parcels are subject to certain leases ("**Existing Leases**") as defined below.

- i. **Jose Perez Lease.** A portion of the Parcels is subject to that certain Commercial Lease dated April 11, 2014 between Ho Ming Cheung and Jose A. Perez and Maria Perez (jointly "**Jose Perez**") for the leased premises at 110 N. Vanderhurst Avenue ("**Jose Perez Leased Premises**") as amended by that certain Amendment #1 dated April 15, 2016 ("**Perez Lease**") which expires on April 30, 2019. Seller has provided a true, complete and accurate copy of the Jose Perez Lease to Buyer. Buyer has approved the Jose Perez Lease subject to Seller providing an estoppel certificate in a form acceptable to Buyer executed by the Jose Perez not more than thirty (30) days prior to the Close of Escrow confirming that Lease is in full force and effect and that there is no default by Seller as landlord ("**Jose Perez Estoppel Certificate**"). Furthermore, Seller shall assign and Buyer shall assume, the Perez Lease pursuant to a form of assignment and assumption reasonably acceptable to Buyer ("**Jose Perez Lease Assignment**") which shall be effective as of the Close of Escrow. The Jose Perez Estoppel Certificate and Jose Perez Lease Assignment shall be delivered to Escrow Holder for delivery to Buyer at the Closing.
- ii. **Maria Perez Lease.** A portion of the Parcels is subject to that certain Month to Month Lease Agreement Terms dated February 28, 2013 between Ho Ming Cheung and Maria Elena Argueta Perez ("**Maria Perez**") for the leased premises at 332 Broadway pursuant to which the tenant is currently in default ("**Maria Perez Lease**"). Seller shall assign and Buyer shall assume the Maria Perez Lease in a form of assignment and assumption reasonably acceptable to Buyer which shall also specify that Seller shall apply the existing security deposit to existing amounts due and forgive all prior delinquent rent ("**Maria Perez Lease Assignment**"). Seller shall also provide to Buyer an estoppel certificate in a form acceptable to Buyer executed by Maria Perez not more than thirty (30) days prior to the Close of Escrow confirming that Maria Perez Lease is in full force and effect and that there is no default by Seller

as landlord ("**Maria Perez Estoppel Certificate**"). If applicable, the Maria Perez Estoppel Certificate and Maria Perez Lease Assignment shall be delivered to Escrow Holder for delivery to Buyer at the Closing.

7.4 Right to Enter. Subject to the conditions set forth below, Seller grants to Buyer, its agents and employees a limited license to enter upon any portion of the Parcels for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Parcels, which studies, surveys, investigations and tests shall be done at Buyer's sole cost and expense. As a condition to Buyer's entry, inspection or testing, Buyer shall keep the Parcels free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this Agreement. Buyer shall obtain or cause its consultants to obtain, at Buyer's sole cost and expense prior to commencement of any investigative activities on the Parcels, a policy of commercial general liability insurance covering any and all liability of Buyer and Seller with respect to or arising out of any investigative activities. Such insurance policy shall name Seller, its successors and assigns as additional insured. Seller shall provide access for Buyer to Parcel A by obtaining any necessary cooperation by the tenants under the Existing Leases.

8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

8.1 Conditions to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- a. Title Company will issue the Title Policy as specified in Section 6.2.
- b. Escrow Holder holds and will deliver to Buyer at Close of Escrow both (i) the Maria Perez Estoppel Certificate executed by Maria Perez; and (ii) two (2) copies of the Maria Perez Lease Assignment.
- c. Escrow Holder holds and will deliver to Buyer at Close of Escrow both (i) the Jose Perez Estoppel Certificate executed by Jose Perez, and (ii) two (2) executed copies of the Jose Perez Lease Assignment executed by Seller.
- d. Seller has entered into a written agreement with Buyer reasonably satisfactory to Seller that (a) the parking for the Adjacent Business Parcel is in compliance with City requirements, or otherwise (b) provide parking on Parcel B for the Adjacent Business Parcel and provide pedestrian access to the business on the Adjacent Business Parcel pursuant to the Parking and Access Easement Agreement in the form of Exhibit C ("**Parking & Access Agreement**").
- e. Buyer has issued the Buyer's Due Diligence Notice in accordance with Section 7.2.
- f. Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- g. Seller has applied for the façade grant pursuant to Section 14.
- h. Escrow holds the Holdback Funds to be held and distributed pursuant to Section 14.

- i. Seller is not in default of its obligations under this Agreement.

8.2 Conditions to Seller's Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- a. Buyer has executed the acceptance of the Certificate of Acceptance and delivered same to Escrow Holder to be attached to the Grant Deed prior to recordation.
- b. Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- c. Buyer has delivered to Escrow Holder two (2) executed copies of the Jose Perez Lease Assignment.
- d. If applicable, Buyer has delivered to Escrow Holder two (2) executed copies of the Maria Perez Lease Assignment.
- e. Buyer has delivered to Escrow Holder the executed and acknowledged Parking and Access Agreement.
- f. Buyer has delivered to Escrow Holder the Certificate of Compliance.
- g. Buyer has deposited the Grant Funds (as defined in Section 14.2) to be held by Escrow Holder and distributed after Closing pursuant to Section 14.
- h. Buyer is not in default of its obligations under this Agreement.

9. LIMITED REPRESENTATIONS AND WARRANTIES.

9.1 Limited Representations and Warranties.

Seller makes the following representations and warranties to Buyer, each of which is true in all respects as of the Opening of Escrow as applicable and shall be true in all respects on the date of Close of Escrow:

- (a) Seller has delivered to Buyer all Due Diligence Documents pursuant to Section 7.1.
- (b) There are no leases for the Parcels except the Existing Leases.
- (c) Seller has the unimpeded power to execute, deliver and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant to this Agreement.

9.2 Survival of Representations and Warranties of Seller. The representations and warranties in this Section 9 shall survive the Closing.

9.3 Seller Covenants. Until Closing, Seller shall not do anything which would impair Seller's title to the Parcels. If Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.

10. ESCROW PROVISIONS.

10.1 Escrow Instructions. Sections 1 through 6, inclusive, 8, 10, 13 and 14 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

10.2 General Escrow Provisions. Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Monterey County Recorder to mail the Grant Deed and Parking & Access Agreement to Buyer at the address set forth in Section 13 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in California and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

10.3 Proration of Real Parcels Taxes. All non-delinquent general and special real property taxes shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

10.4 Payment of Costs.

- a. **Cost Allocation.** Seller shall pay the costs for the Title Policy (non-extended ALTA owner's policy) and one-half (1/2) of the escrow costs, but in no event more than Five Hundred Dollars (\$500) ("**Seller's Charges**"). The foregoing limitation shall only apply to normal seller's charges and shall not apply to any charges incurred by Seller removing title issues as required by Section 5 such as payment of loans, etc. Buyer shall pay one-half (1/2) of the escrow fees and the balance of any Seller's Charges in excess of Five Hundred Dollars (\$500) ("**Buyer's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

NOTE: No documentary transfer taxes will be payable pursuant to Government Code Section 11922. Buyer is a public agency and is exempt from recording charges.

- b. **Rent and Security Deposits.**

- (i) **Jose Perez Lease.** Rent for the Jose Perez Lease shall be prorated to Close of Escrow. At Close of Escrow, Buyer shall receive a credit of Two Thousand Five Hundred Dollars (\$2,500) for the security deposit held by Seller under the Jose Perez Lease.

(ii) **María Perez Lease.** The rent for the María Perez Lease shall be prorated to the Closing. As noted in Section 7.2, no security deposit will exist under the María Perez Lease.

- c. **Closing Statement.** At least three (3) Business Days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the Parties.

10.5 Termination and Cancellation of Escrow. If Escrow fails to close as provided above, either party may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

10.6 Information Report. Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

10.7 No Withholding as Foreign Seller. Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE ("**FIRPTA Affidavit**").

10.8 No Brokerage Commissions. Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transactions contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

11. **NON-COLLUSION.** No official, officer, or employee of the City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which it is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which it is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non-interest" pursuant to California Government Code Sections 1091 and 1091.5. Seller warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Seller further warrants and represents that it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Seller is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Seller's Initials: H.M.C

12. **DEFAULT; MEDIATION.**

12.1 DEFAULT OF BUYER; LIQUIDATED DAMAGES. IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, THEN BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY BUYER OR FAILURE OF ESCROW TO CLOSE ON OR BEFORE THE CLOSING DATE, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. IN THE EVENT OF AND FOR A DEFAULT BY BUYER PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD, THE INITIAL DEPOSIT SHALL BE SELLER'S SOLE MONETARY REMEDY THEREFOR. IN THE EVENT OF AND FOR A DEFAULT BY BUYER AFTER THE EXPIRATION OF THE DUE DILIGENCE PERIOD, THE DEPOSIT SHALL BE SELLER'S SOLE MONETARY REMEDY THEREFOR. HOWEVER, IF BUYER WRONGFULLY REFUSES TO CAUSE ESCROW HOLDER TO CANCEL THE ESCROW, IN WHICH INSTANCE SELLER SHALL ALSO BE ENTITLED TO ALL COSTS AND EXPENSES, INCLUDING ACTUAL ATTORNEYS' FEES INCURRED BY SELLER WHICH MAY RESULT FROM BUYER'S WRONGFUL FAILURE TO CANCEL THE ESCROW AND THIS AGREEMENT. FURTHERMORE, THE FOREGOING LIMITATION OF DAMAGES SHALL NOT APPLY TO ANY INDEMNIFICATION OBLIGATIONS OF BUYER UNDER THIS AGREEMENT.

H.M.C
Seller's Initials

Buyer's Initials

12.2 Default by Seller. If all conditions precedent to Seller's obligations to sell the Parcels have occurred but Seller fails to Close under this Agreement for any reason other than the default by Buyer under this Agreement, Buyer shall have all rights and remedies under law

and equity, including without limitation, bringing an action for specific performance of Seller's obligations or in lieu thereof, bringing an action for damages for breach of Seller's obligations.

12.3 Mediation. The parties agree to mediate any dispute or claim arising between them under this Agreement before resorting to a court action through any mediation provider or service mutually agreed to by the parties. Mediation fees, if any, shall be divided equally between the parties. If, for any dispute or claim to which this Section applies, a party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a written request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. The forgoing limitation shall not apply to the following: (a) the filing of a court action to preserve a statute of limitations; (b) the filing of a court action to enable the recording of a notice of pending action, or for order of attachment, receivership, injunction or other provisional remedies; or (c) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

13. NOTICES. All notices required or permitted under this Agreement shall be in writing and shall be served on the parties at the addresses set forth below. Any such notices shall, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified and addressed to the party to be notified, with return receipt requested, (ii) by overnight delivery using a nationally recognized overnight courier, or (iii) by personal delivery. Notice deposited in the mail in the manner hereinabove described shall be effective upon receipt or rejection of such notice. Notice given in any other manner shall be effective only if and when received (or rejected) by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m. California time of any business day with delivery made after such hours to be deemed received the following business day. A party's address may be changed by written notice to the other party; however, no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to the Buyer shall be deemed given by Buyer and notices given by counsel to the Seller shall be deemed given by Seller.

To Seller:	Ho Ming Cheung, Trustee 14 Marshfield Cr. Salina, CA 93906
With a Copy to:	T. Bob Uemura 17 Winham St Salinas, CA 93901
To Buyer:	King City 212 So. Vanderhurst Ave. King City, CA 93930 Attn: Steven Adams, City Manager
With a Copy to:	Aleshire & Wynder, LLP 2125 Kern St Suite 307 Fresno, CA 93721 Attention: Shannon Chaffin, Esq.

To Escrow Holder: Chicago Title Insurance Company
50 Winham St.
Salinas, Ca 93901
Attn: Lina DeMelo, Escrow Officer

14. GRANT APPLICATION. Prior to the Close of Escrow, Seller shall apply for a City façade enhancement grant and enter into a contract with a licensed contractor for improvements to the façade of the Seller's building located at 322 Broadway Street in an amount of at least Twenty-Three Thousand Dollars (\$23,000) and no more than Twenty-Five Thousand Dollars (\$25,000), 50% of which will be paid by the Seller and 50% will be paid by the City through the façade enhancement grant. This provision shall survive Close of Escrow.

15. GENERAL PROVISIONS.

15.1 Assignment. Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

15.2 Attorney's Fees. In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Parcels, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

15.3 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

15.4 No Waiver. No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

15.5 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

15.6 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15.7 Merger. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

15.8 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

15.9 Non-Liability of Officials or Employees. No officer, official or employee of Buyer shall be personally liable to Seller in the event of any default or breach or for any amount which may become due hereunder, or on any obligations under the terms of this Agreement.

15.10 Continuing Cooperation. Each party shall execute and deliver such other reasonable documents requested by the other party or by Escrow Holder to consummate the transactions described herein.

15.11 Definition of Days. **Business Days** shall mean calendar days excluding weekends and holidays. **Calendar Days** or the term **Days** shall mean consecutive calendar days excluding recognized federal and state holidays.

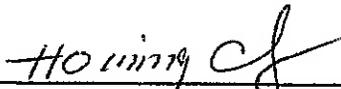
15.12 Exhibits. Exhibits A, A-1, B and C attached hereto are incorporated herein by reference.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Parcels and Escrow Instructions as of the date set forth above.

Note: Sections 3.5, 11 & 12.1 need to be separately initialed as indicated.

SELLER:


HO MING CHEUNG as Trustee of the
Cheung Family Living Trust dated 7/13/2000

BUYER:

KING CITY, a municipal corporation

By: _____
Mike LeBarre, Mayor

_____, 2018

Accepted:

ESCROW HOLDER:

Accepted and agreed to:

CHICAGO TITLE INSURANCE COMPANY

By: _____
Lina DeMelo, Escrow Officer

Dated: _____, 2018

ATTEST:

Steven Adams
City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Shannon Chaffin, City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PARCELS

That certain real Parcels in the King City, County of Monterey, State of California legally described as follows:

PARCEL A (APN #026-195-010)

Lot 140, Block "H", as shown on that certain map entitled "Map of Kings City" filed July 9, 1886 in Book 1 of Maps, "Cities and Towns", at Page 31, Records of Monterey County.

PARCEL B (APN #026-195-018):

Lot 141, Block "H", as shown on that certain map entitled "Map of Kings City" filed July 9, 1886 in Book 1 of Maps, "Cities and Towns", at Page 31, Records of Monterey County.

Excepting therefrom the Northeast 15.25 feet, front and rear measurements, as granted in that certain Deed recorded July 30, 1953 in Book 1470, at Page 367 of Official Records.

Together with those portions of said Lot 141, Block "H", described as follows:

A) Beginning at a point in the Northeasterly line of said Lot 141, distant thereon N. 33°50' W. 59 feet from the most Easterly corner thereof, thence N. 33°50' West, along the Northeasterly line of said lot, 91 feet to the most Northerly corner thereof; thence S. 56°10' West, along the Northwesterly line of said lot, 15.25 feet; thence S. 33°50' E. 91 feet; thence N. 56°10' E. 15.25 feet to the place of beginning; and

B) Beginning in the Northeasterly line of said Lot 141, at the most Easterly corner of that certain parcel of land described in the Deed from Robert G. Winslow, et ux, to Gerald C. Keefer, et ux, dated November 8, 1956 and recorded in Book 1751, at Page 147 of Official Records, and running thence, from said place of beginning, along said Northeasterly line of said Lot 141

1) S. 33°50' E. 2.25 feet to the most Northerly corner of a building; thence leave said lot line and running along the Northwesterly wall of said building;

2) S. 56°10' W. 15.25 feet to a point in the Southwesterly boundary of that certain parcel of land described in the Deed from Pettitt Lands, Inc. to Robert G. Winslow, et ux, dated July 23, 1953 and recorded in Book 1470, at Page 367 of Official Records; thence along said Southwesterly boundary

3) N. 33°50' W. 2.25 feet to the most Southerly corner of the first mentioned parcel of land, from Winslow to Keefer; thence along the Southeasterly boundary of said Winslow to Keefer parcel of land

4) N. 56°10' E. 15.25 feet to the place of beginning.

NOTE: For purposes of this Agreement, Parcel B will exclude Parcel Two (A) and Parcel Two (B) as depicted on Exhibit A-1 attached to this Agreement.

PARCEL C (APN #026-195-012):

Lot 106, Block "H", as shown on that certain map entitled "Map of Kings City" filed July 9, 1886 in Book 1 of Maps, "Cities and Towns", at Page 31, Records of Monterey County.

EXHIBIT "A-1"
DEPICTION OF PARCELS

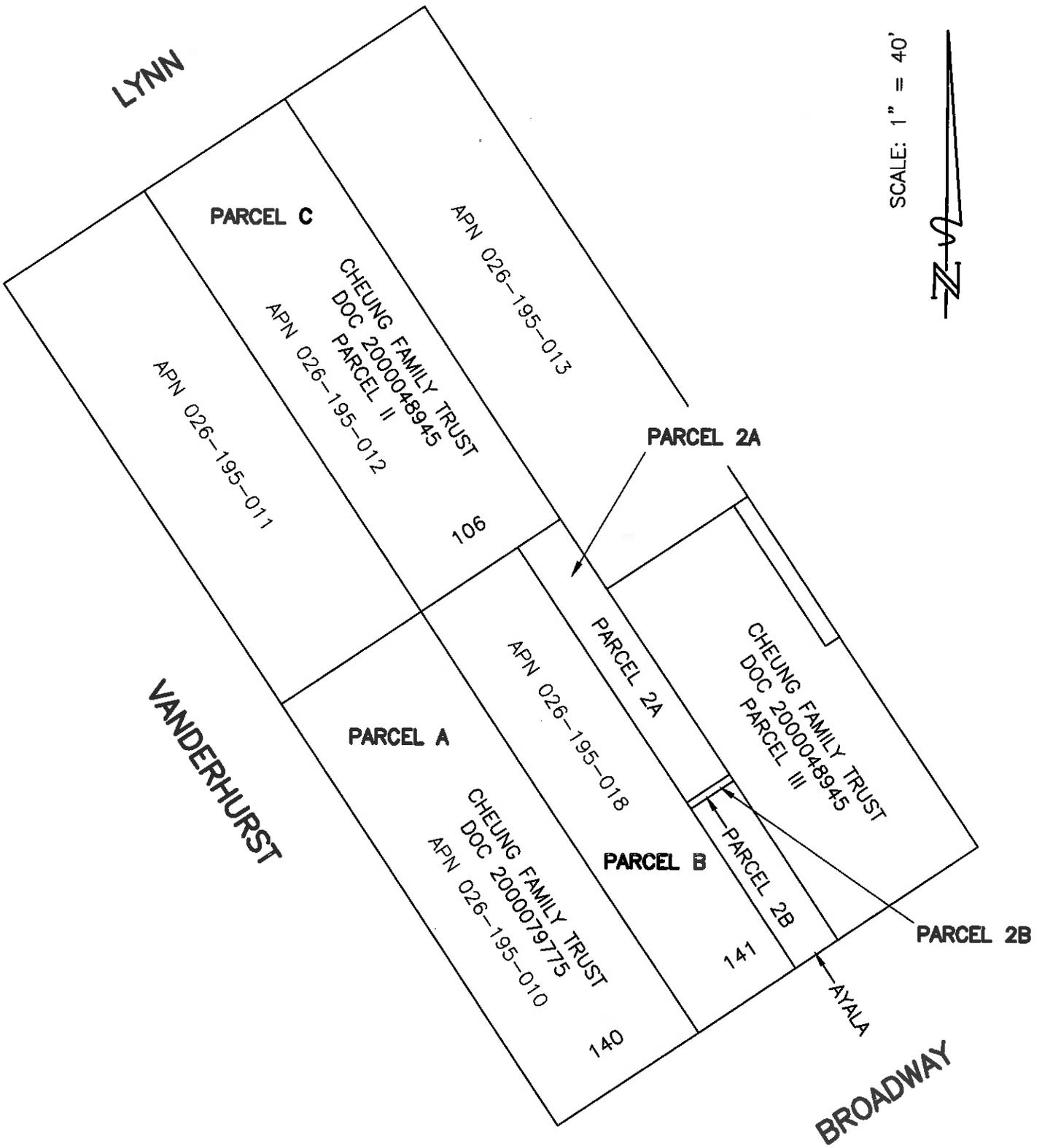


EXHIBIT "B"
GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

King City
212 So. Vanderhurst Ave.
King City, CA 93930
Attn: City Clerk

APN _____
THE UNDERSIGNED GRANTOR DECLARES:
DOCUMENTARY TRANSFER TAX IS \$0 per R&T Code 11922

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

GRANT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged HO MING CHEUNG as Trustee of the Cheung Family Living Trust dated 7/13/2000 ("**Grantor**"), hereby grants to the KING CITY, a municipal corporation ("**Grantee**"), that certain real property in the King City, County of Monterey, State of California, commonly described as set forth on Exhibit A attached hereto and incorporated herein by reference ("**Property**").

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed on its behalf by its respective officers or agents hereunto as of the date specified below.

"GRANTOR"

Date: _____, 201_

HO MING CHEUNG as Trustee of the
Cheung Family Living Trust dated 7/13/2000

**EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY**

That certain real property in the King City, County of Monterey, State of California, legally described as follows:

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by HO MING CHEUNG as Trustee of the Cheung Family Living Trust dated 7/13/2000 ("Grantor"), by Grant Deed to the KING CITY ("City"), is hereby accepted by the undersigned officer and agent of City and the City consents to the recording of the Grant Deed.

Signed and dated at _____, California on _____, 201__.

GRANTEE

KING CITY, a municipal corporation

By: _____
Steven Adams
City Manager

RECORDING REQUESTED BY &
WHEN RECORDED MAIL TO:

City of King City
212 So. Vanderhurst Ave.
King City, CA 93930
Attn: Steven Adams, City Manager

[SPACE ABOVE FOR RECORDER'S USE ONLY]

Exempt from filing/recording fees per Govt. Code §27383

THE UNDERSIGNED DECLARES THAT NO DOCUMENTARY TRANSFER TAX IS DUE UNDER R&T 11922.

PARKING AND ACCESS EASEMENT AGREEMENT

THIS PARKING AND ACCESS EASEMENT AGREEMENT ("**Agreement**") is made and entered into this ____ day of _____, 2018 ("**Agreement Date**"), by and between King City, a California municipal corporation ("**City**"), and HO MING CHEUNG as Trustee of the Cheung Family Living Trust dated 7/13/2000 ("**Owner**"). City and Owner are sometimes individually referred to hereinafter as "Party" and collectively as "Parties."

RECITALS

A. City is the owner of that certain real property legally described on Exhibit A ("**City's Property**").

B. Owner currently owns that certain real property immediately adjacent to the City Property which is legally described on Exhibit B ("**Owner's Property**").

C. City acquired the City Property from Owner with the understanding that Owner would have the right to have certain limited parking and access rights over the City Property for the benefit of Owner's Property as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Access Easement. City grants to Owner for the benefit of Owner's Property a non-exclusive easement to use the existing walkways currently located within the City Property as depicted on Exhibit C for pedestrian access to Owner's Parcel ("**Access Easement**"). The Access Easement may be used by Owner, its employees and agents and tenants of businesses located on Owner's Property and their customers. The City's Property is the burdened property and Owner's Property is the benefitted property.

2. Parking Easement. City grants to Owner for the benefit of Owner's Property a non-exclusive easement to use the existing parking areas currently located within the City Property as depicted on Exhibit C for customer parking for the businesses operating on the Owner's Property which shall be for passenger vehicles only and only during normal business hours for

the businesses ("**Parking Easement**"). The Parking Easement may be used by Owner, its employees, and agents and tenants of the businesses located on Owner's Property and their customers. The City's Property is the burdened property and Owner's Property is the benefitted property.

For purposes of determining compliance of parking requirements for Owner's Property in accordance with the Municipal Code, such determination shall include the parking permitted by this Parking Easement. City acknowledges that the parking requirements for the businesses operating on the Owner's Property as of the Agreement Date are in compliance with the parking requirements under the Municipal Code.

3. Right to Relocate. City reserves the right to improve the City's Property and, if necessary, to reasonably relocate the Access Easement and Parking Easement on the City's Property. During construction, City shall ensure that reasonable alternative access and/or parking is available. The Parties shall cooperate with each other to record documents to specify the relocation of the Access Easement and Parking Easement.

4. Maintenance. City shall maintain the City Property at its sole cost and expense. Owner shall be responsible and shall, at its sole cost and expense, promptly repair any damage to City's Property caused by the use of the Access Easement or Parking Easement. Each Party agrees to give the other Party reasonable written notice of the occurrence of any damage to Access Easement or the Parking Easement.

5. Default; Remedies. If a Party shall default in the full, faithful, and punctual performance of any obligation required hereunder and if at the end of thirty (30) days after written notice from any Party stating, with particularity the nature and extent of such default, the defaulting Party has failed to cure such default, and if a diligent effort is not then being made to cure such default, then any other Party may institute proceedings for full and adequate relief from such default. The unsuccessful Party in any action shall pay to the prevailing Party a reasonable sum for attorney's fees, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

6. Indemnification. Owner shall indemnify and hold City harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person, which shall occur on the Access Easements or Parking Easement, which shall be directly or indirectly caused by any acts done thereon or any errors or omissions of Owner or its employees, agents, and invitees or tenants on Owner's Property.

7. Modification or Amendment. This Agreement may only be amended or modified in writing executed by Owner and City and recorded in the public records of Monterey County Records.

8. Mediation. The parties agree to mediate any dispute or claim arising between them under this Agreement before resorting to a court action through any mediation provider or service mutually agreed to by the parties. Mediation fees, if any, shall be divided equally between the parties. If, for any dispute or claim to which this Section applies (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before

commencement of an action, refuses to mediate after a written request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. The forgoing limitation shall not apply to the following: (a) the filing of a court action to preserve a statute of limitations; (b) the filing of a court action to enable the recording of a notice of pending action, or for order of attachment, receivership, injunction or other provisional remedies; or (c) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

9. Notice. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall in writing and be served personally or sent by first class mail, postage prepaid, addressed as follows:

To Owner: Ho Ming Cheung, Trustee
14 Marshfield Cr.
Salinas, CA 93906

With a Copy to: T. Bob Uemura
17 Winham St
Salinas, CA 93901

To City: King City
212 So. Vanderhurst Ave.
King City, CA 93930
Attn: Steven Adams, City Manager

With a Copy to: King City
212 So. Vanderhurst Ave.
King City, CA 93930
Attn: City Attorney

or to such other address as either party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or, in the case of delivery by first class mail, five (5) days after deposit in the United States mail.

10. Entire Agreement. This Agreement together with the exhibits hereto, each of which are incorporated herein by this reference, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements with respect to same.

11. Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time it is recorded.

12. No Third Party Beneficiaries. This Agreement is only for the benefit of the Parties hereto and their successors and assigns. No other person or entity or property shall be entitled to rely hereon, receive any benefit or enforce any provision hereof against any party hereto (or their respective successors assigns).

13. Attorney's Fees. In the event of any litigation or other legal proceeding including, but not limited to, arbitration or mediation between the Parties arising from this Agreement, the

prevailing Party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses (including attorney's fees) incurred in the proceeding.

14. Construction. This Agreement shall be construed according to its fair meaning as if prepared by all Parties to this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

15. No Waiver. The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that Party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

16. Exhibits. Exhibits A, B and C attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on its behalf by its officers as of the Agreement Date.

OWNER:

HO MING CHEUNG as Trustee of the
Cheung Family Living Trust dated 7/13/2000

CITY:

KING CITY, a municipal corporation

By: _____
Mike LeBarre, Mayor

_____, 2018

ATTEST:

Steven Adams
City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Shannon Chaffin, City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF CITY PROPERTY

That certain real Parcels in the King City, County of Monterey, State of California legally described as follows:

EXHIBIT "B"

LEGAL DESCRIPTION OF OWNER PROPERTY

That certain real Parcels in the King City, County of Monterey, State of California legally described as follows:

EXHIBIT "C"
DEPICTION OF EASEMENTS



Item No. 11 (B)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 13, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF UPDATE ON COMMUNITY CHOICE
AGGREGATION PROGRAM**

RECOMMENDATION:

It is recommended the City Council: 1) receive an update from Pilot Power Group, Inc. on the Community Choice Aggregation (CCA) program; and 2) provide staff direction to proceed with the process of executing the agreement and launching the program.

BACKGROUND:

At the October 24, 2017 meeting, based on the results of the feasibility study and an independent third-party peer review, the Council directed staff to proceed with the process of launching the CCA. At the November 14, 2017 meeting, the City Council adopted an Ordinance authorizing the implementation of a CCA. At the December 12, 2017 meeting, the City Council approved the CCA Implementation Plan and the agreement with Pilot Power Group, Inc. to launch and operate the program.

Since that time, implementation has been delayed due to changes in regulations proposed by the California Public Utilities Commission (CPUC). The CPUC met this week and the City is now able to proceed. However, the delay has resulted in recommended changes by Pilot Power Group, Inc. regarding the timing of implementing goals of the program.

Execution of the agreement with Pilot Power Group, Inc. has also been delayed due to the CPUC deliberations and review of the banking agreement with the financial institution. The City Attorney's Office is preparing the final review of the banking agreement.

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DISCUSSION:

Pilot Power Group, Inc. will provide an update on the CPUC decisions and impacts of the delay on the CCA projections. Staff will also report on the status of the agreement and whether there are any remaining issues requiring City Council policy direction.

COST ANALYSIS:

No changes are projected to impact direct costs to the City.

ENVIRONMENTAL REVIEW:

City Council approved the CEQA findings in the Ordinance authorizing formation of the CCA. Staff's environmental assessment determined that the project falls within the Class 7 Categorical Exemption set forth in CEQA Guidelines, Section 15307, which exempts certain actions by regulatory agencies to maintain, restore, or enhance natural resources, other than construction activities, where the regulatory process includes procedures to protect the environment. Staff determined this exemption applies to the proposed project since the primary impact of the CCA will be to increase use of renewable energy sources and installation of rooftop solar panels in King City. Furthermore, staff determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Direct staff to proceed;
2. Provide staff direction on any changes to the prior Council decisions regarding the CCA; or
3. Provide staff other direction.

Submitted and Approved by:



Steven Adams, City Manager