

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

TUESDAY APRIL 10, 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**
 - A. Mayor's Commendation for DDS Edward Ballengee**
- 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 Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion.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 March 27, 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. Consideration: Resolution Consenting to the Inclusion of Properties within the Territory of the City of King in the CSCDA Open PACE Program
Recommendation: adopt the attached resolution authorizing the City's participation in California Statewide Communities Development Authority (CSCDA) Open PACE, which will enable property owners to finance permanently fixed renewable energy, energy efficiency, water efficiency, and seismic strengthening improvements as well as electric vehicle charging infrastructure.

10. PUBLIC HEARINGS

None

11. REGULAR BUSINESS

- A. Consideration: Hotel/Motel Market Analysis and Exclusive Authorization to Sell Agreement for Property at 1023 Broadway Street
Recommendation: City Council/Successor Agency to the Community Development Agency of the City of King: 1) receive a report from the City's Economic Development consultant, Kosmont Companies, on a Hotel/Retail Market Analysis prepared on the Successor Agency owned property at 1023 Broadway Street; 2) approve an Exclusive Authorization to Sell Agreement with Kosmont Realty Corporation to represent the Successor Agency in listing the property at 1023 Broadway Street for sale; and 3) authorize the City Manager to execute the Agreement and make any non-substantive changes as necessary as approved as to form by the City Attorney.
- B. Consideration: King City Community Power Pre-Launch Briefing and Rate Setting
Recommendation: 1) receive a pre-launch briefing from Pilot Power Group; and 2) adopt a Resolution approving King City Community Power rates for the period of July 1, 2018 through March 31, 2019.

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 of King

PROCLAMATION

Honoring

Dr. Ed Ballengie

April 10th, 2018

WHEREAS, in March 2018, Dr. Ed Ballengie retired from his dental practice in King City where he provided compassionate and outstanding care to his patients for 55 years; and

WHEREAS, Dr. Ballengie moved to King City in 1963 after serving in the military at Fort Ord, the Naval Post Graduate School and Fort Hunter Liggett; and

WHEREAS, Dr. Ballengie has been a model citizen committed to serving the community; and

WHEREAS, his extensive community service includes the positions of President of the Chamber of Commerce and Agriculture, President of Mustang Bench, President of the Rotary Club of King City, and President of the South Monterey County Center for Performing Arts; and

WHEREAS, Dr. Ballengie is a talented singer and has unselfishly shared his gift of music with the community by singing whenever requested at local weddings and funerals; performing with the Camerata Singers, Bach Festival, and Symphony Choir; and Directing the Choir at the Community Church for 18 years; and

WHEREAS, Dr. Ballengie has been recognized for his distinguished service as the 1979 Citizen of the Year, 1982 Father of the Year, and the 1997 Arts Council Award for Service to the Arts; and

WHEREAS, Dr. Ballengie is beloved by his staff, patients, friends, and everyone in the community for the kind, thoughtful and considerate way he treats others.

NOW, THEREFORE, BE IT PROCLAIMED on behalf of the City Council of the City of King that we are proud to recognize, honor, congratulate and appreciate Dr. Ed Ballengie for his many years of service to the City of King and declare April 10, 2018 to be Dr. Ed Ballengie Day in the City of King.



Mike LeBarre, Mayor

**City Council Meeting
March 27, 2018**

1. CALL TO ORDER:

Regular Meeting called to order at 6:03pm by Mayor LeBarre.

2. FLAG SALUTE:

The flag salute was led by Council Member DeLeon

3. ROLL CALL:

City Manager Adams conducted roll call.

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

City Staff: Community Development Director Doreen Liberto; Asst. City Attorney Roy Santos; Admin. Asst./Deputy City Clerk, Erica Sonne; City Engineer, Octavio Hurtado; Asst. Planner, Maricruz Aguilar.

4. CLOSED SESSION ANNOUNCEMENTS:

None

5. PRESENTATIONS:

American Red Cross-Tony Virrueta accepted the proclamation on behalf of the Red Cross from Mayor LeBarre. Council thanked the American Red Cross for all their service. Mr. Virrueta stated that April the 28th will be "Sound the Alarm" fire alarm safety and will take place in King City, they will need volunteers.

Detective Josh Partida, 2018 Officer of the Year was here to accept his proclamation from Mayor LeBarre. Council is grateful for Detective Partida and all of his accomplishments.

Fireworks Draw-King City Boxing Club, KCHS FFA Boosters, King City Youth Football and Mustang Bench were present for the drawing. Youth Football pulled out of the running so no draw is necessary.

Prescribe Safe Initiative – Andria Ventura she is from Clean Water Action. She gave a presentation on the initiative for prescription drug campaign Don't Rush to Flush. She spoke to opioids becoming the new epidemic. There needed to be a place where prescription drugs could be disposed of properly. She handed out a list of places where medication can be dropped off. They need to grow this program for more bins. There needs to be a solution to pay for this as the money is going to run out. Ms. Ventura would like to encourage the City to support this effort in the County at the Board of Supervisor hearing. Council member Acosta would like the Council to support this either with a letter or someone could attend.

6. PUBLIC COMMUNICATIONS:

Maria de Jesus Picasso, she spoke to Steve Adams because this month when she went to pay her rent and she was told that they are going to sell the apartments to Mexico who are bringing the workers here. The next week she received a letter. She is a US citizen, she has 4 children, she has lived here for more than 15 years. She feels that it is a good thing to bring the workers however she doesn't feel that it is fair that she can be kicked out of her apartment and have to live in a motel. With her husband being the only one working how long could she live in a motel. She received another letter this week that they are raising

her rent in June by \$200.00. They have asked for repairs to be done and they haven't been done. She is going to come back with a copy of the letter for the City Manager to look at.

Marc Bloom, Cal-water, stated that Cal-water supports the concept of Don't Rush to Flush as they have to monitor unregulated contaminants every two years. Once elements are found they will have to treat them and the cost will go high and the cost will be filtered down to the consumer.

Carlo DeLeon, 435 Calcagno St., YMCA board member representative, handed out packets to the council on South County YMCA wants to teach classes and expand the program beyond the soccer program.

7. COUNCIL COMMUNICATIONS:

Council Member Cullen let Mr. DeLeon know that there is a Week of Wellness program at the hospital so he could get information out there. Council Member Cullen will not be here for the April 24th meeting. He would like Council member Acosta to attend the Solid Waste Authority meeting on April 19th. Salinas Valley Fair board meeting is this week. He also announced the Teagan Soares is Miss Salinas Valley fair. April 28th is the kickoff dinner for the Salinas Valley Fair.

Council Member DeLeon this week is spring break, updated dress code, new agreement for the care program they are having trouble recruiting teachers, Civil war reenactment is coming up in May.

Council Member Acosta stated that Andria Ventura spoke at Four Cities for Peace. There were updates on Four Cities United.

Mayor Pro Tem Victoria nothing at this time.

Mayor LeBarre nothing at this time.

8. CITY STAFF REPORTS AND COMMENTS:

Assistant City Attorney Roy Santos had nothing at this time.

9. CONSENT AGENDA

- A. Meeting Minutes of March 13, 2018 Council Meeting
- B. City Check Register
- C. City Monthly Treasurer's Report- February 2018
- D. Successor Agency Monthly Treasurer's Report- February 2018
- E. Public Financing Authority Treasurer's Report- February 2018
- F. Consideration: Notice of Completion – King Street Pocket Park
- G. Consideration: Amendment to Major Citywide Goals
- H. Consideration: City Facility Cabling Project
- I. Consideration: Changes to Police Administrative Positions
- J. Consideration: Annual General Plan Report and Housing Element Annual Report
- K. Consideration: Agreement for Collection Services

Mayor Pro Tem Victoria pulled Item B for a question on evidence storage for Always Towing, that the bill was high. He pulled Item I as he wanted to make sure that the City Manager did a meet and confer with SEIU and had heard back from SEIU.

Action: Motion to approve item A, C-H, and J, K consent agenda by Cullen and seconded by DeLeon.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Action: Motion to approve consent items B and I by Victoria and seconded by Acosta.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

10. PUBLIC HEARINGS:

A. Consideration: Urgency Ordinance Establishing a Temporary Moratorium on Allowing Agricultural Employee Housing Projects in the FSC and C-2 Zoning Districts

Community Development Director Liberto introduced this item going over the PowerPoint. The City needs to stay consistent with the Housing Element.

The owner Guadalupe Puentes, of 118 Bassett stated that there is someone that is interested in purchasing his property for Ag housing. He has an application that he has not put in and he is not sure if he should put it in. The City Attorney stated that the moratorium does not take away the process that is in place for building. The zoning may change. Council can not advice an applicant. His application could just sit if he submits it. He explained the issue with the tenant that spoke previously.

Council member Acosta is concerned about the conditions that people have had to live in. She feels that something needs to be done about slumlords. City Attorney explained that our code enforcement is by complaint basis so citizens need to come in and complain to the code enforcement.

Council member DeLeon wanted to know what would happen to the rest of the City that is not covered under the moratorium. Community Development Director and City Attorney explained that it will not be allowed in those zones.

Council member Cullen thanked Maria for coming forward and putting a face to the issue. Housing needs to be in the proper place and under the proper conditions. He feels that it is the Councils responsibility to educate on tenants' rights. Maybe educate through the church.

City Attorney and City Manager have been working on doing some sort of education on tenant rights.

Action: Motion to adopt the attached Urgency Ordinance which is an interim urgency ordinance establishing a forty-five (45) day moratorium on permitting of seasonal agricultural employee housing projects within the First Street Corridor (FSC) Zoning District and General Commercial (C-2) Zoning District by Cullen and seconded by Victoria.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

11. REGULAR BUSINESS:

A. Consideration: Airport Layout Plan Update for Mesa Del Rey Airport

City Engineer Octavio Hurtado introduced this item.

Erin Sheelen and Bob Hamilton further introduced this item with a PowerPoint.

Ms. Sheelen went over the possibility of shortening the width of the runway from 100' to 75'.

Existing Runway:

- 100' Wide
- 200' Separation

FAA Standards B-II:

- 75' Runway
- 240' Separation

Runway shift would happen at the end of the life cycle of the pavement. FAA is in favor of the Runway shift.

Mayor LeBarre wanted to know if the length of runway could be expanded. He wants to be able to market a Jet Blue or Allegiant for trips to Las Vegas. A letter would need to be written from the airlines to get it approved by the FAA. He would like to be prepared to charge electric planes and cars at the airport.

Ms. Sheelen went over the funding and where it comes from for airport improvements

- Federal (Airport Improvement Program)
 - 90% of project costs
 - Non-Primary Entitlements - \$150,000 annual
 - Discretionary – competitive basis
- State (Division of Aeronautics)
 - Annual Credit - \$10,000
 - State Matching – 4.5% of project cost, first come-first serve
 - Acquisition & Development Grant – up to 90%
 - California Loan Program - 17-year low interest loan

Ms. Sheelen stated that the entrance gate is not in a good location. Suggested to use the current entrance gate as an emergency access, move main vehicle entrance to where the pedestrian gate is and maintain the pedestrian gate as well. Future parking behind the hangars to the south.

Ms. Sheelen stated that the length of the runway will dictate the type of aircraft that could take-off and land not the width. She is also going to check about the extension of the runway.

Action: Motion to approve the Airport Layout Plan Update prepared by Kimley-Horn by Cullen and seconded by Acosta.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

B. Consideration: Reduction to Development Impact Fees

Community Development Director, Doreen Liberto introduced this item.

Brandon Gesicki, King City Cultivation they would like to see the development fees reduced. They appreciate this item.

Marc Bloom, Cal-water, wanted to know what is being reduced. Community Development Director stated that Wastewater would remain in place.

Action: 1) adopt a Resolution reducing development impact fees for a three-year period; and 2) direct staff to contract with Revenue Cost Specialists to prepare recommendations for a new land use category in the development impact fee tables for a seasonal employee housing and by DeLeon and seconded by Victoria.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Motion to appropriate \$5,500 divided among different development impact fee funds proportionally by DeLeon and seconded by Victoria.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

C. Consideration: Amending the Municipal Code to Authorize Licenses for Non-Storefront Cannabis Retail Sales

Assistant City Attorney Santos introduced this item.

Marc Bloom, resident, is in full support of this, he would like to see the money from the taxes go to the police department to combat what is happening at the high school.

Council member Acosta feels that on-line sales is going to impact the youth to have more accessibility.

Brandon Gesicki stated that they would like to be the first applicant. This is an opportunity for King City to have more resources. They want to be regulated.

Domingo Uribe, he feels that the driving force is the money and he feels that the focus should be on the youth. His opinion is to keep it out of the City limits. The bad actors find the ways to get around it. They will try to get the van with money and drugs. The last thing we need is a dispensary of any kind in King City.

RJ Rivera stated that companies are delivering here anyway and it should be the most reproable.

City Attorney clarified that council can just allow medical cannabis be delivered.

Action: provide staff direction to prepare an amendment to the current commercial cannabis ordinance by applicant initiation, authorizing licenses activities for non-storefront cannabis retail sales, readdressing the delivery in King City by LeBarre and seconded by Cullen.

AYES: Council Members: Mayor LeBarre, DeLeon, Cullen

NOES: Council Members: Acosta and Mayor Pro Tem Victoria

ABSENT: Council Members:

ABSTAIN: Council Members:

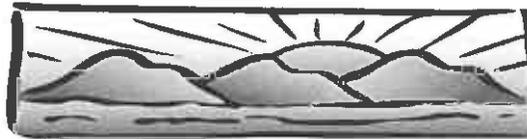
ADJOURNMENT:

There being no further business to come before the City Council, Mayor LeBarre adjourned the regular meeting at 8:50pm on a motion by Victoria and second by DeLeon .

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: APRIL 10, 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:

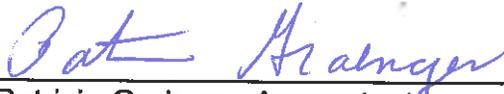
The following alternatives are provided for Council consideration:

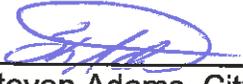
1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/CITY
CITY CHECK REGISTER
APRIL 10, 2018
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

March 23, 2018 (FY 2017-18)

Date: 03/26/2018

Time: 2:48 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							
60316	03/26/2018	Printed		2NDNAT	2NDNATURE SOFTWARE INC	Storm Water 12 Month	6,600.00
60317	03/26/2018	Printed		KCTVHARD	ALCANTAR HARDWARE INC	Pool Rails	525.46
60318	03/26/2018	Printed		ALTEC	ALTEC INDUSTRIES, INC.	Annual Aerial Lift	1,248.38
60319	03/26/2018	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	Update Chiefs/Phillips	450.00
60320	03/26/2018	Printed		AMERIGAS	AMERIGAS PROPANE LP	Propane tank used to burn	64.64
60322	03/26/2018	Printed		HANNA	ASSOCIATED ENGINEERING-SURVEY	WWTP	26,913.34
60323	03/26/2018	Printed		AT & T	AT & T	Phone Service -	41.23
60324	03/26/2018	Printed		AT&T - C	AT&T	Phone bill -	229.15
60326	03/26/2018	Printed		CARMEL FIR	ART BLACK	118139 Nino Homes	5,375.00
60327	03/26/2018	Printed		BOWEN	HERBERT BOWEN	Reimburse for CPA Meal.	167.57
60328	03/26/2018	Printed		CAL WATER	CALIFORNIA WATER SERVICE CO.	Monthly Water Service -	6,365.16
60329	03/26/2018	Printed		CERNEY	JOHN CERNEY	KC Pocket Park -	2,000.00
60330	03/26/2018	Printed		CHALLENG	CHALLENGER TEAMWEAR	Uniform - Softball	171.70
60331	03/26/2018	Printed		CNAUTO	CLARK N. CLEVENGER	Air Blower	194.80
60332	03/26/2018	Printed		COASTAL	COASTAL TRACTOR	Case tractor replace	1,000.30
60333	03/26/2018	Printed		COASTL	COASTLINE MARKETING GROUP INC	Website Maint.	125.00
60334	03/26/2018	Printed		CONATSER	CONATSER WELDING & MACHINE,LLC	Street Sweeper	103.10
60335	03/26/2018	Printed		DAVE'S REP	DAVE'S REPAIR SERVICE	Inspect Fuel Pumps	80.00
60336	03/26/2018	Printed		DEPT ACCNT	DEPARTMENT OF JUSTICE	Coach Fingerprints	96.00
60337	03/26/2018	Printed		DMV-MAILS	DEPT OF MOTOR VEHICLES	Vehicle Code Books	100.80
60338	03/26/2018	Printed		EVEH	EMERGENCY VEHICLE SPECIALISTS	Repair Siren.	150.00
60339	03/26/2018	Printed		FED EXP	FEDEX	Purchase & sale agreement	29.80
60340	03/26/2018	Printed		FRANK'S GA	FRANK'S GARDENING SERVICE	KC Entry Sign Landscaping.	44,575.00
60341	03/26/2018	Printed		GARCIAJ	JOVANY GARCIA	Adult Basketball -	110.00
60342	03/26/2018	Printed		GREEN'S	GREEN'S ACCOUNTING	Feb 2018 Accounting	9,909.99
60343	03/26/2018	Printed		HINDERLITE	HINDERLITER, DELLAMAS & ASSOC	Contract Services -	1,520.74
60344	03/26/2018	Printed		TIRE KING	JOSE RODRIGUEZ	February car washes.	3,379.94
60345	03/26/2018	Printed		JVENT	JV VENTURES INC	New comand center vehicle	235.00
60346	03/26/2018	Printed		KRKC	KING CITY COMMUNICATIONS CORP	KRKC Broadcast	50.00
60347	03/26/2018	Printed		KC IND	KING CITY INDUSTRIAL SUPPLY	Safety lights for trucks	416.33
60348	03/26/2018	Printed		KING'S WEL	KING'S WELDING	Release of Levy.	2,230.17
60349	03/26/2018	Printed		LAWSON	LAWSON PRODUCTS INC.	First Aid Kit	135.02
60350	03/26/2018	Printed		LEAG OF CA	LEAGUE OF CALIFORNIA CITIES	Mike LeBarre Division	50.00
60351	03/26/2018	Printed		LEYVA'S TO	LEYVA'S TOWING & ROAD SERVICE	Flat Tire Repair	100.00
60352	03/26/2018	Printed		LINCOLN	LINCOLN AQUATICS	Pool Supply	476.65
60353	03/26/2018	Printed		NATURE	NATURESCAPES LANDSCAPING	K C Pocket Park -	36,657.39
60354	03/26/2018	Printed		O'REILLY A	O'REILLY AUTOMOTIVE, INC.	Air Tank Portable.	204.58
60355	03/26/2018	Printed		OFFICE DEP	OFFICE DEPOT	Supplies	476.05
60356	03/26/2018	Printed		PGESOL	PACIFIC GAS AND ELECTRIC	P G & E Reimbursement	74,775.00
60357	03/26/2018	Printed		PG&E	PACIFIC GAS AND ELECTRIC CO.	Monthly Gas & Electric.	16,722.94
60358	03/26/2018	Printed		PARMAR	HIREN PARMAR	BB Referee	88.00
60359	03/26/2018	Printed		PARTS & SE	PARTS & SERVICE CTR- NAPA, INC	Paint	605.63
60360	03/26/2018	Printed		PROYOUTH	PROYOUTH	March 2018 After School	11,458.33
60361	03/26/2018	Printed		PURCHASE P	PURCHASE POWER*PITNEY BOWES	Postage Refill	201.00
60362	03/26/2018	Printed		QUILL CORP	QUILL CORPORATION	Supplies	73.85
60363	03/26/2018	Printed		SO CO NEWS	SO CO NEWSPAPERS	CUP 2016-001A2 PC	573.75
60364	03/26/2018	Printed		SMCJUHS	SOUTH MONTEREY COUNTY JUHSD	Youth BB	72.03
60365	03/26/2018	Printed		STERI	STERICYCLE, INC	Waste Disposal	65.00
60366	03/26/2018	Printed		SPCA	THE SPCA FOR MONTEREY COUNTY	Feb 2018 Services	1,200.00

Check Register Report

March 23, 2018 (FY 2017-18)

Date: 03/26/2018

Time: 2:48 pm

Page: 2

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
WELLS FARGO BANK Checks							
60367	03/26/2018	Printed		TORO	TORO PETROLEUM CORP.	Oil for Pumps WWP	2,584.87
60368	03/26/2018	Printed		TRI	TRI-COUNTY FIRE PROTECTION INC	Contract Services	95.00
60369	03/26/2018	Printed		U.S. BANCO	U.S. BANCORP EQUIPMENT FINANCE	Copier Service -	278.42
60370	03/26/2018	Printed		U.S. BANCO	U.S. BANCORP EQUIPMENT FINANCE	Copier Contract Service.	330.32
60371	03/26/2018	Printed		U.S. BAN	U.S. BANK CORP PAYMENT SYSTEM	Various Charges -	4,703.22
60372	03/26/2018	Printed		VERIZON WI	VERIZON WIRELESS	Monthly Cell Phone	164.58
60373	03/26/2018	Printed		WM J. CLAR	WM J. CLARK TRUCKING SVC, INC.	Flood sand for bags.	348.61
60374	03/26/2018	Printed		XTEL	XTELESIS CORPORATION	Monthly Phone Service	1,014.38
60375	03/26/2018	Printed		ZUMAR	ZUMAR INDUSTRIES INC.	Safety Signs	689.64
Total Checks: 58						Checks Total (excluding void checks):	268,602.86
Total Payments: 58						Bank Total (excluding void checks):	268,602.86
Total Payments: 58						Grand Total (excluding void checks):	268,602.86

Check Register Report

March 28, 2018 (FY 2017-18)

Date: 03/28/2018

Time: 4:14 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							
60376	03/28/2018	Printed		PEAKC	BROCK LAWRIE	Cat 6 Network Cableing.	13,383.20
60377	03/28/2018	Printed		DTSC	TOXIC SUBSTANCES CONTROL	Annual EPA ID Fee	175.00
Total Checks: 2						Checks Total (excluding void checks):	13,558.20
Total Payments: 2						Bank Total (excluding void checks):	13,558.20
Total Payments: 2						Grand Total (excluding void checks):	13,558.20



Item No. 9(C)

REPORT TO THE CITY COUNCIL

DATE: APRIL 10, 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
APRIL 10, 2018
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

March 26, 2018 (FY 2017-18)SA

Date: 03/26/2018

Time: 3:13 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							
227	03/26/2018	Printed		GREEN'S	GREEN'S ACCOUNTING	SAccounting Service	595.00
228	03/26/2018	Printed		KOSMONT	KOSMONT & ASSOCIATES	Market Analysis RDA	6,185.40
Total Checks: 2						Checks Total (excluding void checks):	6,780.40
Total Payments: 2						Bank Total (excluding void checks):	6,780.40
Total Payments: 2						Grand Total (excluding void checks):	6,780.40



Item No. 9 (D)

REPORT TO THE CITY COUNCIL

DATE: APRIL 10, 2018

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF RESOLUTION CONSENTING TO THE INCLUSION OF PROPERTIES WITHIN THE TERRITORY OF THE CITY OF KING IN THE CSCDA OPEN PACE PROGRAM

RECOMMENDATION:

It is recommended the City Council adopt the attached Resolution authorizing the City's participation in California Statewide Communities Development Authority (CSCDA) Open PACE, which will enable property owners to finance permanently fixed renewable energy, energy efficiency, water efficiency, and seismic strengthening improvements as well as electric vehicle charging infrastructure.

BACKGROUND:

California cities and the California Association of Counties (CSAC) are implementing Property Assessed Clean Energy ("PACE") under the provisions of Chapter 29 of Division 7 of the Streets & Highways Code (commonly referred to as "AB 811") on behalf of its member counties and cities. AB811 authorizes a legislative body to designate an area within which authorized public officials (including a joint powers authority like CSCDA) and free and willing property owners may enter into voluntary contractual assessments to finance the installation of renewable energy, energy efficiency, water efficiency, and seismic strengthening improvements, as well as electric vehicle charging infrastructure, in each case affixed to real property (the "Improvements").

CSCDA's Commissioners pre-qualified and appointed three PACE Administrators to manage the CSCDA Open PACE program in order to offer members turn-key PACE solutions that provide residential and commercial property owners the choice among prequalified PACE financing providers, creating competition on terms, service and interest rates. The prequalified program administrators operating the following programs are AllianceNRG

Program, PACE Funding LLC, Renewable Funding LLC (administering CaliforniaFIRST), and Clean Fund Commercial PACE Capital and Spruce Finance.

CSCDA's Open PACE program offers turnkey solutions to save California jurisdictions the time and resources of developing standalone PACE programs. Jurisdictions only need to adopt the form of resolution accompanying this staff report related to the CSCDA Open PACE program to begin the process.

PACE has been a very successful financing tool in California. PACE is operating in over 250 jurisdictions throughout the state, and nearly half a billion dollars in energy efficiency, water efficiency and renewable projects have been funded.

Mee Memorial Hospital is currently working on a proposed solar energy project, which is being structured to utilize the Open PACE program. As a result, the firm being contracted by the Hospital has contacted the City and requested the City Council adopt the Resolution in order to create the ability to take advantage of this funding. In January 2016, the City Council approved participation in a similar program, called the HERO program.

DISCUSSION:

CSCDA Open PACE is being offered to allow property owners in participating cities and counties to finance renewable energy, energy water efficiency improvements, seismic improvements and electric vehicle charging infrastructure on their property. Participation in the assessment is 100% voluntary by the property owner. The improvements installed on the owner's property are financed by the issuance of bonds by CSCDA. The bonds are secured by a voluntary contractual assessment levied on the owner's property. Property owners who wish to participate in PACE agree to repay the money through the voluntary contractual assessment collected with property taxes. The voluntary contractual assessments will be levied by CSCDA and collected in annual installments through the applicable county secured property tax bill.

The benefits to the property owner include:

- Competition: CSCDA Open PACE provides three options to property owners: AllianceNRG Program, PACE Funding, CaliforniaFIRST, Clean Fund Commercial PACE Capital and Spruce Finance. Property owners can shop for the best price and service through the availability of the PACE administrators.

- Eligibility: In today's economic environment, alternatives for property owners to finance renewable improvements may not be available. Many property owners do not have financing options available to them to lower their utility bills.
- Savings: Energy prices continue to rise and installing energy efficient, water efficient and renewable energy models lower utility bills.
- 100% voluntary: Only property owners who choose to finance improvements will have assessments placed on their property.
- Payment obligation can stay with the property: Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Most private loans are due on sale of the property. Certain mortgage providers will, however, require the assessment be paid at the time the property is refinanced or sold.
- Prepayment option: The property owner can choose to pay off the assessments at any time, subject to applicable prepayment penalties.
- Customer oriented: Part of the success of the CSCDA Open PACE is prompt customer service.
- Favorable Terms: The economic terms of PACE financing will often be more favorable than other options.
- Not a personal loan or mortgage: The PACE assessment in effect is not a personal obligation of the property owner through a conventional loan or mortgage but an assessment on the property secured by an assessment lien and collected as part of the regular tax roll on the property.

The benefits to the City include:

- Prequalified PACE Administrators: CSCDA has pre-qualified the PACE Administrators based on their business practices, qualifications, experience, and capital commitment to the PACE market.
- Single Resolution: The City can pass a single resolution and provide access to residential and commercial property owners to highly qualified PACE administrators. There is no need to pass multiple resolutions to approve the administrators.
- Project Eligibility: The CSCDA Open PACE platform can provide financing for all aspects of PACE including: 1) Residential, 2) Commercial, and 3) Seismic strengthening programs such as Mandatory Soft Story programs.

- Increase local jobs: Property improvements provide jobs in the local economy.
- Increase in housing prices: Updated and higher efficient homes are generally more valuable.
- Increase Revenue to the City: Property improvements result in an increase in sales, payroll and property tax revenue to the City.
- No City Obligation: As in conventional assessment financing, the City is not obligated to repay the bonds or to pay the assessments levied on the participating properties. Unlike conventional assessment financing, the City has no administrative duties and its name is not on the bonds, as CSCDA's name is on the bonds.
- No City staff support required: All CSCDA Open PACE and assessment administration, bond issuance and bond administration functions are handled by CSCDA and the Administrators; AllianceNRG Program, PACE Funding and Renewable Funding. No City staff time is needed to participate in CSCDA Open PACE.
- No internal management requirements: The City can provide access for its residents to CSCDA Open PACE without the higher staff costs that an independent program established by the City would require.
- Availability of Information on Projects Financed: The City may receive, at its option, periodic updates on CSCDA Open PACE projects that have been completed in their community.
- Not a personal loan or mortgage: The PACE assessment in effect is not a personal obligation of the property owner through a conventional loan or mortgage but an assessment on the property secured by an assessment lien and collected as part of the regular tax roll on the property.

The proposed resolution enables CSCDA Open PACE programs to be available to owners of residential and commercial property within King City to finance permanently fixed renewable energy, energy efficiency, water efficiency, and seismic strengthening improvements as well as electric vehicle charging infrastructure. The resolution also approves becoming a member of CSCDA by approving the Joint Powers Agreement which adds the City as a Member of CSCDA, which can make the City eligible for infrastructure financing programs.

CSCDA (and not the City) will be responsible for entering into voluntary contractual assessment agreements with participating property owners, levying the voluntary contractual assessments, issuing bonds to finance the

Improvements and taking remedial actions in the event of delinquent assessment payments. The resolution expressly provides that the City will not be responsible for the conduct of any assessment proceedings, the levy of assessments, any required remedial action in the case of delinquencies in assessment payments, or the issuance, sale or administration of any bonds issued in connection with CSCDA Open PACE.

COST ANALYSIS:

There is no negative fiscal impact to the City by consenting to the inclusion of properties within the City limits in CSCDA Open PACE. All CSCDA Open PACE administrative costs are covered through an initial administrative fee included in the property owner's voluntary contractual assessment and an annual administrative fee, which is also collected on the property owner's tax bill.

ENVIRONMENTAL REVIEW:

Participation in the program is not considered a project for the purposes of CEQA and has no potential for resulting in either a direct or indirect impact to the environment. Any projects participating in the program would have an environmental benefit.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve staff's recommendations;
2. Do not approve staff's recommendations and do not participate in the Open PACE program;
3. Continue the item and request additional information; or
4. Provide other direction to staff.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. _____

RESOLUTION OF THE COUNCIL OF THE CITY OF KING CONSENTING TO THE INCLUSION OF PROPERTIES WITHIN THE TERRITORY OF THE CITY IN THE CSCDA OPEN PACE PROGRAMS; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a joint exercise of powers authority, the members of which include numerous cities and counties in the State of California, including the City of King (the "City"); and

WHEREAS, the Authority is implementing Property Assessed Clean Energy (PACE) programs, which it has designated CSCDA Open PACE, consisting of CSCDA Open PACE programs each administered by a separate program administrator (collectively with any successors, assigns, replacements or additions, the "Programs"), to allow the financing or refinancing of renewable energy, energy efficiency, water efficiency and seismic strengthening improvements, electric vehicle charging infrastructure and such other improvements, infrastructure or other work as may be authorized by law from time to time (collectively, the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") within counties and cities throughout the State of California that consent to the inclusion of properties within their respective territories in the Programs and the issuance of bonds from time to time; and

WHEREAS, the program administrators currently active in administering Programs are the AllianceNRG Program (CounterPointe Energy Solutions (CA) LLC), PACE Funding Group LLC, CaliforniaFirst (Renew Financial Group LLC), CleanFund Commercial PACE Capital and Spruce Pace LLC and the Authority will notify the City in advance of any additions or changes; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner or owners of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the City desires to allow the owners of property ("Participating Property Owners") within its territory to participate in the Programs and to allow the Authority to conduct assessment proceedings under Chapter 29 within its territory and to issue bonds to finance or refinance Improvements; and

WHEREAS, the territory within which assessments may be levied for the Programs shall include all of the territory within the City's official boundaries; and

WHEREAS, the Authority will conduct all assessment proceedings under Chapter 29 for the Programs and issue any bonds issued in connection with the Programs; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Programs;

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

Section 1. This City Council hereby finds and declares that properties in the territory of the City will benefit from the availability of the Programs within the territory of the City and, pursuant thereto, the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 and the issuance of bonds to finance or refinance Improvements.

Section 2. In connection with the Programs, the City hereby consents to the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 on any property within the territory of the City and the issuance of bonds to finance or refinance Improvements; provided, that

(1) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(2) The City will not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Programs.

Section 3. The appropriate officials and staff of the City are hereby authorized and directed to make applications for the Programs available to all property owners who wish to finance or refinance Improvements; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the City Manager of the City from time to time, are hereby designated as the contact persons for the Authority in connection with the Programs: City Manager.

Section 4. The appropriate officials and staff of the City are hereby authorized and directed to execute and deliver such certificates, requisitions, agreements and related documents as are reasonably required by the Authority to implement the Programs.

Section 5. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).

Section 6. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority at: Secretary of the Board, California Statewide Communities Development Authority, 1400 K Street, Sacramento, CA 95814.

This resolution was passed and adopted this 10th day of **April, 2018** by the following vote:

AYES, Council Members:

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:

Mike LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney



Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: APRIL 10, 2018

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
SUCCESSOR AGENCY TO THE FORMER COMMUNITY
DEVELOPMENT AGENCY OF THE CITY OF KING**

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF HOTEL/RETAIL MARKET ANALYSIS AND
EXCLUSIVE AUTHORIZATION TO SELL AGREEMENT FOR
PROPERTY AT 1023 BROADWAY STREET**

RECOMMENDATION:

It is recommended that the City Council/Successor Agency to the Community Development Agency of the City of King: 1) receive a report from the City's Economic Development consultant, Kosmont Companies, on a Hotel/Retail Market Analysis prepared on the Successor Agency owned property at 1023 Broadway Street; 2) approve an Exclusive Authorization to Sell Agreement with Kosmont Realty Corporation to represent the Successor Agency in listing the property at 1023 Broadway Street for sale; and 3) authorize the City Manager to execute the Agreement and make any non-substantive changes as necessary as approved as to form by the City Attorney.

BACKGROUND:

There were originally six properties owned by the City's former redevelopment agency, which was eliminated by the State of California. The State legislation that eliminated all redevelopment areas requires that redevelopment properties be sold. The methodology for sale of the properties is required to be established in a Long Range Property Management Plan (LRPMP), which has been previously prepared the City and approved by the State Department of Finance.

The last remaining property to be sold is 1023 Broadway Street, which is a 4.43 acre parcel adjacent to the northbound Broadway Street exit of Highway 101. To make it more marketable, the City Council approved recommendations made by staff to rezone the property to Highway Service. While the City Council has not

**CITY COUNCIL CLOSED SESSION
CONSIDERATION OF HOTEL/RETAIL MARKET ANALYSIS AND EXCLUSIVE
AUTHORIZATION TO SELL AGREEMENT FOR PROPERTY AT 1023
BROADWAY STREET
APRIL 10, 2018
PAGE 2 OF 3**

formally approved specific goals for the property, prior discussions have emphasized the desire for a hotel and/or regional retail development.

In order to help target staff's efforts on attracting potential development to the site that is both feasible and the most beneficial to addressing needs in the community, the City recently contracted with Kosmont Companies to prepare a hotel and retail market analysis on the property. The purpose of the analysis was to determine the economic feasibility and market demand for hotel and retail options. Kosmont Companies is a leading firm in California that assists with cities on economic development related efforts and projects.

DISCUSSION:

A copy of the results of the analysis is attached. A representative from Kosmont Companies will make a presentation on the findings at the City Council meeting. While the property's location on Highway 101 is ideal in many ways, both uses present some challenges at this time. Hotel demand is restricted by current rates and occupancy levels. Potential retailers are constrained by the City's limited size and current trends shifting retail expansion to online sales. Given limited demand in both these areas and the size of the property, one potential desirable option for the property may be a combination of hotel and commercial use.

Staff previously solicited proposals for firms to provide real estate services to the Successor Agency for the sale of this property. However, award of a contract was not recommended due to the lack of experience in hotel and/or shopping center projects by those that submitted proposals. Staff is recommending the City contract with the Kosmont Realty Corporation to list and assist with the sale of the property. They provide three important benefits. First, they can use the results of their analysis to target marketing efforts. Second, they have specialized staff providing outreach efforts to major hotel developers and retailers on behalf of cities, which they have agreed to provide as part of the commission for this property sale. This includes personalized marketing efforts at venues such as International Council of Shopping Center (ICSC) events, which local commercial realtors are unlikely to participate in. Third, they have statewide network, which is important since local efforts have not been successful.

COST ANALYSIS:

The estimated listing price identified in the LRPMP is \$1,500,000. The ultimate sale price will be determined by offers received. Accepting a lower price to accommodate development that will generate ongoing revenues may be desirable to the City in the long run. Since the property is owned by the

**CITY COUNCIL CLOSED SESSION
CONSIDERATION OF HOTEL/RETAIL MARKET ANALYSIS AND EXCLUSIVE
AUTHORIZATION TO SELL AGREEMENT FOR PROPERTY AT 1023
BROADWAY STREET
APRIL 10, 2018
PAGE 3 OF 3**

Successor Agency, proceeds are divided among the taxing agencies. Therefore, the City only receives a limited portion. The amount of one-time revenue to the City from the sale is projected to be somewhere between \$100,000 and \$250,000.

ENVIRONMENTAL REVIEW:

The sale of this property is not considered a "project" for the purposes of the California Environmental Quality Act (CEQA). Therefore, 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:

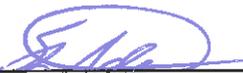
The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Modify and approve the Authorization to Sell Agreement;
3. Do not approve the Agreement and direct staff to solicit new proposals
4. Direct staff to delay listing of the property; or
5. Provide staff other direction.

Exhibits:

1. Hotel/Retail Market Analysis
2. Exclusive Authorization to Sell Agreement

Submitted and Approved by:



Steven Adams, City Manager



City of King City Hotel/Retail Market Analysis

March 2018

Prepared By:

Kosmont Companies

Project Background & Status

- Kosmont was retained by the City of King City for the preparation of a high-level market analysis associated with a proposed hotel and/or retail use at 1023 Broadway Street (“Site”), a vacant parcel owned by the City’s former Redevelopment Agency
- In order to promote the City’s economic development goals and objectives, prior to the possible sale/disposition of the Site, Kosmont has prepared an evaluation of the Site and local area, an Economic and Demographic Profile, and a preliminary hotel and retail market analysis to assist the City in evaluating the Site’s general feasibility for a possible hotel and/or retail development
- An outline of our report is presented herein

1. Analysis

- a) **Site & Local Area Evaluation**
- b) **Economic & Demographic Profile**
 - i. *Population & Household Demographics*
 - ii. *Unemployment & Employment by Industry*
- c) **Market Demand Analysis**
 - i. *Supply, Vacancy, & Lease Rates (Hotel)*
 - ii. *Supply, Vacancy, & Lease Rates (Retail)*
 - iii. *Retail Sales Performance*
 - iv. *Retail Sales Surplus / Leakage*
- d) **Summary**

1. Analysis

Site & Local Area Evaluation

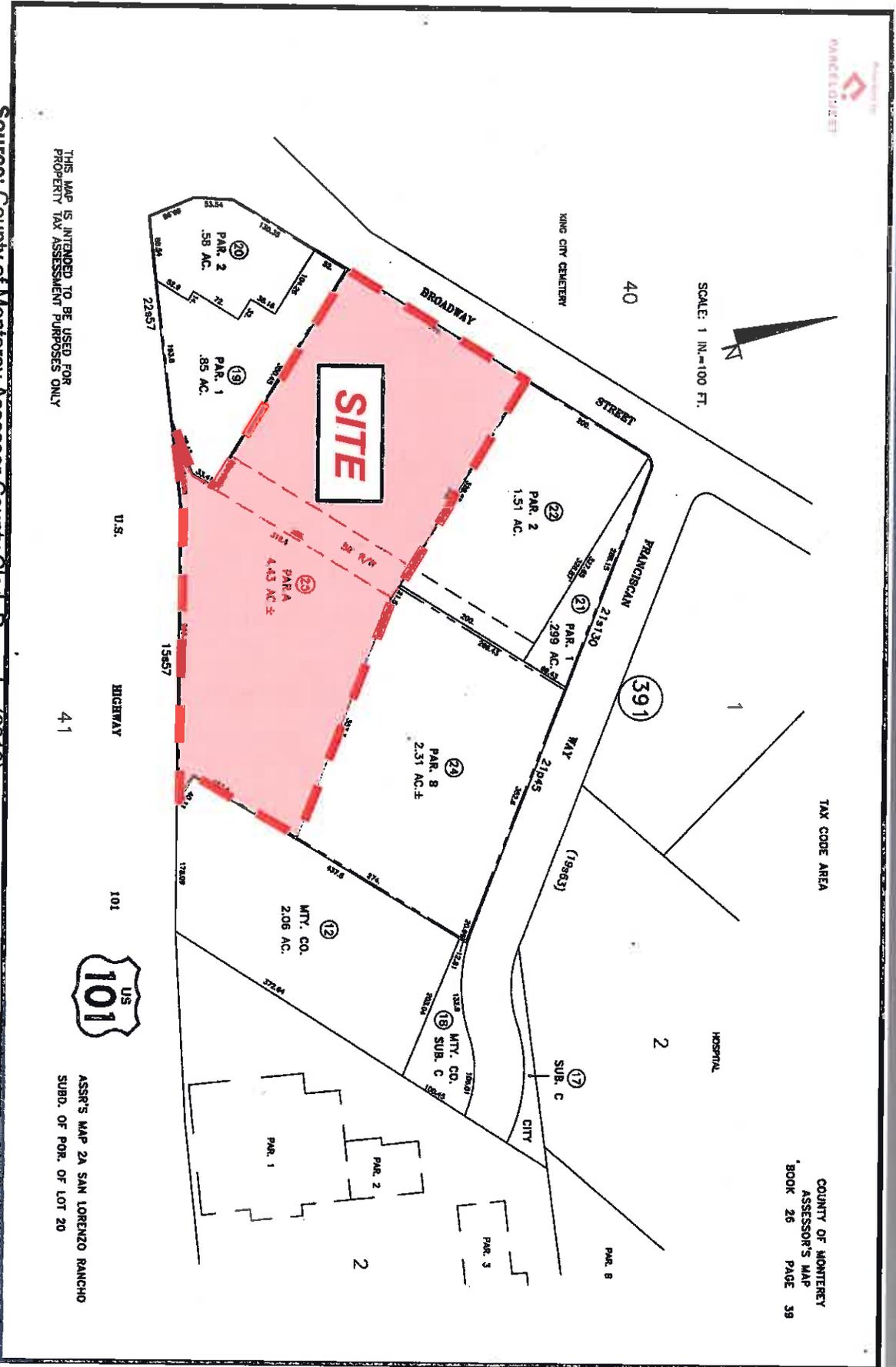
Aerial Map



Source: Google Maps (2018)



Parcel Map



THIS MAP IS INTENDED TO BE USED FOR PROPERTY TAX ASSESSMENT PURPOSES ONLY.

Source: County of Monterey Assessor-County Clerk-Recorder (2018)

Opportunity Site Area 1023 Broadway St.

Address/Location	Size (acres)	Ownership	Zoning
1023 Broadway St.	4.43	Successor Agency of the Former King City Redevelopment Agency	H-S (Highway Service District) / P-D (Planned Development District)



Strengths

- Located along US-101 at Broadway St. off-ramp
- Provides opportunity for building and signage with highway visibility
- US-101 Corridor is a major route of travel

Challenges

- Uncertain market demand for transient site

Opportunities

- Potential retail/hotel development
- City ownership

1. Analysis

Economic & Demographic Profile

Population & Household Demographics

Demographic Highlights

Population & Households (“HH”)

- Population of ~13,300 and ~3,100 households within the City in 2017
- Population of ~65,300 and ~13,400 households within 25 miles from Site

Income

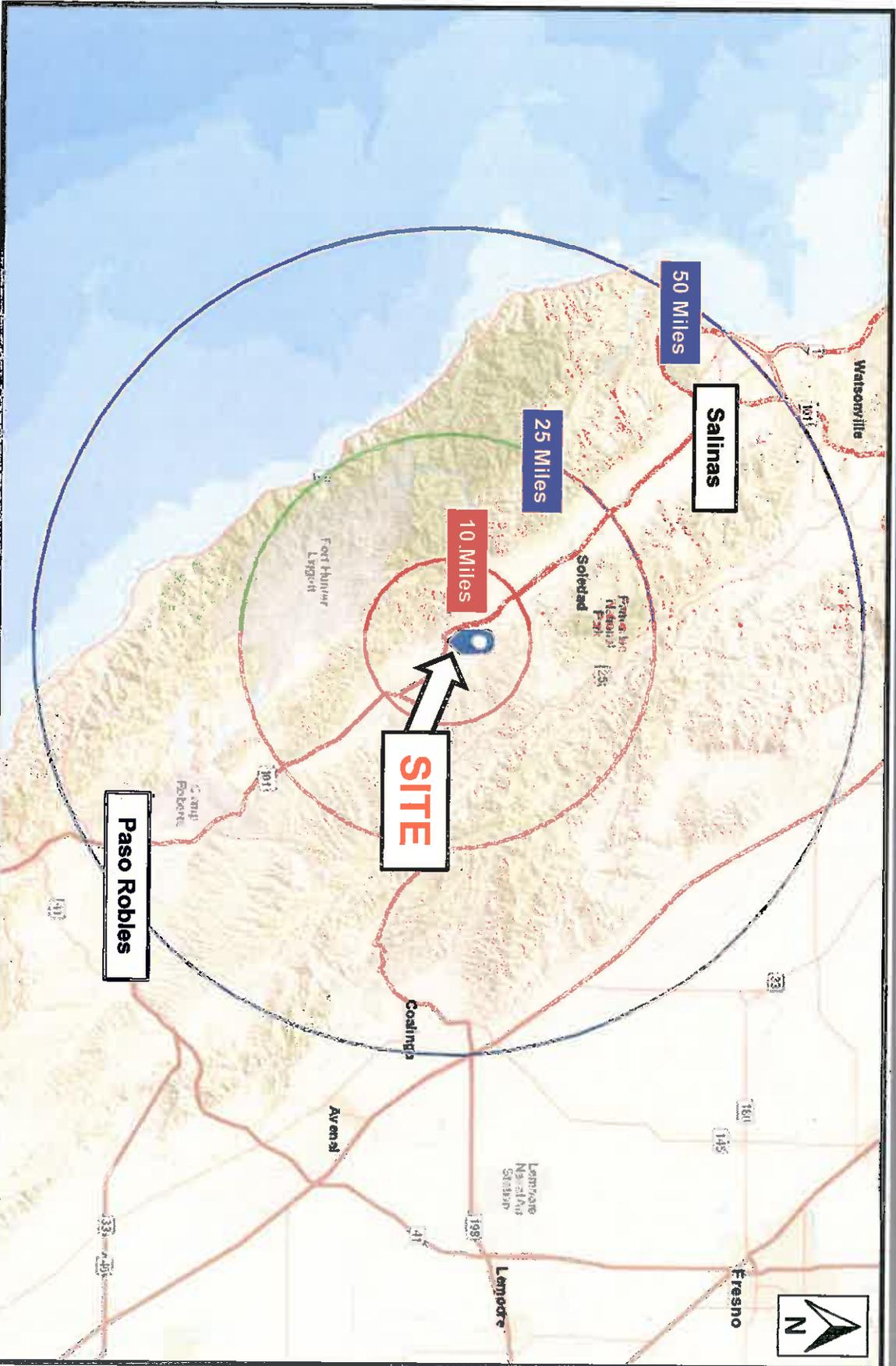
- Avg. HH income ~\$60,543 in City and ~\$70,609 within 25 miles from Site
- 1.42% annual growth projected for HH income over next 5 years in City

Other Demographic Characteristics

- Average household size of 4.3 in City (higher than County and State average)
- Median age of 28 in City (younger than County and State median)
- ~5% Bachelor’s Degree or higher (lower than County and State)
- Race: ~47% White, ~43% Some Other Race, ~5% Two or More Races
- Ethnicity: ~90% Hispanic in City

Source: U.S. Census Bureau (2010); ESRI (2018)

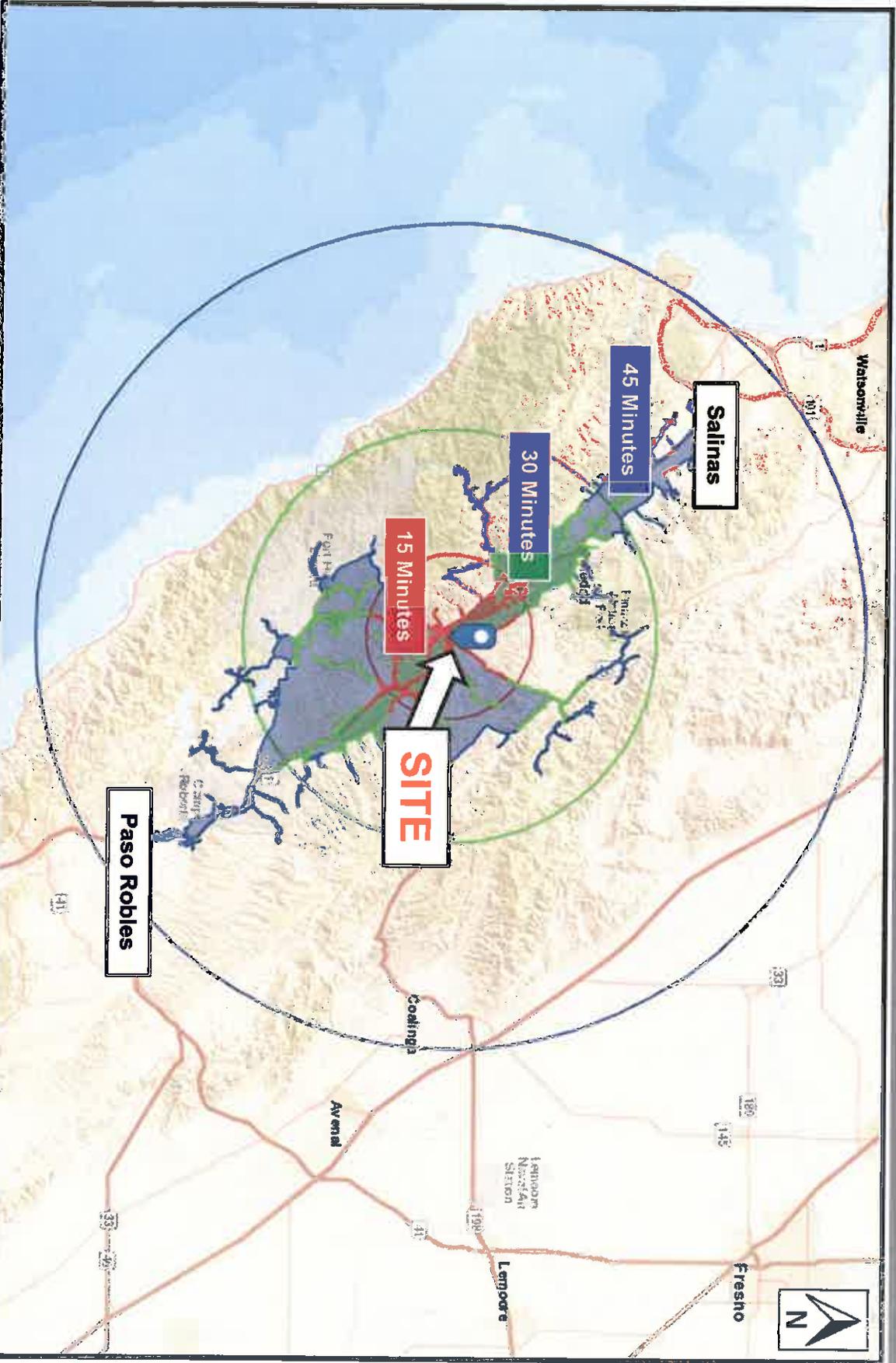
King City Radii



Source: ESRI (2018); Radii from 1023 Broadway St.



Drive Times



Source: ESRI (2018), Drive Times from 1023 Broadway St.

Population and Income

City, County and State

<u>2017</u>	City of King City	County of Monterey	State of California
Population	13,261	431,696	39,611,295
Households	3,063	130,772	13,264,119
Average HH Size	4.32	3.17	2.92
Median Age	27.6	33.9	36.0
% Hispanic Origin	89.5%	59.0%	39.5%
Per Capita Income	\$14,240	\$27,539	\$32,632
Median HH Income	\$43,931	\$62,098	\$65,223
Average HH Income	\$60,543	\$88,655	\$95,805
<u>2017-2022 Annual Growth Rate</u>			
Population	0.45%	0.54%	0.84%
Median HH Income	1.42%	2.28%	2.80%

Source: ESRI, California Department of Finance (2018)

Population and Income Radii from 1023 Broadway St.

	Radii		
	10 Miles	25 Miles	50 Miles
2017			
Population	22,998	65,330	479,502
Households	5,533	13,353	142,821
Average HH Size	4.14	4.16	3.21
Median Age	28.4	31.5	33.7
% Hispanic Origin	86.3%	80.4%	59.4%
Per Capita Income	\$16,245	\$15,561	\$26,017
Median HH Income	\$50,569	\$53,302	\$60,604
Average HH Income	\$66,803	\$70,609	\$85,578
2017-2022 Annual Growth Rate			
Population	0.52%	0.54%	0.64%
Median HH Income	1.36%	1.70%	2.23%

Source: ESRI (2018)

Population and Income

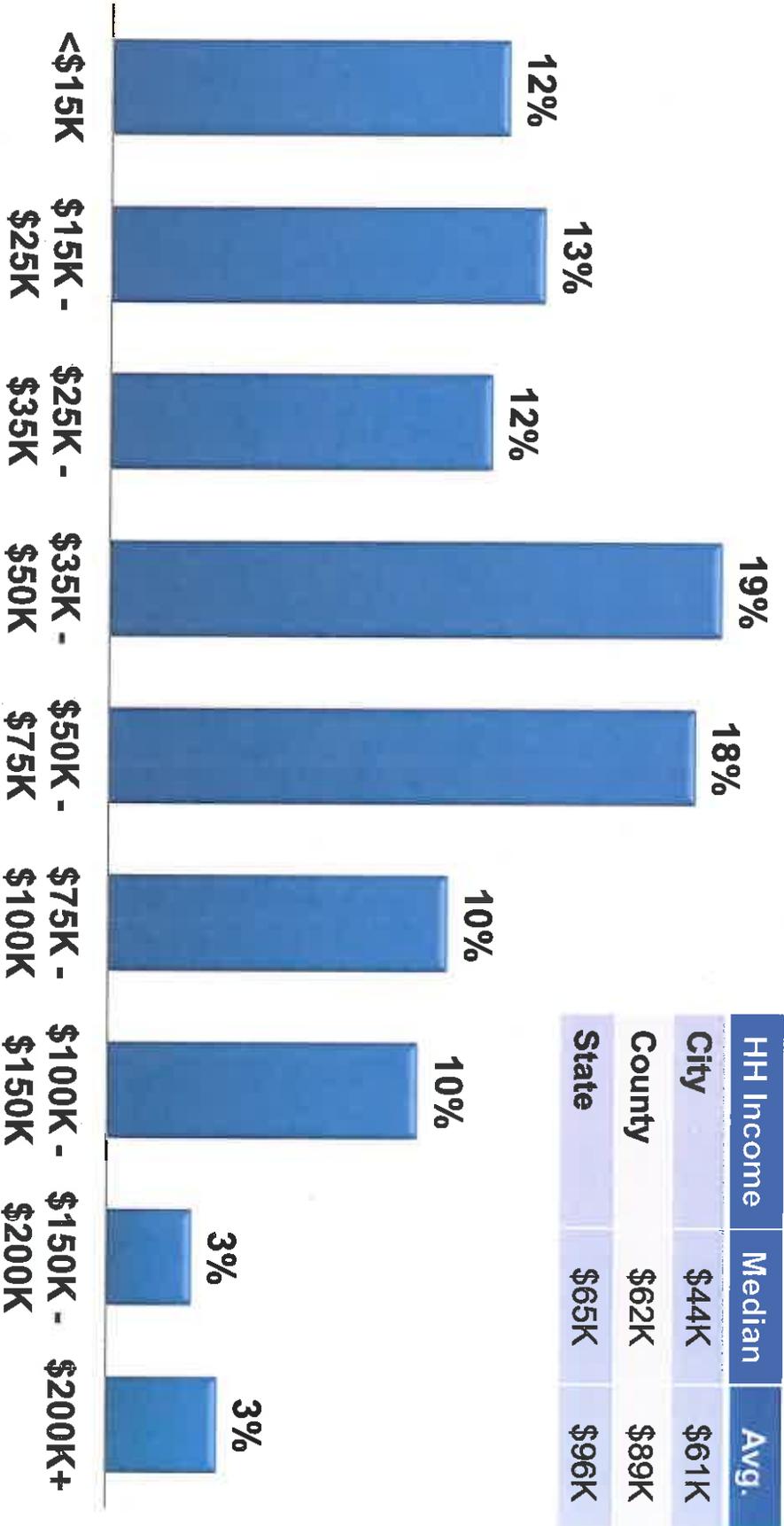
Drive Times from 1023 Broadway St.

	Drive Times		
	15 Minutes	30 Minutes	45 Minutes
2017			
Population	27,672	58,092	82,224
Households	6,262	11,736	17,117
Average HH Size	4.41	4.37	4.23
Median Age	27.6	30.2	30.7
% Hispanic Origin	89.1%	84.7%	82.2%
Per Capita Income	\$14,641	\$14,562	\$15,241
Median HH Income	\$49,017	\$51,406	\$51,549
Average HH Income	\$63,515	\$67,680	\$68,363
2017-2022 Annual Growth Rate			
Population	0.54%	0.55%	0.55%
Median HH Income	1.34%	1.51%	1.50%

Source: ESRI (2018)

Income Profile

City of King City – 2017 Households by Income Bracket



HH Income	Median	Avg.
City	\$44K	\$61K
County	\$62K	\$89K
State	\$65K	\$96K

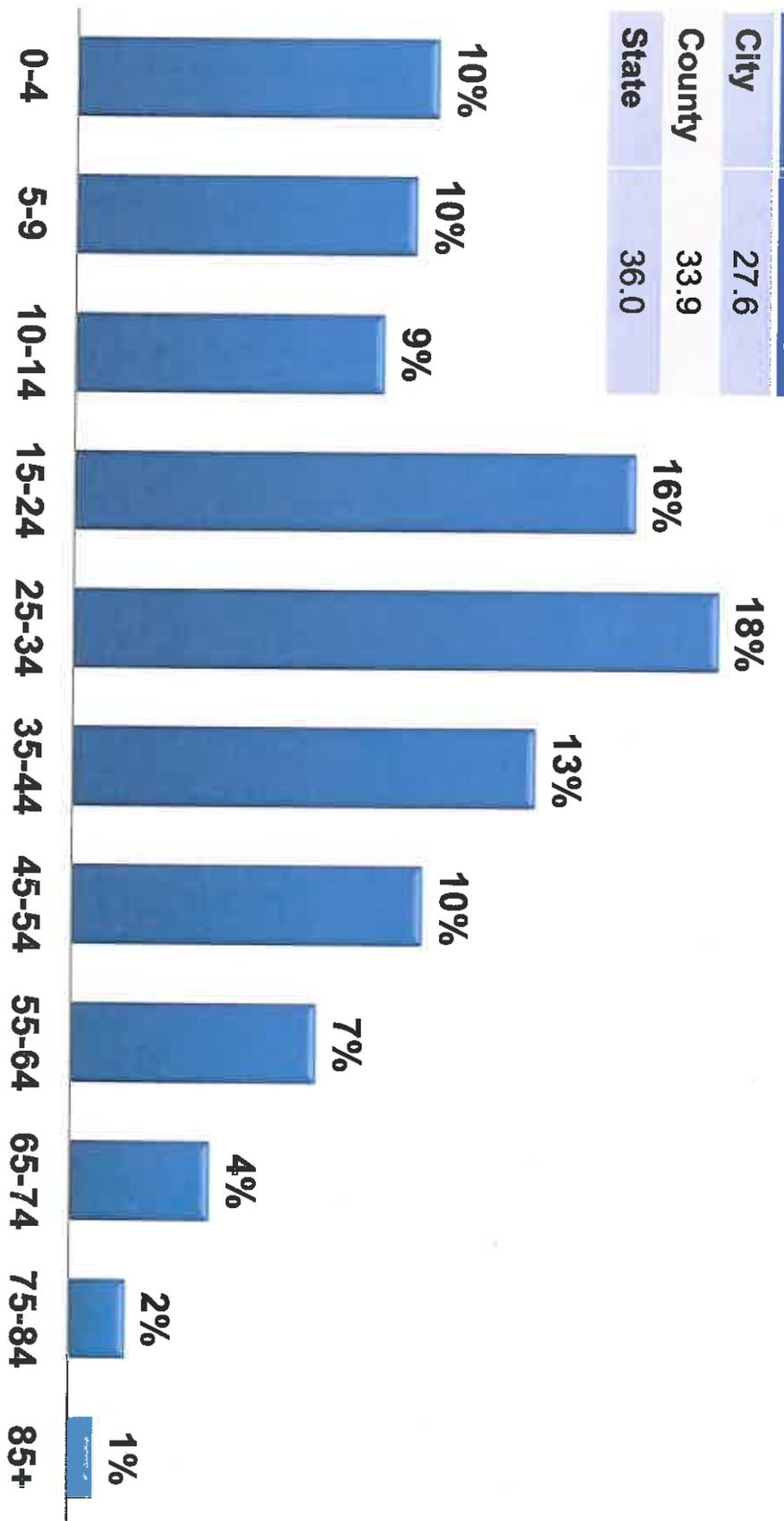
Source: U.S. Census Bureau (2010); ESRI (2018)



Age Profile

City Population by Age Bracket in 2017

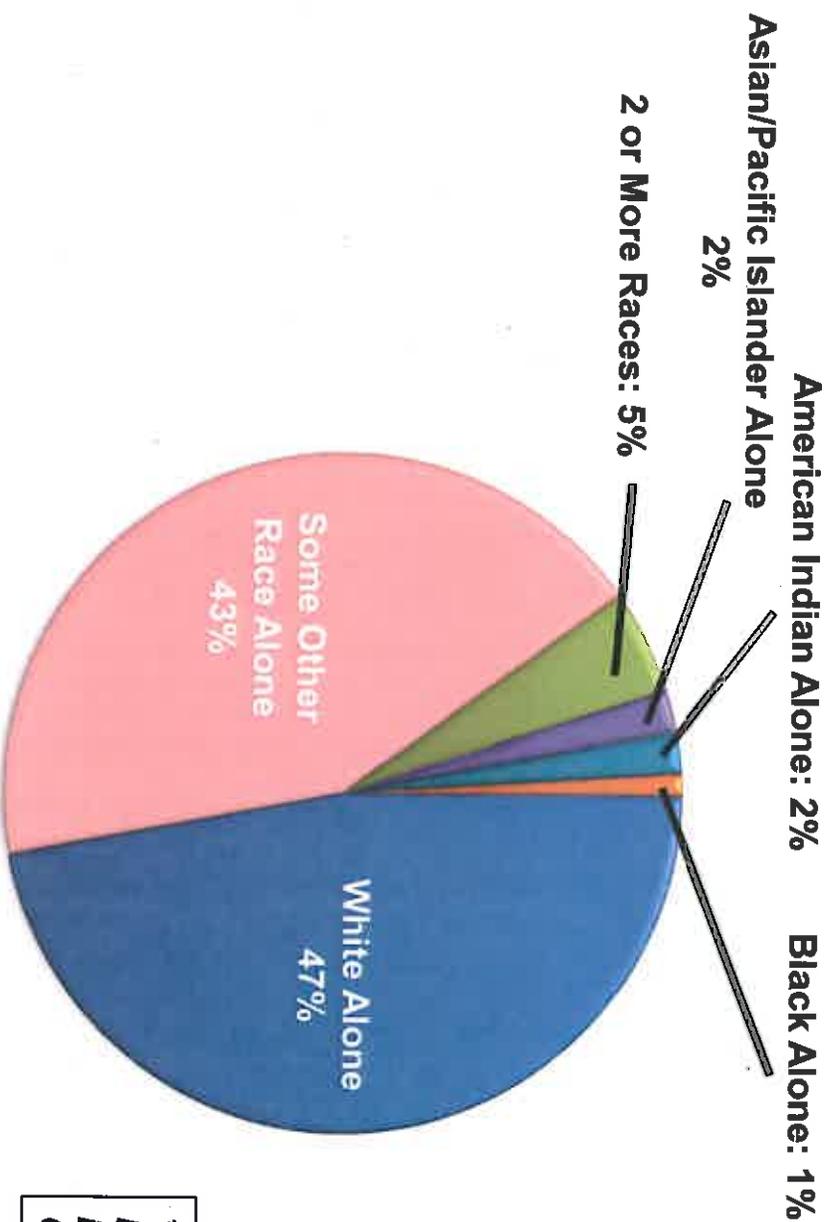
Median Age	
City	27.6
County	33.9
State	36.0



Source: U.S. Census Bureau (2010); ESRI (2018)

Race & Ethnicity

City Population by Race & Ethnicity in 2017



***Most respondents of Hispanic Origin additionally indicate "White" or "Some Other Race"**

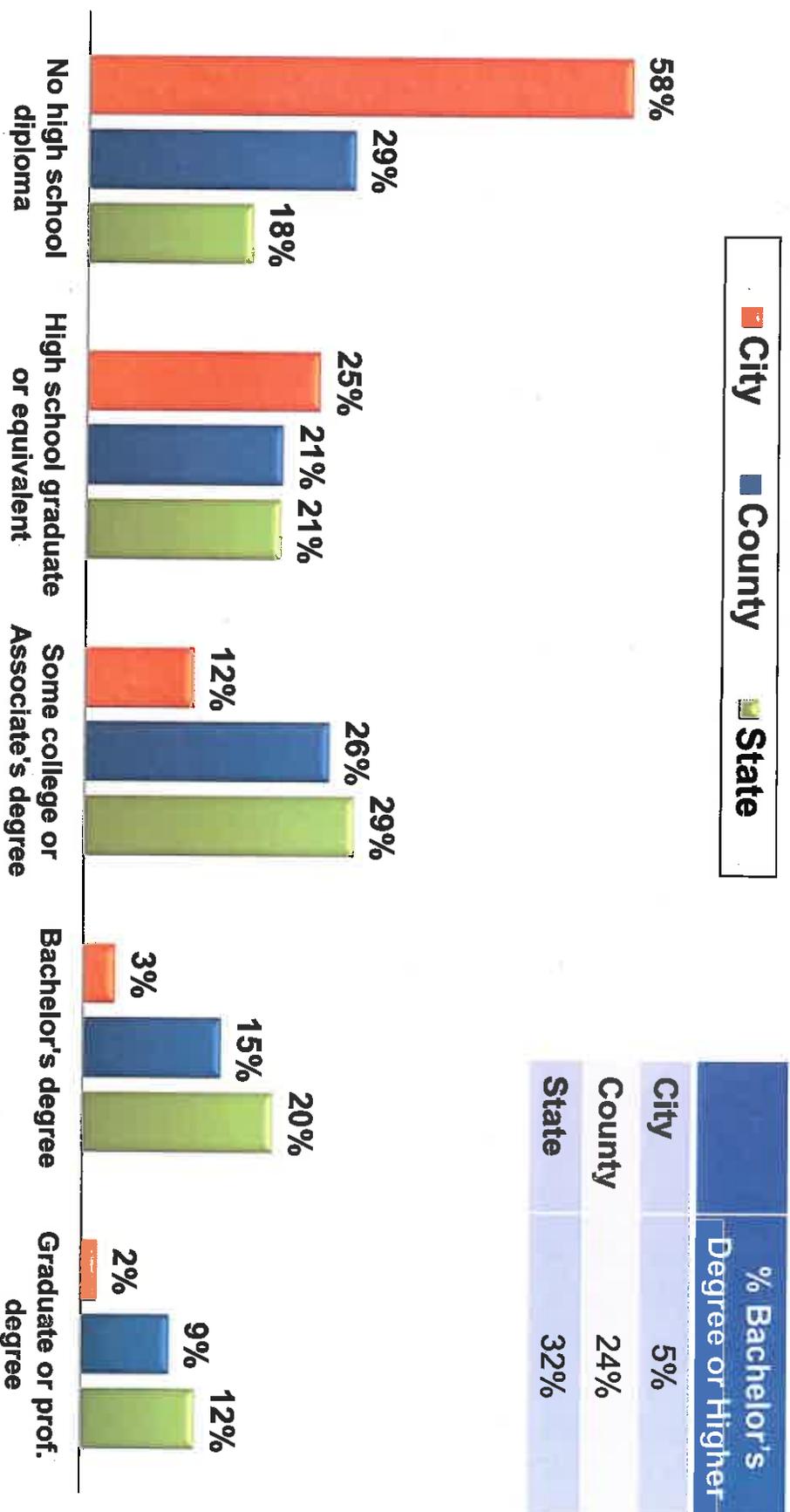
Hispanic Origin of Any Race: 90%

Note: U.S. Census Bureau defines race and ethnicity as two separate and distinct identities. One Census question asks respondents which socio-political race (of categories in pie chart above) they associate most closely with, and a separate question asks whether they associate with "Hispanic, Latino, or Spanish origin" or not (defined as ethnicity).

Source: U.S. Census Bureau (2010); ESRI (2018)

Educational Attainment

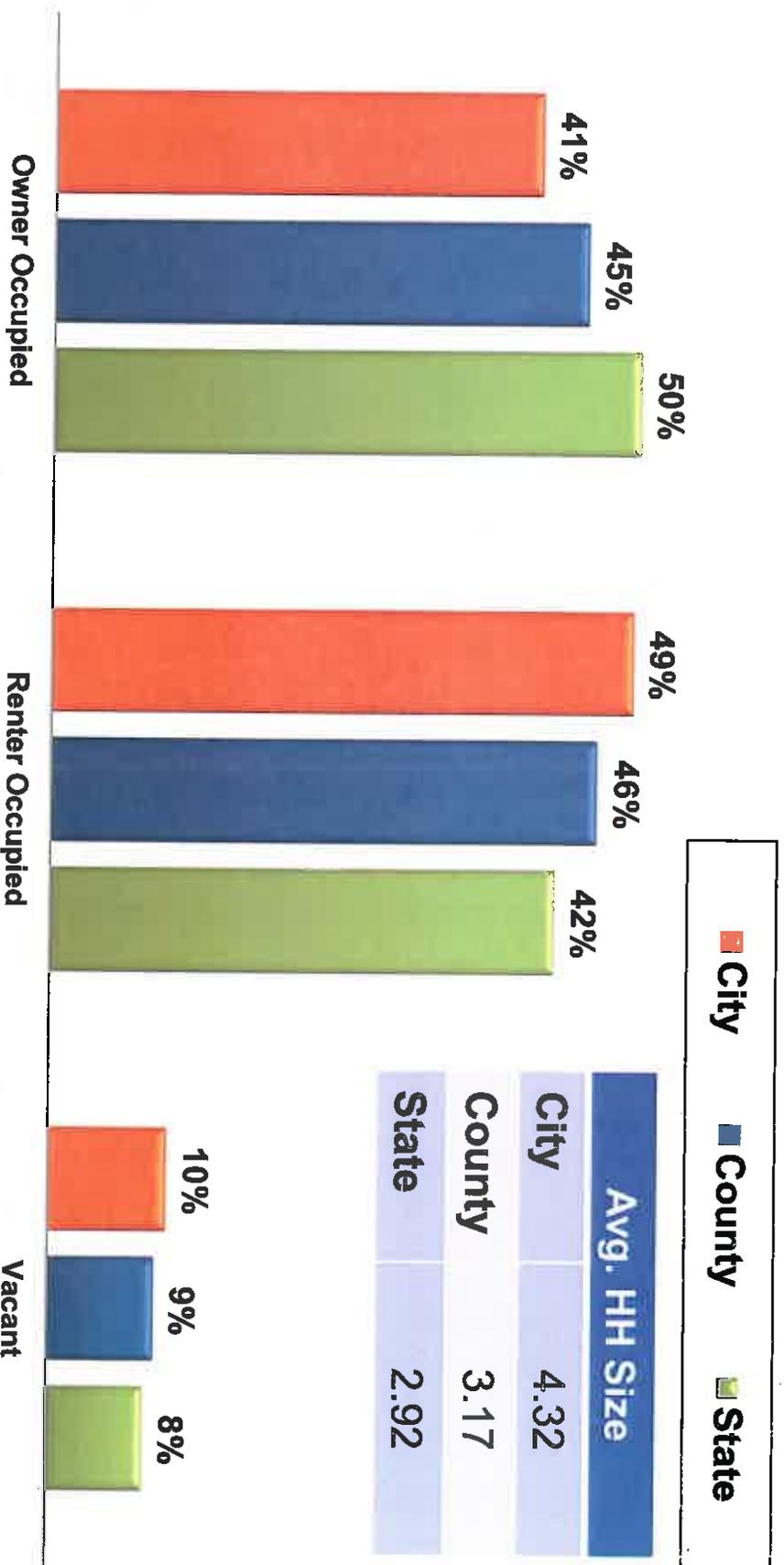
Population Aged 25+ by Educational Attainment in 2017



Source: U.S. Census Bureau (2010); ESRI (2018)

Housing & Household Size

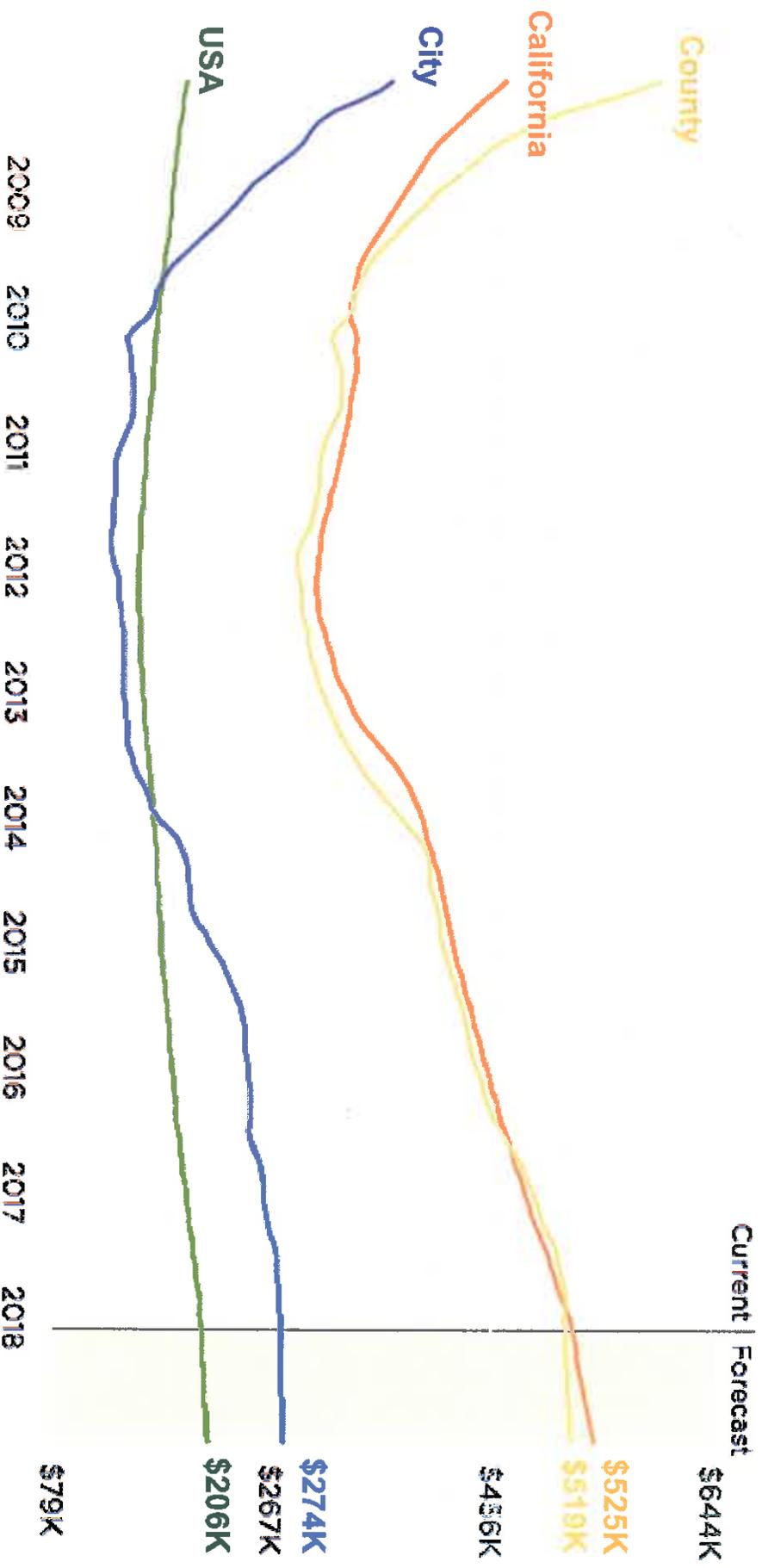
Housing Breakdown (2017)



Source: U.S. Census Bureau (2010); ESRI (2018)

Home Value History

Zillow Home Value Index



Source: Zillow.com (Jan. 2018)

Population Segmentation Profile

"Tapestry" in City	Percent	Sample Characteristics
1. Valley Growers	100%	<ul style="list-style-type: none"> • Young, majority Hispanic families with children, and, frequently, multiple generations living in the same house • Market is all about spending time with family, taking care of family and home, and following Hispanic traditions • Only 44% have a high-school diploma and half of high school graduates went on to some college • Primarily skilled work force in agriculture, unemployment is higher than average at 14% • Household income is lower than the U.S. average and is supplemented by self-employment, home-grown products, and public assistance • Majority renter-occupied, single-family homes located in semi-rural areas where agriculture dominates • Cost-conscious consumers, willing to shop around to obtain the best price - #1 goal in shopping is to save as much money as possible • Favor shopping at Costco, Marshalls, Kmart, Sears, Walmart, and Target; Key expenditures include groceries and children's products • They use TV more than any other media to stay informed, preferably Spanish language channels; Minimal online usage, but prefer Spanish language websites

Source: ESRI (2018)

Summary: Population and Household Demographics

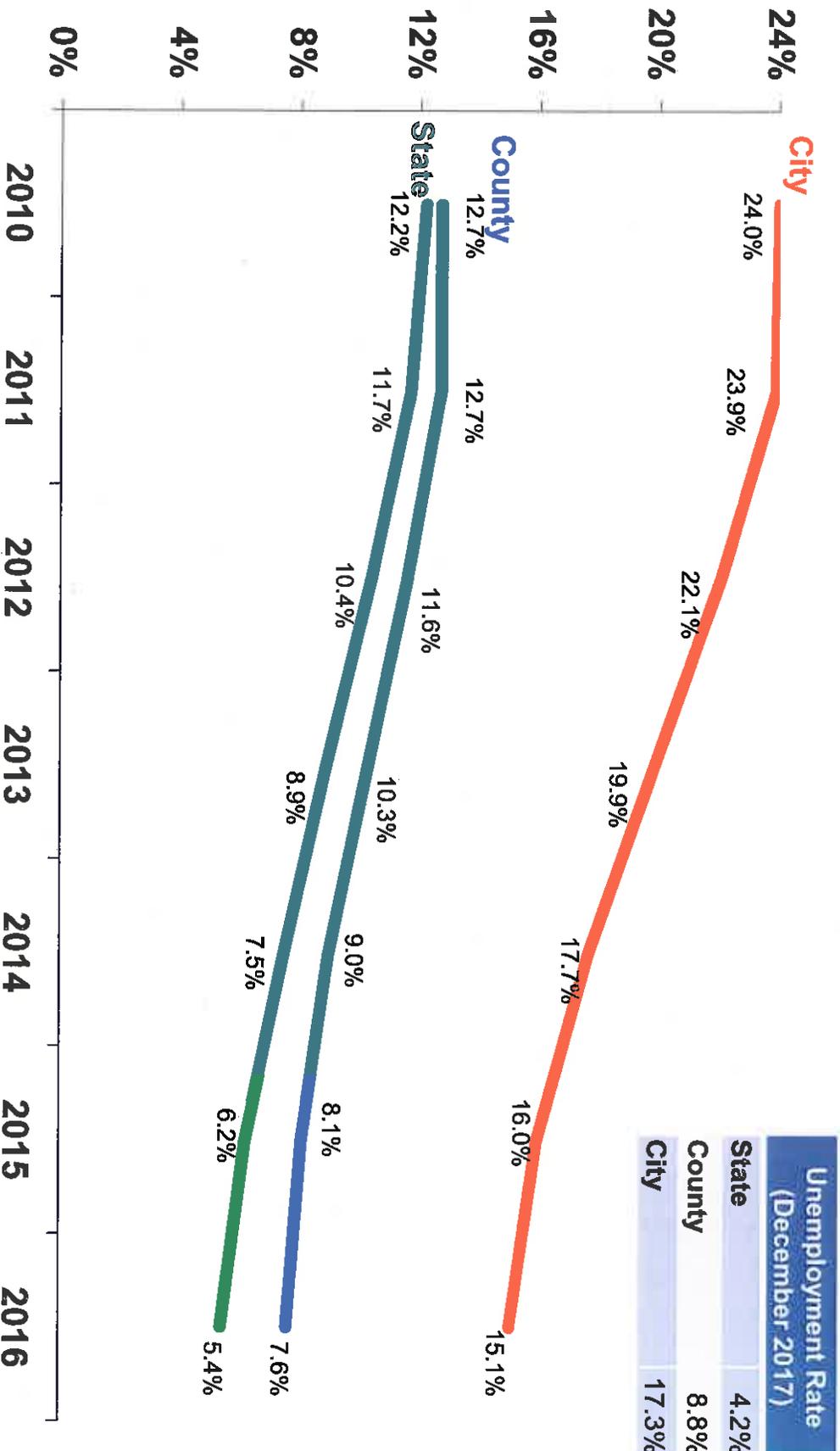
- Young population - median age of 28 in City (younger than County and State median ages)
- Majority of King City's population is of Hispanic origin (90%); Households are multigenerational, predominantly renter-occupied, single family homes
- Average household size of 4.3 much larger than both Monterey County and State averages; Average household income for the City is lower than the County and State averages
- Educational attainment in King City is also lower than that of the County and State, with a majority of residents not completing a high school education

1. Analysis

Economic & Demographic Profile

Unemployment & Employment by Industry

Unemployment



Unemployment Rate (December 2017)	
State	4.2%
County	8.8%
City	17.3%

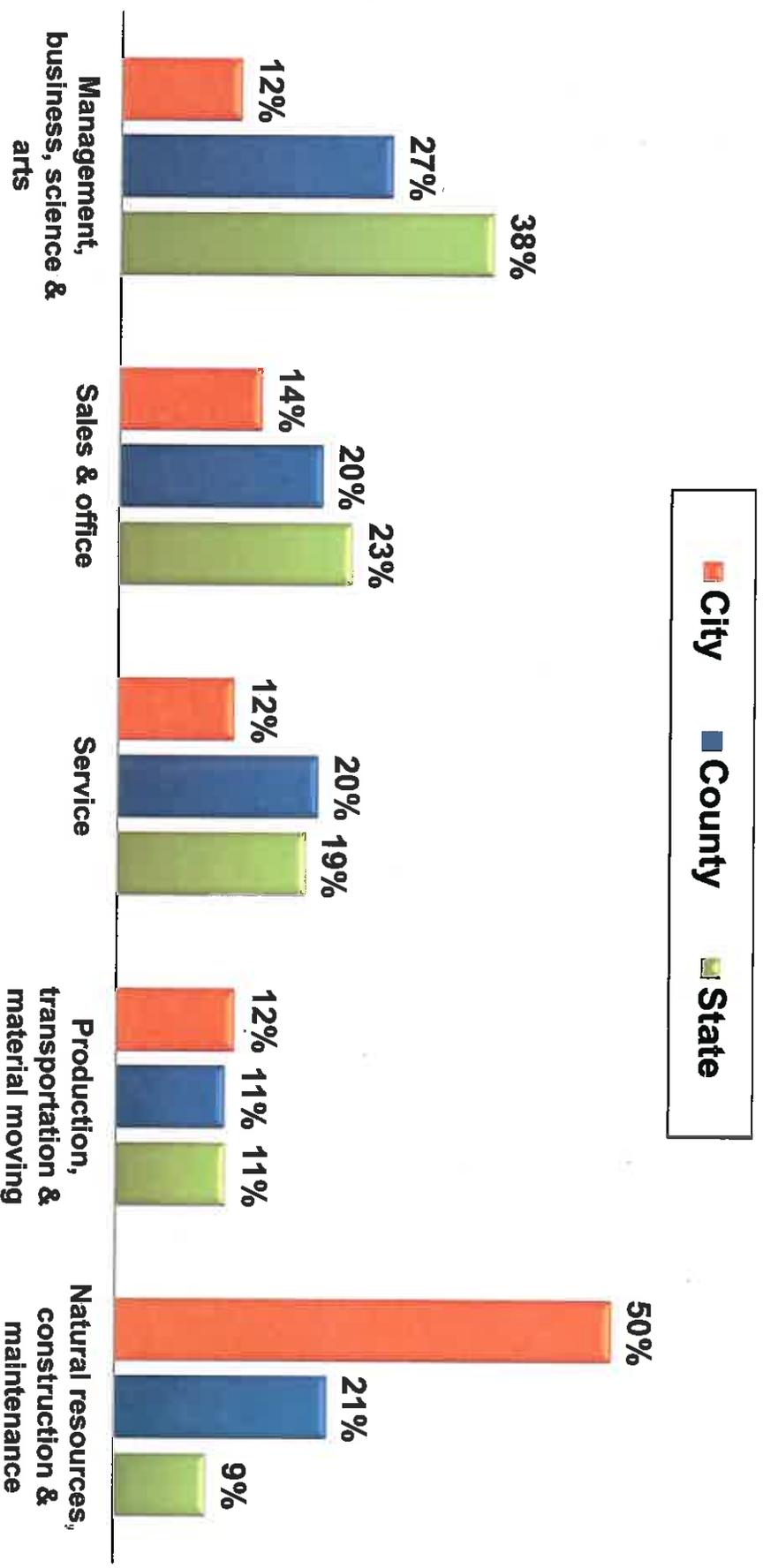
Note: Not seasonally adjusted; annual averages for 2010-2016

Source: California Employment Development Department (2018)



Resident Employment by Occupation

Civilian Employed Population Age 16+ by Occupation



Source: U.S. Census Bureau (2010); ESRI (2018)

Select Major Employers within the City

Major Employers	No. of Employees
Gills Onions/Rio Farms	50 - 1,000
Rava Ranches, Fresh Farms, Mesa Business Park, & So. Co. Packing	525
Mee Memorial Hospital	500
San Bernabe Vineyard	500
King City Elementary School District	300
L.A. Hearne Co.	100
Casey Printing	45
City of King City	45
South County Joint Union School District	41
Calpine Corp.	20

Note: Top 10 listed by number of employees (high to low); Seasonality is a major factor in this agricultural market and has an impact on the number of employees an agricultural employer may have at a given time. **Source:** King City Chamber of Commerce (2014)

Employment Projections by Industry

Monterey County

Industry	2014	2024	Annual Growth 2014-24	Total Growth 2014-24	Total Change 2014-24
Health Care and Social Assistance	16,000	20,100	2.6%	25.6%	4,100
Accommodation and Food Services	20,300	23,400	1.5%	15.3%	3,100
Professional and Business Services	12,100	14,000	1.6%	15.7%	1,900
Retail Trade	16,200	18,100	1.2%	11.7%	1,900
Government	30,600	32,400	0.6%	5.9%	1,800
Construction	4,900	6,400	3.1%	30.6%	1,500
Transportation, Warehousing, and Utilities	4,200	4,900	1.7%	16.7%	700
Wholesale Trade	5,400	6,000	1.1%	11.1%	600
Manufacturing	5,400	6,000	1.1%	11.1%	600
Other Services	4,900	5,400	1.0%	10.2%	500
Financial Activities	4,000	4,300	0.8%	7.5%	300
Educational Services (Private)	2,000	2,300	1.5%	15.0%	300
Mining and Logging	200	300	5.0%	50.0%	100
Information	1,400	1,300	(0.7%)	(7.1%)	(100)
Total Nonfarm	129,800	147,700	1.4%	13.8%	17,900
Total Farm	52,200	65,000	2.5%	24.5%	12,800
Other	13,200	15,900	2.0%	20.5%	2,700
Total Employment	195,200	228,600	1.7%	17.1%	33,400

Source: California Employment Development Department, U.S. Bureau of Labor Statistics (2014)



Employment by Industry

City Resident Employed Population (Age 16+)

Agriculture, Forestry, Fishing, and Hunting	33.4%
Health Care and Social Assistance	10.5%
Educational Services	8.7%
Retail Trade	8.2%
Accommodation and Food Services	8.0%
Public Administration	5.1%
Manufacturing	4.7%
Administration and Support, Waste Mgmt.	3.6%
Construction	3.5%
Wholesale Trade	3.4%
Professional, Scientific, and Tech. Services	2.3%
Transportation and Warehousing	1.9%
Other Services (excl. Public Admin.)	1.8%
Finance and Insurance	1.5%
Arts, Entertainment, and Recreation	1.0%
Real Estate and Rental/Leasing	0.8%
Information	0.6%
Utilities	0.4%
Mgmt. of Companies and Enterprises	0.4%
Mining, Quarrying, Oil and Gas Extraction	0.1%

"Industries in which City residents work"

Workers Employed Within City

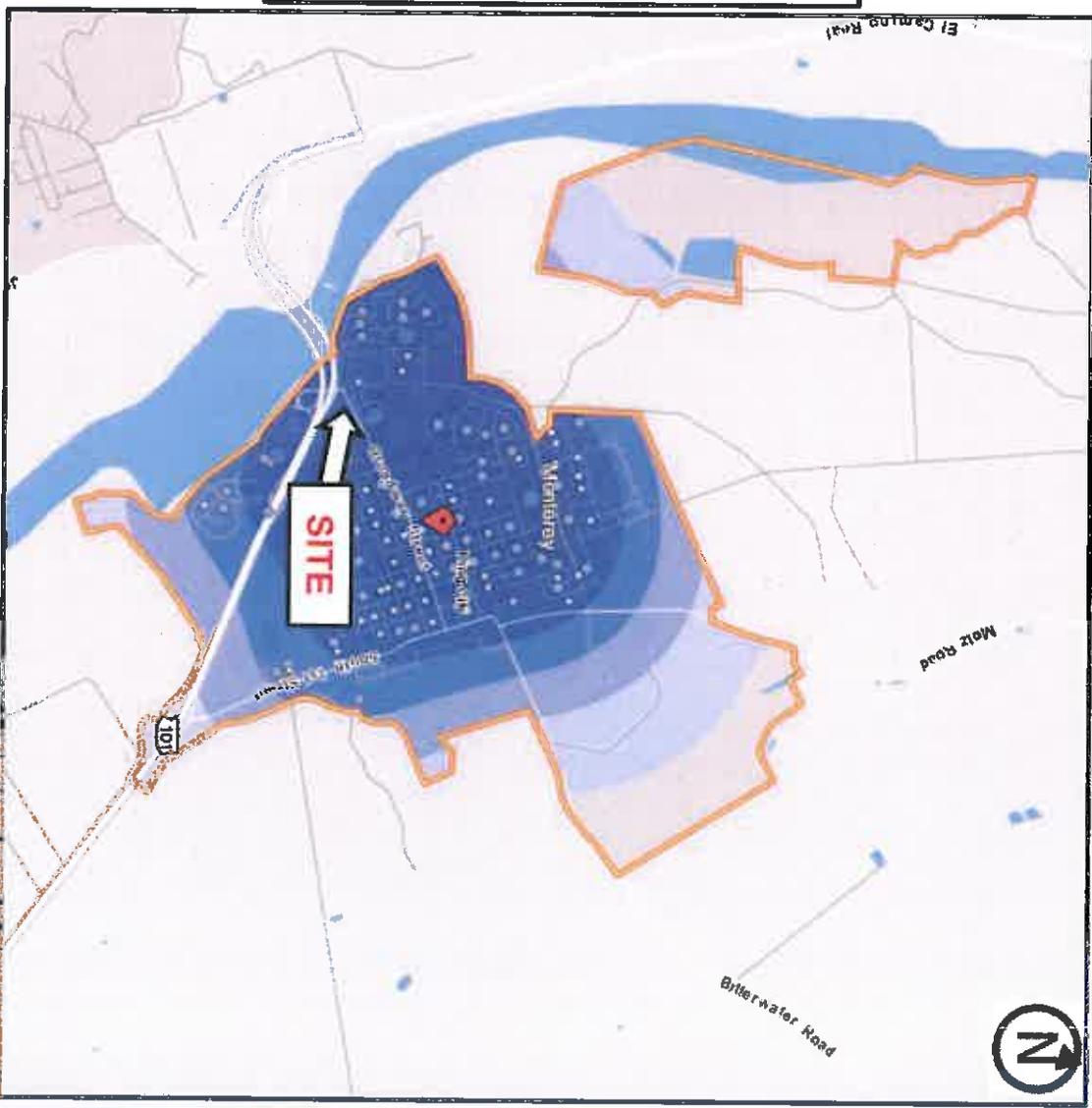
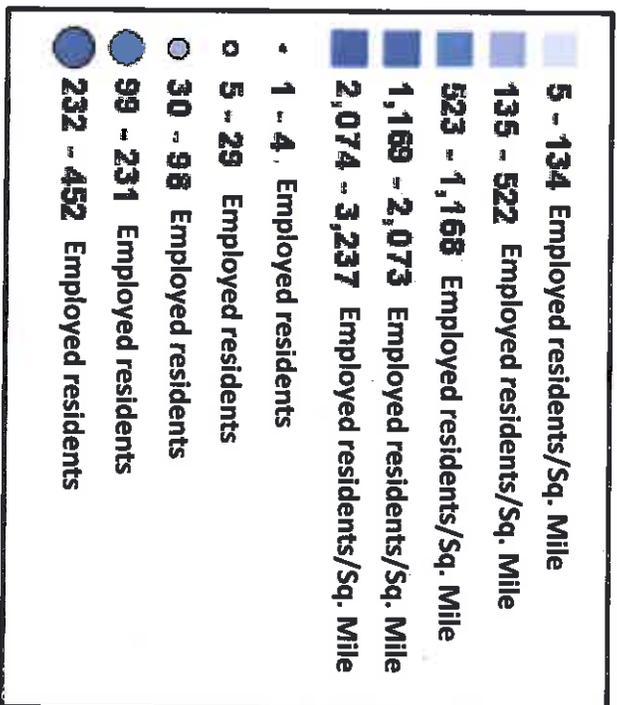
Agriculture, Forestry, Fishing, and Hunting	47.3%
Health Care and Social Assistance	14.5%
Educational Services	12.7%
Accommodation and Food Services	7.7%
Retail Trade	5.9%
Public Administration	1.6%
Wholesale Trade	1.5%
Other Services (excl. Public Admin.)	1.2%
Construction	1.1%
Manufacturing	1.1%
Administration and Support, Waste Mgmt.	1.1%
Transportation and Warehousing	0.9%
Utilities	0.8%
Finance and Insurance	0.8%
Real Estate and Rental/Leasing	0.5%
Professional, Scientific, and Tech. Services	0.5%
Arts, Entertainment, and Recreation	0.5%
Information	0.4%
Mining, Quarrying, Oil and Gas Extraction	0.0%
Mgmt. of Companies and Enterprises	0.0%

"Jobs in the City"

Source: U.S. Census Bureau Center for Economic Studies (2015)

Resident Concentration Within City

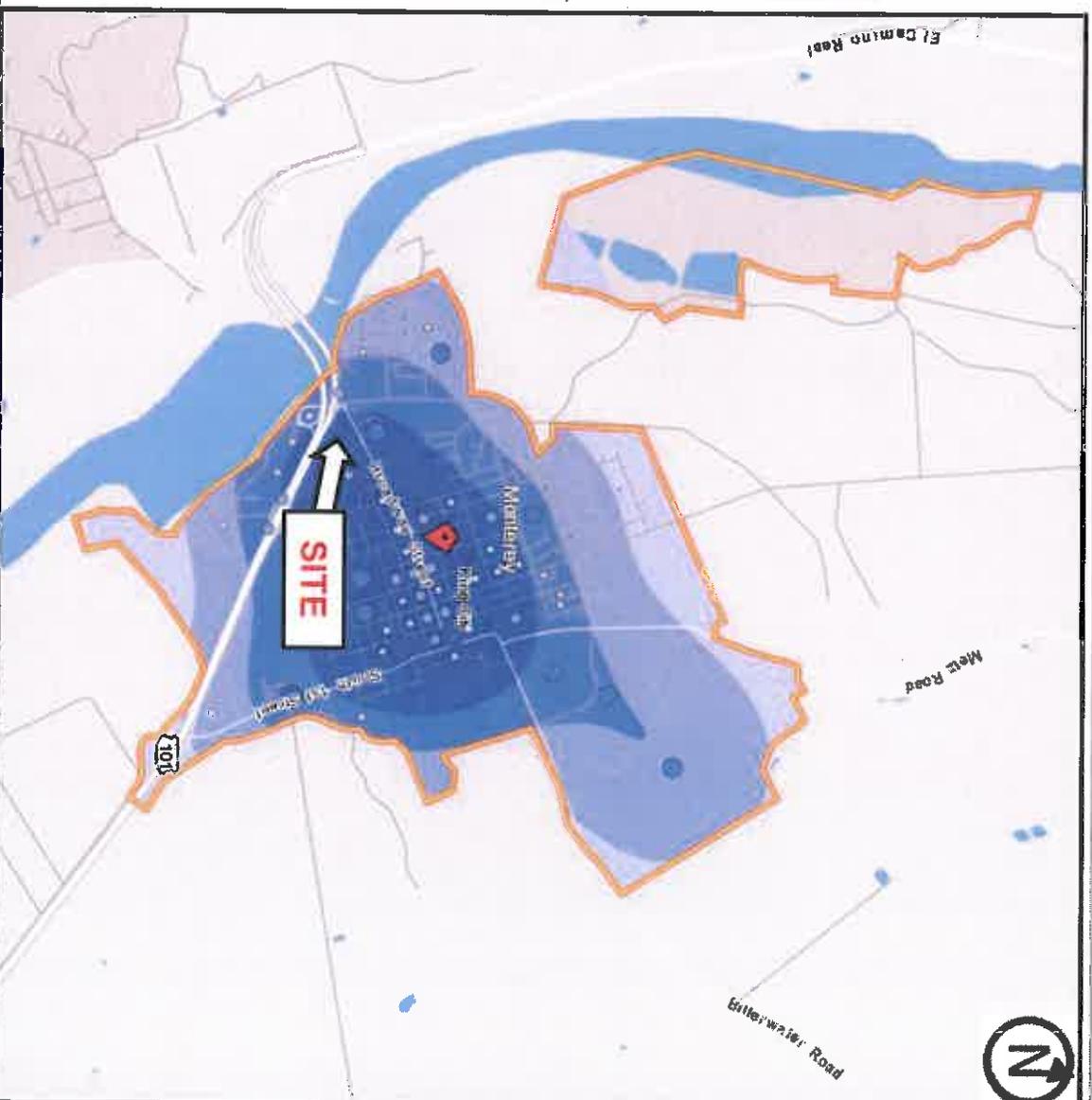
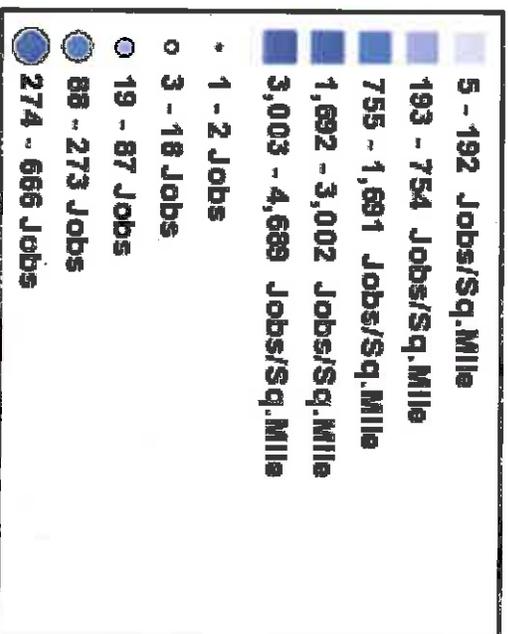
Where do residents live in the City?



Source: U.S. Census Bureau Center for Economic Studies (2015)

Employment Concentration Within City

Where are jobs located in the City?



Source: U.S. Census Bureau Center for Economic Studies (2015)

Resident and Employee Commute

Employed Residents Place of Work *	
King City**	29.8%
Salinas	8.1%
Soledad	6.0%
Greenfield	5.7%
San Jose	4.1%
Gonzales	1.6%
Prunedale CDP	1.6%
Monterey	1.1%
Paso Robles	0.9%
San Francisco	0.8%
Santa Clara	0.8%
Watsonville	0.7%
Fresno	0.7%
Sacramento	0.6%
Santa Cruz	0.6%
Los Angeles	0.5%
Templeton CDP	0.5%
Sunnyvale	0.5%
Fremont	0.5%
Marina	0.5%
Hayward	0.5%
Gilroy	0.4%
Modesto	0.4%
Morgan Hill	0.4%
Seaside	0.4%
Other	32.2%

"Where City residents work"

City Employee Origin *	
King City**	30.9%
Greenfield	8.2%
Salinas	5.8%
Pine Canyon CDP	4.8%
Soledad	3.1%
Paso Robles	2.8%
San Jose	1.4%
Hollister	1.3%
Atascadero	1.1%
Los Angeles	1.0%
Fresno	0.7%
San Lucas CDP	0.7%
Gonzales	0.5%
Merced	0.5%
San Diego	0.4%
Oxnard	0.4%
Templeton CDP	0.4%
Prunedale CDP	0.4%
Los Osos CDP	0.4%
Sacramento	0.4%
San Francisco	0.4%
Bakersfield	0.3%
Coalinga	0.3%
Seaside	0.3%
Anaheim	0.3%
Other	33.2%

"Where people who work in the City come from"

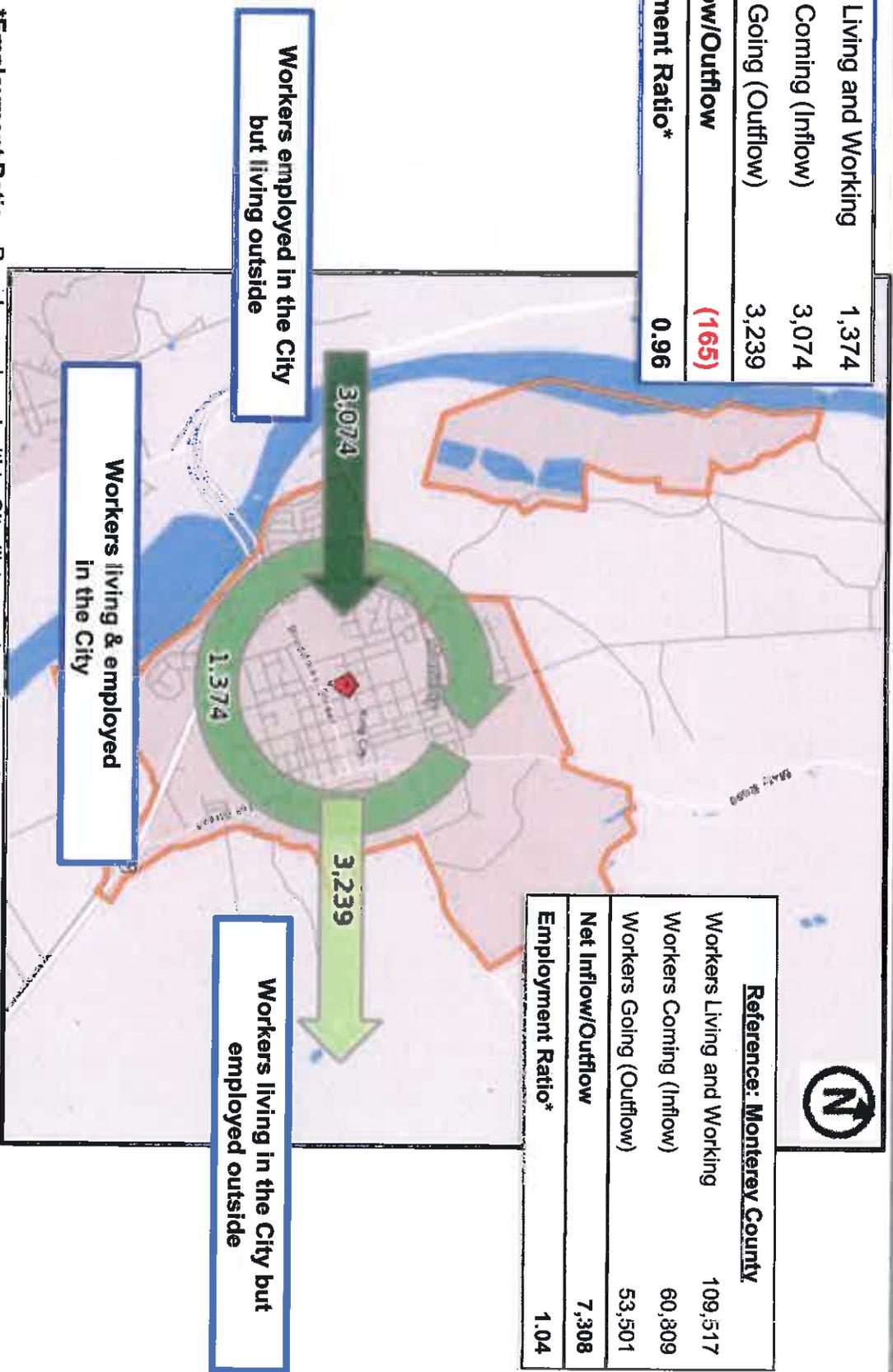
Source: U.S. Census Bureau Center for Economic Studies (2015); Notes: *The top 25 locations where City residents work and where people who work in King City come from are listed.**The table on the left asks the question 'What percent of *total King City residents* work within the City of King City?', while the table on the right asks 'What percent of *everybody* who works in King City also live in the City of King City?'

Worker Inflow / Outflow

“Are jobs coming or going?”

Workers Living and Working	1,374
Workers Coming (Inflow)	3,074
Workers Going (Outflow)	3,239
Net Inflow/Outflow	(165)
Employment Ratio*	0.96

Reference: Monterey County	
Workers Living and Working	109,517
Workers Coming (Inflow)	60,309
Workers Going (Outflow)	53,501
Net Inflow/Outflow	7,308
Employment Ratio*	1.04



Workers employed in the City but living outside

Workers living & employed in the City

Workers living in the City but employed outside

***Employment Ratio** = People employed within City (living and working in City + those who come into the City for work) / Employed population of City (living and working in City + workers who live in the City, but work outside of the City)
 Source: U.S. Census Bureau Center for Economic Studies (2015)

Jobs / Housing Balance

2017*	City of King City	County of Monterey	State of California
Employment	4,438	172,423	16,037,430
Households	3,063	130,772	13,264,119
Jobs/Housing Ratio	1.45	1.32	1.21

Source: ESRI (2018); *ESRI projections for employment and households in 2017

Traffic Map Radii from 1023 Broadway St.



**2017 Traffic Counts
near Site: 32,343 ADT***

Source: ESRI (2018); Note: *ADT (Average Daily Traffic) calculated by the following formula:

$$[(27,800 + 17,100) / 2] + [(9,085 + 10,700) / 2] = 32,343$$

Summary: Unemployment and Employment by Industry

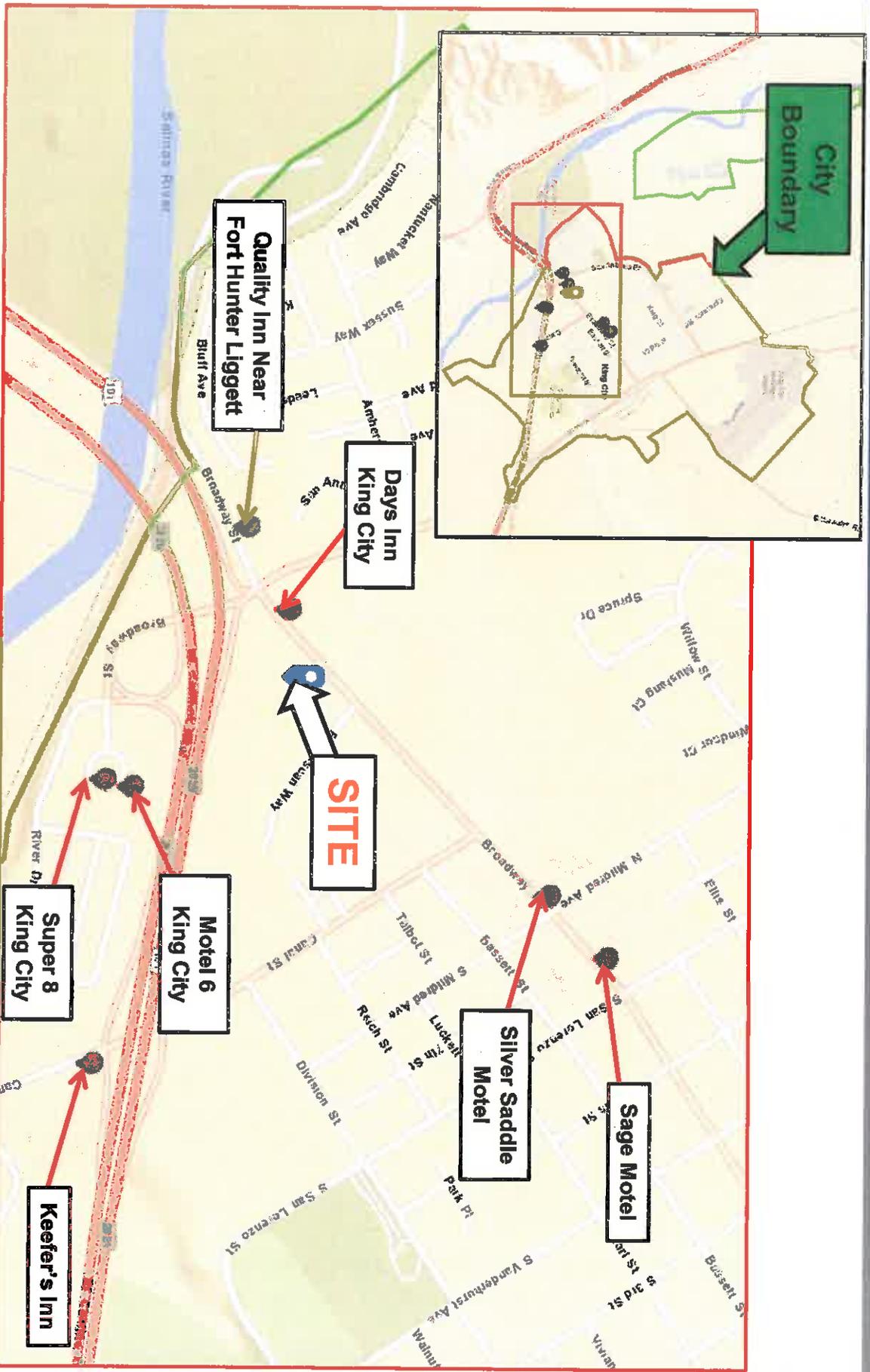
- Kosmont analyzed the location of homes and job centers within the City in relation to the Site. The Site is located in the western end of the City along the 101 Corridor. There is a high concentration of homes to the north and west, while there is a strong concentration of jobs to the east of the Site.
- The City has **high unemployment** compared to the State and Monterey County, with most workers in the city employed in agriculture, health care and social assistance, educational services, accommodation and food services, and retail trade
- A small majority of employees who live in the City work in other areas including Salinas, Soledad, Greenfield, San Jose, Gonzales, and Prunedale CDP, yielding a **slight net outflow** of jobs; The net outflow of jobs indicates a slightly lower daytime population
- King City's jobs/housing ratio is slightly higher than the County and State ratios, indicating a possible need for more housing in the City

1. Analysis

Market Demand Analysis

*Supply, Vacancy, & Lease Rates
(Hotel)*

King City Market Area Hotel Map



Hotel Market Analysis - City of King City

Market Performance Summary

Market Performance Summary*:

Year**	Avg. Occupancy	ADR	Annual Supply of Room Nights	Annual Demand for Room Nights	Change in Occupied Room Nights	RevPAR	Change in RevPAR
Aug 2014- July 2015	52.9%	\$62.24	126,290	66,778		\$33.54	
Aug 2015- July 2016	61.1%	\$68.80	126,290	77,261	15.7%	\$43.02	28.3%
Aug 2016- July 2017	70.3%	\$71.54	126,290	88,934	15.1%	\$51.20	19.0%
Total Growth (%)	33.0%	14.9%	0.0%	33.2%		52.7%	

Source: Smith Travel Research (2017); **Note:** *November and December 2016 numbers were not provided by STR and were calculated by Consultant by using the average of the percent changes between the months of October and November and the months of November and December of 2014 and 2015. ** Annual averages were calculated during the periods of August 2014 to July 2015, August 2015 to July 2016, and August 2016 to July 2017.

Hotel Market Analysis - City of King City

Performance by Month and Day of Week

Performance by Month*

Month	Avg. Occupancy	ADR	RevPAR
August 2016	90.8%	\$80.98	\$73.55
September 2016	85.8%	\$70.62	\$60.61
October 2016	78.1%	\$72.38	\$56.56
November 2016	63.0%	\$68.62	\$43.27
December 2016	52.8%	\$67.08	\$35.46
January 2017	38.9%	\$64.92	\$25.28
February 2017	46.7%	\$66.24	\$30.90
March 2017	49.8%	\$68.12	\$33.89
April 2017	73.2%	\$64.03	\$46.90
May 2017	84.5%	\$71.93	\$60.75
June 2017	89.1%	\$76.75	\$68.41
July 2017	90.9%	\$86.78	\$78.86
Average	70.3%	\$71.54	\$51.20

*Strong in the spring and summer months,
less occupancy in the fall and winter*

Performance by Day of Week**

Day	Avg. Occupancy	ADR	RevPAR
Sunday	32.7%	\$62.90	\$20.66
Monday	40.5%	\$63.59	\$25.82
Tuesday	47.0%	\$60.58	\$28.50
Wednesday	44.6%	\$60.62	\$27.12
Thursday	39.7%	\$61.70	\$24.48
Friday	44.6%	\$70.41	\$31.57
Saturday	49.8%	\$72.35	\$36.33
Average	42.7%	\$64.59	\$27.78

Strong weekend demand, peaking Saturday

Source: Smith Travel Research (2017); **Note:** *November and December 2016 numbers were not provided by STR and were calculated by Consultant by using the average of the percent changes between the months of October and November and the months of November and December of 2014 and 2015. ** Data available from December 2016 to February 2017. Averages taken across the three-month period.

Hotel Market Analysis - City of King City

Projection of Supportable New Rooms

Projection of Supportable New Rooms

Year	Projected Demand	Existing Supply of Room Nights	Imputed Occupancy	Demand for Room Nights	Supportable # Rooms
2017*	88,934	126,290	70.4%	123,519	0
2022	103,099	126,290	81.6%	143,193	46
2027	119,520	126,290	94.6%	166,000	109
2032	138,556	126,290	109.7%	192,439	181

Notes:

- Based on 3% annual increase in room demand, target occupancy of 72%

Source: Smith Travel Research (2017); **Note:** *November and December 2016 numbers were not provided by STR and were calculated by Consultant by using the average of the percent changes between the months of October and November and the months of November and December of 2014 and 2015. ** 2017 represents the period between August 2016 to July 2017.

Hotel Market Analysis Summary *City of King City*

- **The City of King City currently contains 7 hotels (346 total hotel rooms)**
- **Average Occupancy: 70.3%**
- **Average Daily Rate (ADR): \$71.54**
- **Revenue per Available Room (RevPAR): \$51.20**
- **Growth of demand outpaces growth of supply**
- **Support for absorption of smaller scale hotel/motel within short term (5-10 years) or a larger hotel/motel in long term (10-15 years)**

Source: Smith Travel Research (2017)

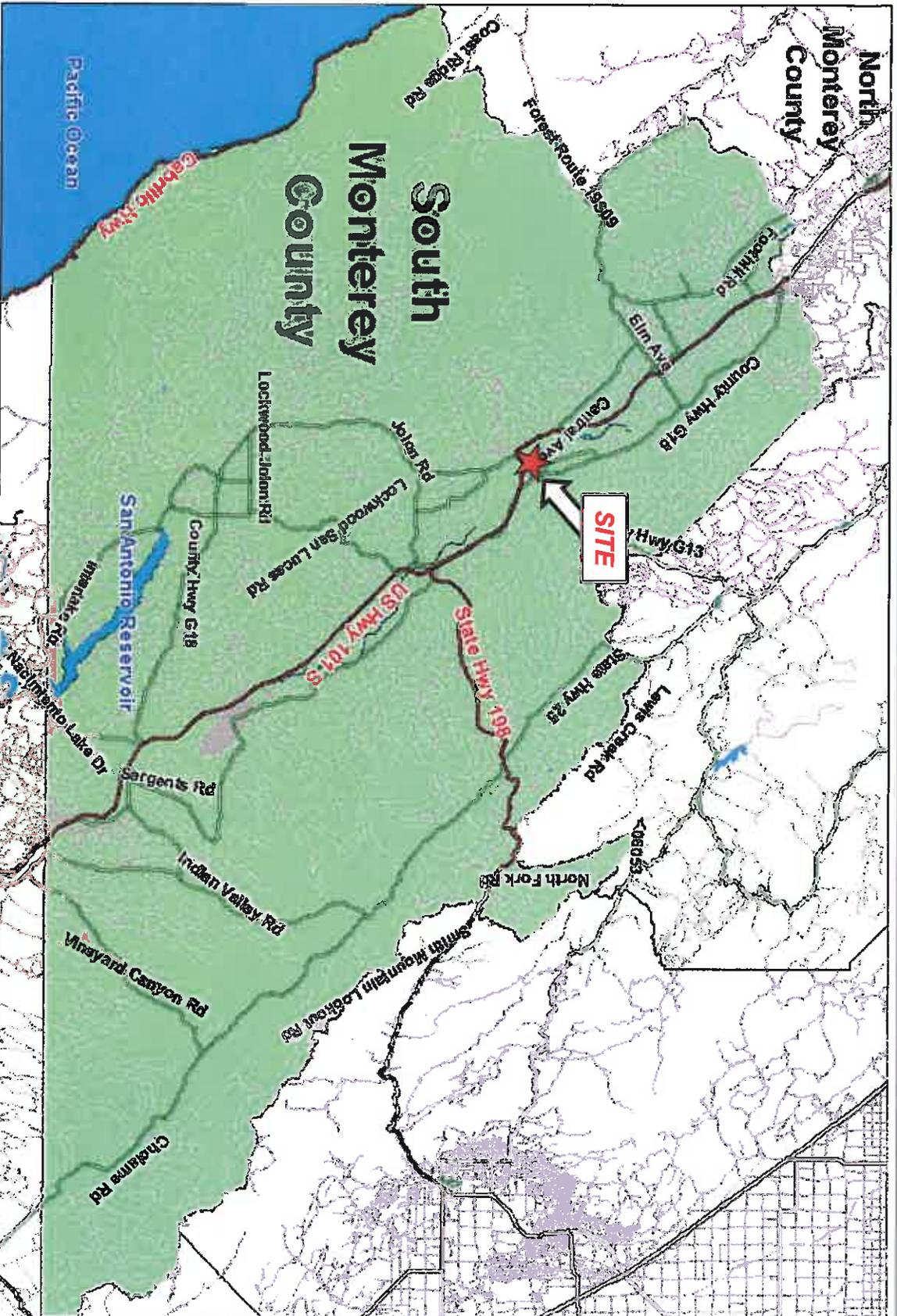
1. Analysis

Market Demand Analysis

Supply, Vacancy, & Lease Rates

(Retail)

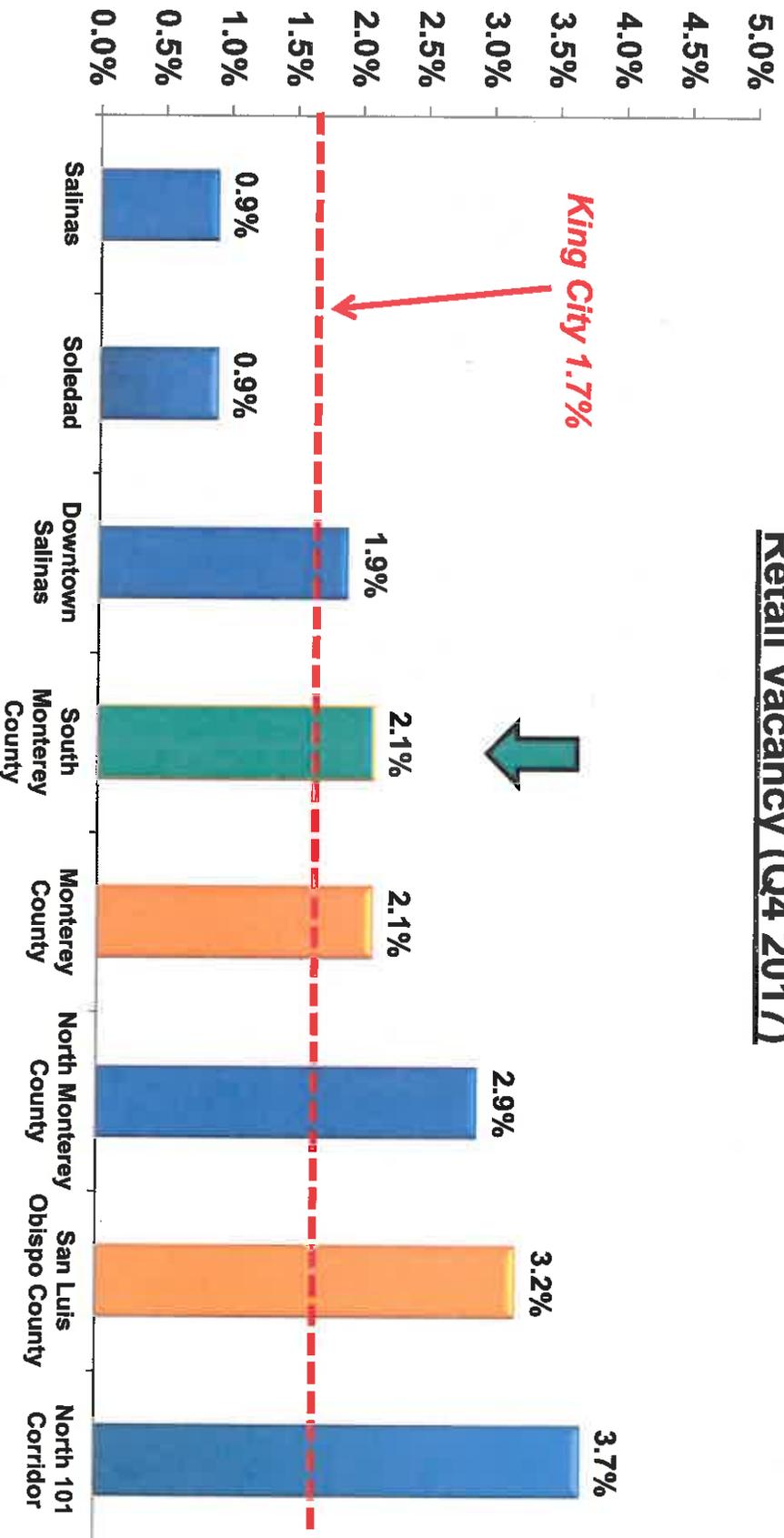
South Monterey County Submarket



Source: CoStar (2018)

Retail Vacancy by Submarket

Retail Vacancy (Q4 2017)



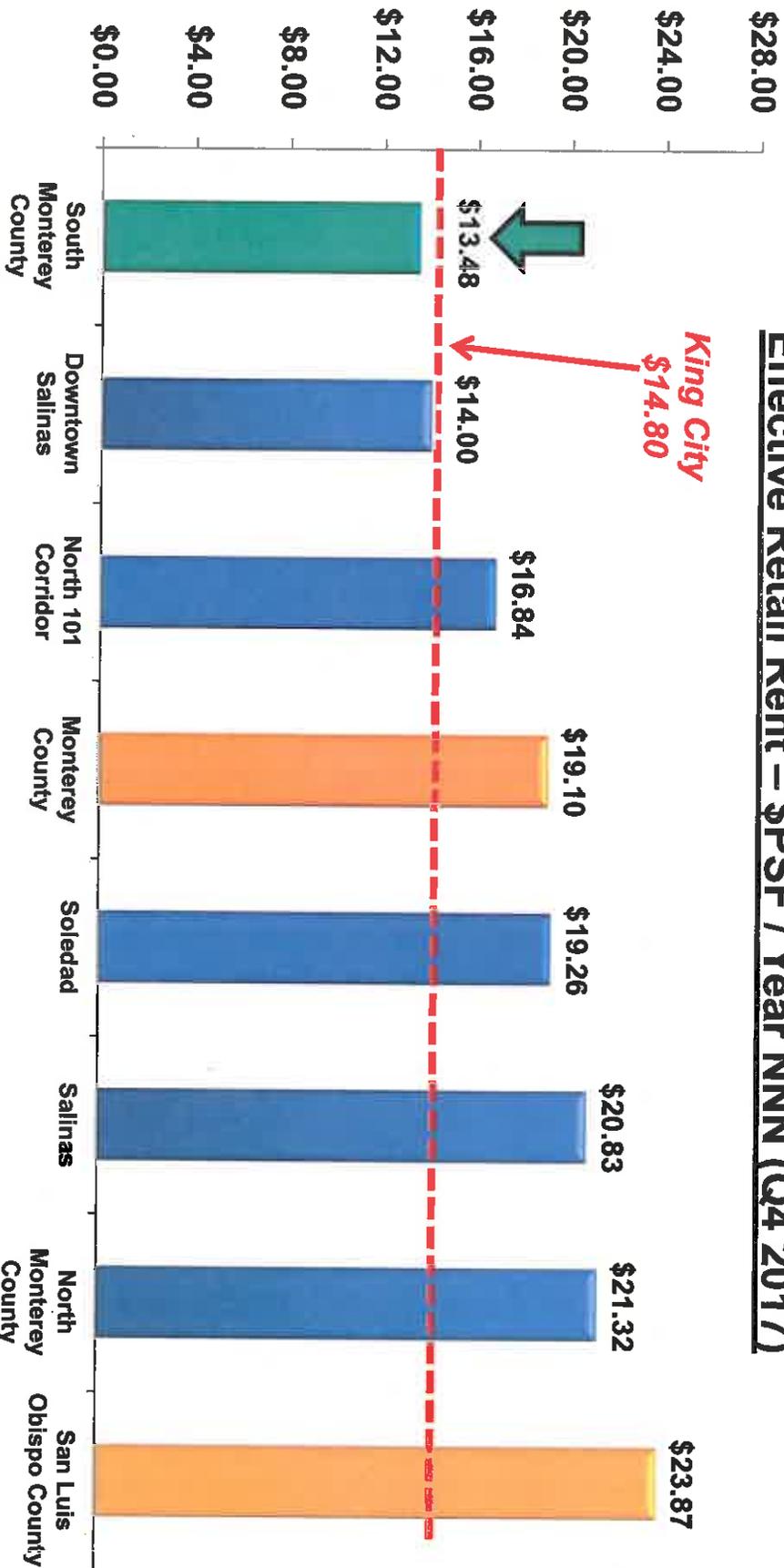
Total Gross Leasable Area (GLA) in millions of SF:

5.9	0.3	0.7	0.7	17.7	3.2	15.1	4.3
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Note: CoStar includes King City in the South Monterey County submarket for retail. King City Total Retail Market = 0.4 M sq.ft.
Source: CoStar (Q4 2017)

Retail Lease Rates by Submarket

Effective Retail Rent – \$PSF / Year NNN (Q4 2017)



Total Gross Leasable Area (GLA) in millions of SF:

0.7	0.7	4.3	17.7	0.3	5.9	3.2	15.1
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Note: CoStar includes King City in the South Monterey County submarket for retail; King City Total Retail Market = 0.4 M sq.ft.
Source: CoStar (Q4 2017)

Summary: Supply, Vacancy, & Lease Rates

- Supply, vacancy and lease/rental rates for retail uses are compared between neighboring submarkets and the Monterey and San Luis Obispo County market averages
- King City falls within the “**South Monterey County**” submarket for retail uses (as defined by CoStar)
- King City retail vacancy rates are **lower** than the vacancy rates of the South Monterey County submarket, Monterey County, San Luis Obispo County, and most neighboring submarkets, indicating a demand for retail
- Lease rates in King City are **higher** than those of the South Monterey County submarket, but **lower** than the lease rates of neighboring submarkets, Monterey County, and San Luis Obispo County, demonstrating potential additional demand for retail

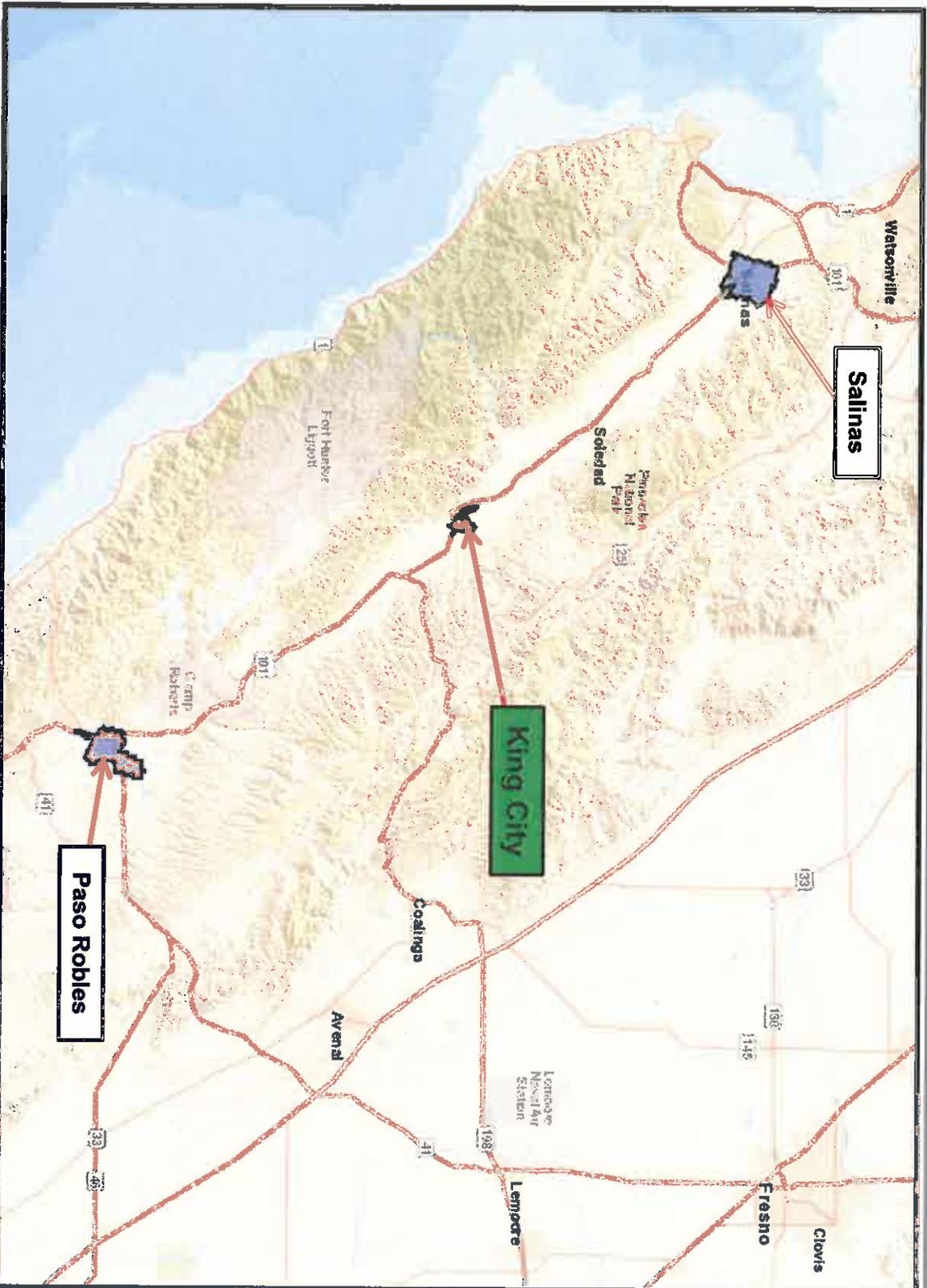
Source: CoStar (2018)

1. Analysis

Market Demand Analysis

Retail Sales Performance

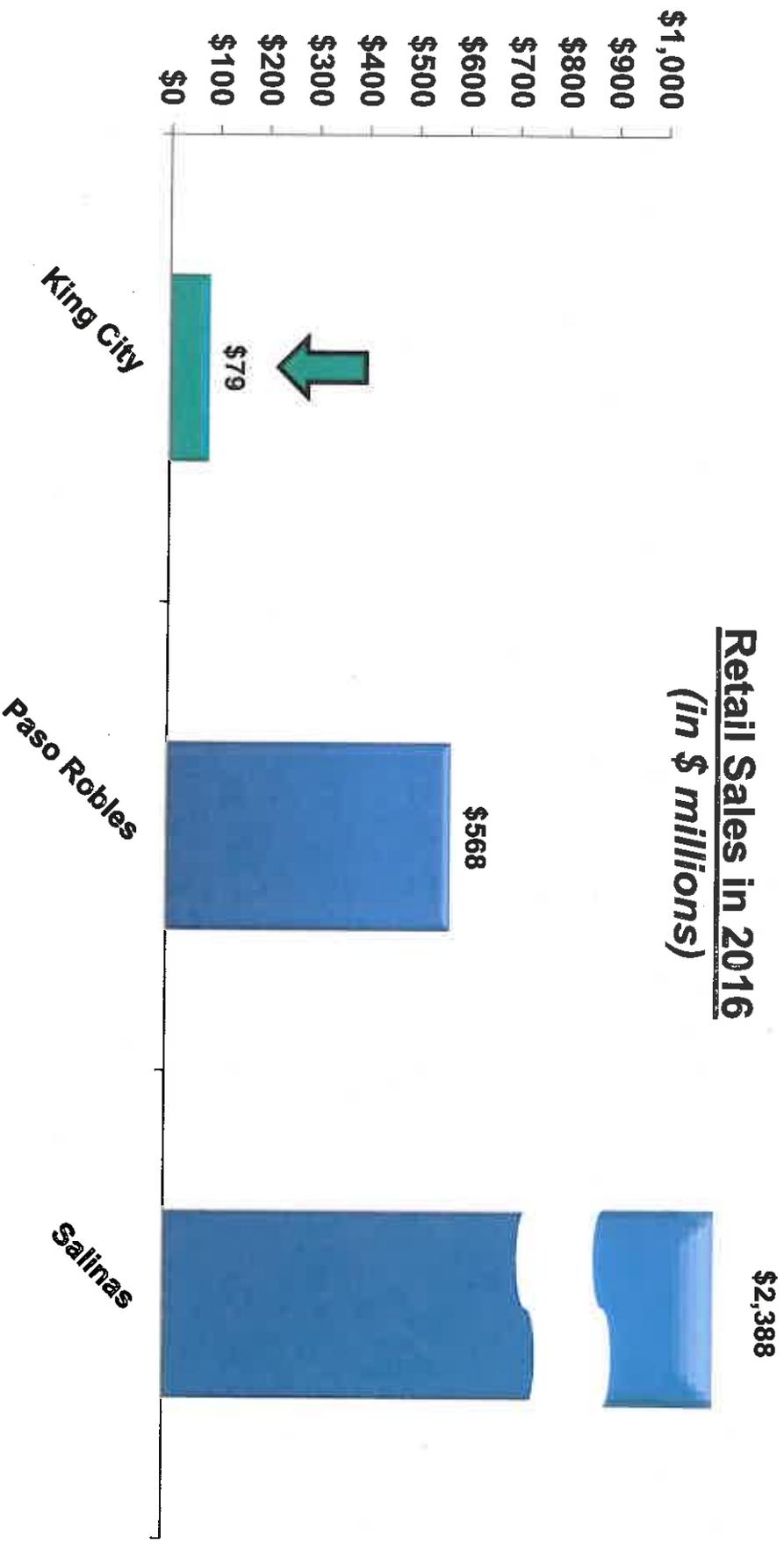
King City & Comparison Cities



Source: ESRI (2018)

Retail Sales Comparison King City & Comparison Cities

Retail Sales in 2016
(in \$ millions)



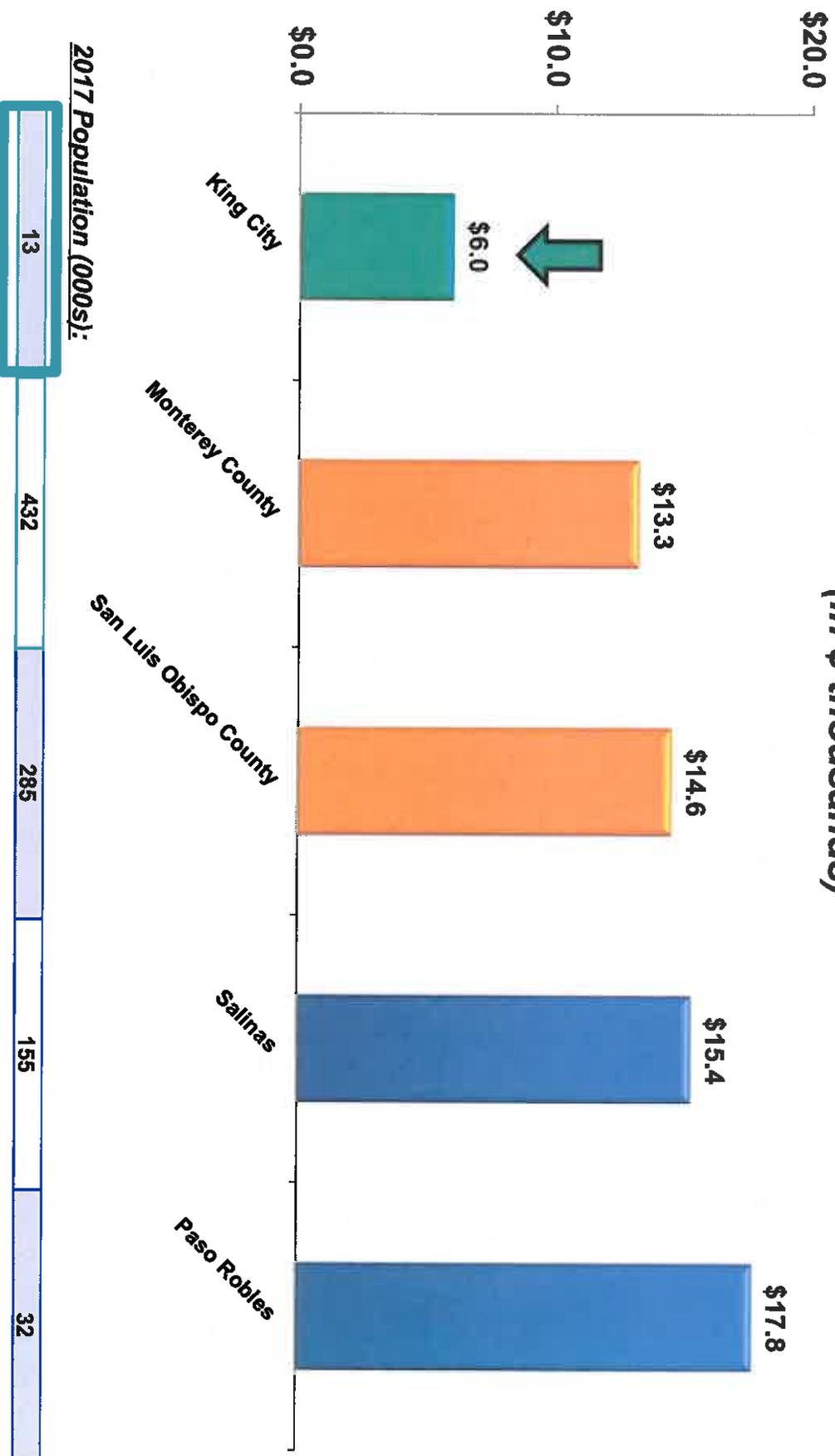
2017 Population (000s):



Source: ESRI, Infogroup (2018); Includes taxable and non-taxable sales

Per Capita Retail Sales King City & Comparison Regions

Per Capita Retail Sales in 2016
(in \$ thousands)



Source: ESRI, Infogroup (2018); Includes taxable and non-taxable sales

Retail Category Definitions

- **Shopper Goods / GAFO** *(General Merchandise, Apparel & Accessories, Furniture & Other Sales)*
 - Clothing & Clothing Accessories Stores
 - General Merchandise Stores
 - Furniture & Home Furnishings Stores
 - Health & Personal Care Stores
 - Sporting Goods, Hobby, Book & Music Stores
 - Electronics & Appliance Stores
 - Miscellaneous Store Retailers (incl. Office Supply)
- **Convenience Goods**
 - Food and Beverage (Grocery Stores)
 - Food Service and Drinking Places (Restaurants & Bars)
- **Heavy Commercial Goods**
 - Building Materials (Home Improvement)
 - Auto Dealers & Supplies
 - Gasoline / Service Stations
- Non-Store Retailers (e.g., Online Shopping & Mail-Order)

Note: Retail Categories delineated by NAICS / California Board of Equalization

Per Capita Retail Sales by Category King City & Comparison Regions

Per Capita Retail Sales	King City	Paso Robles	Salinas	Monterey County	San Luis Obispo County
Shopper Goods (GAFO):					
Clothing & Accessories Stores	\$289	\$313	\$800	\$797	\$744
General Merchandise Stores	\$262	\$2,592	\$3,330	\$2,090	\$1,749
Furniture & Home Stores	\$48	\$222	\$275	\$279	\$388
Health & Personal Care Stores	\$175	\$1,084	\$671	\$600	\$816
Sporting Goods, Hobby, Book Stores	\$0	\$490	\$263	\$263	\$687
Electronics & Appliance Stores	\$32	\$167	\$236	\$284	\$276
Miscellaneous Store Retailers	\$224	\$614	\$519	\$654	\$982
Total GAFO	\$1,029	\$5,482	\$6,094	\$4,967	\$5,642
Convenience Goods:					
Food & Beverage Stores (Grocery)	\$2,182	\$3,399	\$1,970	\$2,160	\$2,838
Food Services & Drinking Places (Restaurants)	\$1,136	\$2,260	\$1,350	\$1,662	\$1,809
Total Convenience	\$3,318	\$5,659	\$3,320	\$3,822	\$4,646
Heavy Commercial:					
Bldg Materials, Garden Equip. Stores	\$905	\$1,281	\$847	\$772	\$638
Motor Vehicle & Parts Dealers	\$366	\$2,830	\$3,556	\$2,521	\$1,883
Gasoline Stations	\$370	\$2,417	\$1,751	\$1,119	\$1,526
Total Heavy Commercial	\$1,641	\$6,528	\$5,954	\$4,413	\$4,246
Non-store Retailers	\$0	\$91	\$6	\$88	\$95
Total Retail	\$5,988	\$17,760	\$15,374	\$13,290	\$14,630

Key: Indicates higher value for King City

Indicates lower value for King City

Source: ESRI, Infogroup (2017), Includes taxable and non-taxable sales

Summary: Retail Sales Performance

- Consumer spending across retail categories is totaled and normalized for population within the City and comparison regions for the purpose of evaluating potential sales leakage / capture across jurisdictions
- Retail sales per capita for the City (~\$6,000) is **less than** the retail sales per capita of both Monterey County (~\$13,300) and San Luis Obispo County (~\$14,600)
- Higher performing sales categories include **food and beverage (grocery) stores and building materials stores**
- Lower performing retail categories include **clothing and accessories stores, general merchandise stores, furniture and home stores, health and personal care stores, sporting goods stores, electronics and appliance stores, miscellaneous store retailers, restaurants, motor vehicle and parts dealers, gasoline stations, and non-store retailers**

1. Analysis

Market Demand Analysis

Retail Sales Surplus / Leakage

Retail Sales Surplus / Leakage by Category

City of King City

Retail Category	Retail Spending Potential	Retail Sales	Retail Surplus/ (Leakage)	Percent Surplus/ (Leakage)	Online Sales Leakage Potential
Shopper Goods (GAFO):					
Clothing & Clothing Accessories Stores	\$6,138,568	\$3,828,838	(\$2,309,730)	(37.6%)	High
General Merchandise Stores	\$14,132,551	\$3,468,619	(\$10,663,932)	(75.5%)	Med
Furniture & Home Furnishings Stores	\$2,812,591	\$632,866	(\$2,179,725)	(77.5%)	Med
Health & Personal Care Stores	\$5,397,048	\$2,322,635	(\$3,074,413)	(57.0%)	Med
Sporting Goods, Hobby, Book & Music Stores	\$2,740,746	\$0	(\$2,740,746)	(100.0%)	High
Electronics & Appliance Stores	\$3,028,595	\$420,802	(\$2,607,793)	(86.1%)	High
Miscellaneous Store Retailers	\$2,848,969	\$2,971,010	\$122,041	4.3%	Varies
Subtotal – GAFO	\$37,099,068	\$13,644,770	(\$23,454,298)	(63.2%)	
Convenience Goods:					
Food & Beverage Stores (Grocery)	\$13,650,103	\$28,938,976	\$15,288,873	112.0%	Low
Food Services & Drinking Places (Restaurants)	\$8,875,472	\$15,060,832	\$6,185,360	69.7%	None
Subtotal – Convenience	\$22,525,575	\$43,999,808	\$21,474,233	95.3%	
Heavy Commercial Goods:					
Bldg Materials, Garden Equip. & Supply Stores	\$4,073,506	\$12,000,475	\$7,926,969	194.6%	Low
Motor Vehicle & Parts Dealers	\$15,980,134	\$4,857,291	(\$11,122,843)	(69.6%)	Low
Gasoline Stations	\$7,773,463	\$4,901,335	(\$2,872,128)	(36.9%)	None
Subtotal – Heavy Commercial	\$27,827,103	\$21,759,101	(\$6,068,002)	(21.8%)	
Non-store Retailers	\$2,317,023	\$0	(\$2,317,023)	(100.0%)	Varies
Total Retail	\$89,768,769	\$79,403,679	(\$10,365,090)	(11.5%)	

Source: ESRI, Infogroup (2018)

Surplus/Leakage Summary by Category

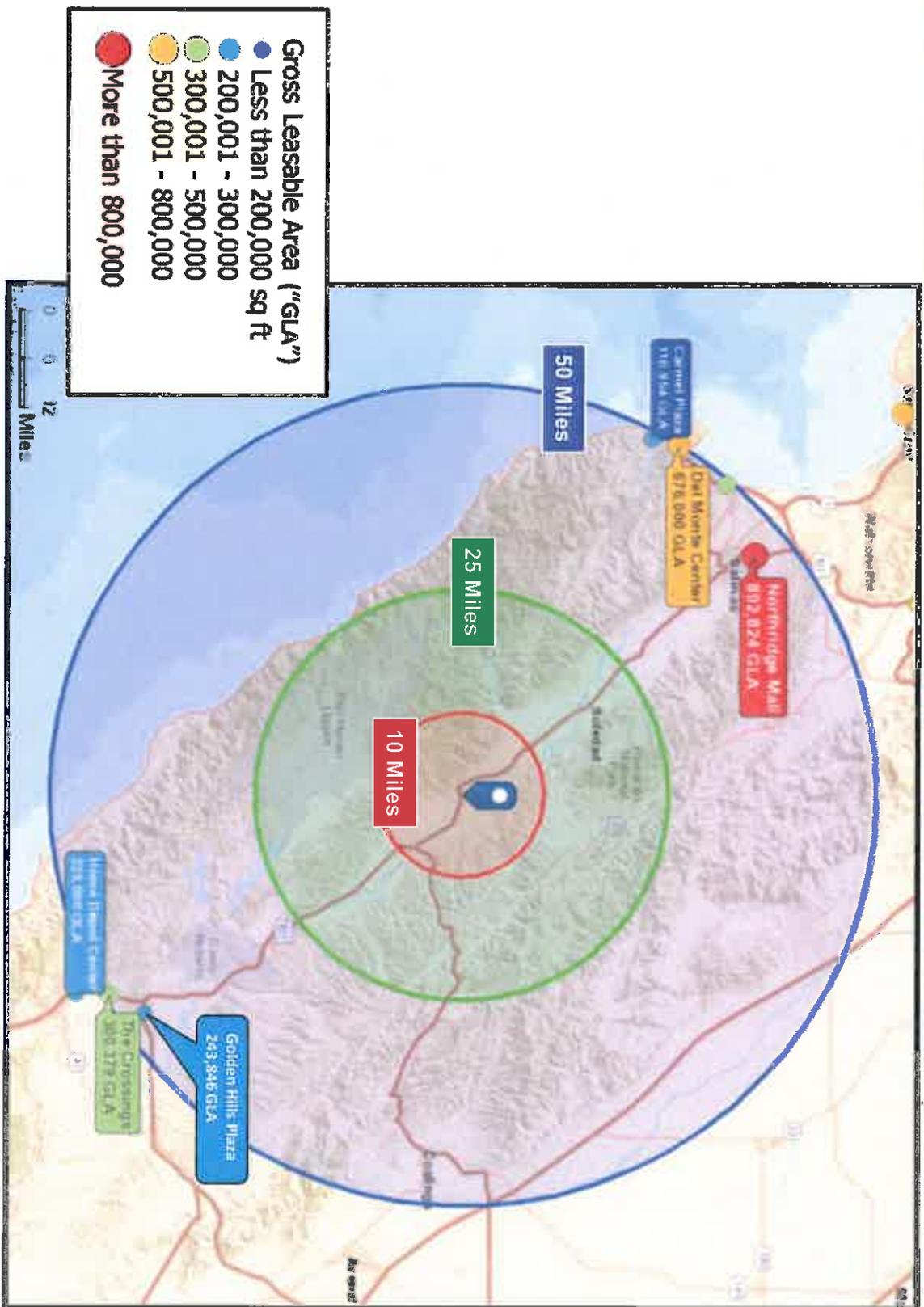
Surplus Retail Categories

- Miscellaneous Store Retailers
- Food & Beverage Stores (Grocery)
- Food Services & Drinking Places (Restaurants)
- Bldg. Materials, Garden Equip. & Supply Stores

Leakage Retail Categories

- Clothing & Clothing Accessories Stores
- General Merchandise Stores
- Furniture & Home Furnishings Stores
- Health & Personal Care Stores
- Sporting Goods, Hobby, Book & Music Stores
- Electronics & Appliance Stores
- Motor Vehicle & Parts Dealers
- Gasoline Stations
- Non-store Retailers

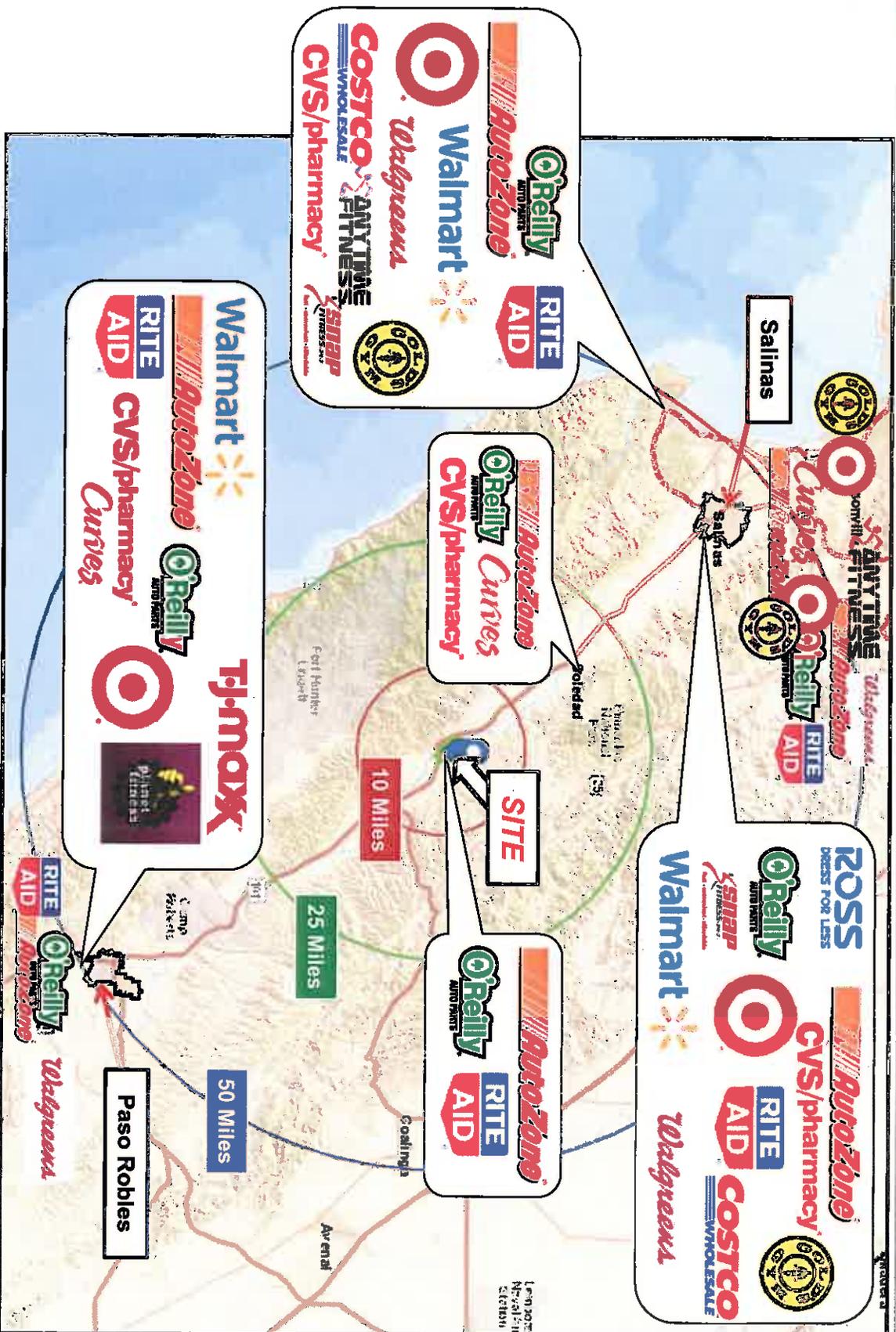
Major Shopping Center Map 10, 25, & 50 miles from 1023 Broadway St.



Source: ESRI; Directory of Major Malls (2018)

National Retailer Location Map

Gen. Merchandise, Health/Personal Care, Fitness, & Auto Parts Stores



Source: ESRI (2018)

Summary: Retail Sales Surplus / Leakage

- Overall retail sales in the City are **lower** than retail spending potential suggesting that the City is **not likely** capturing a significant portion of King City resident retail purchases **nor** additional retail spending by residents of other cities (i.e. **retail sales leakage**).
- Retail categories displaying sales leakage within the City include:
 - Clothing & Clothing Accessories Stores
 - **General Merchandise Stores (e.g., Dollar General, Family Dollar)***
 - Furniture & Home Furnishings Stores
 - **Health & Personal Care Stores (e.g., CVS)***
 - Sporting Goods, Book & Music Stores
 - Electronics & Appliance Stores
 - **Motor Vehicle & Parts Dealers (e.g., Napa Auto Parts)***
 - Gasoline Stations
 - Non-store Retailers

Note: *Short term viability based on retail category expansion and Site location and compatibility

Summary

Summary of Findings

Demographics & Employment

- Young, majority Hispanic population; larger than average household (“HH”) size; HH’s are multigenerational
- Lower average HH incomes and educational attainment compared to County and State; focus on increasing educational attainment
- A small majority of employees who live in the City, work in other areas such as Salinas, Soledad, Greenfield, San Jose, Gonzales, and Prunedale CDP, leading to a **slight net outflow** of jobs
- King City’s jobs/housing ratio is slightly higher than County and State ratios, indicating possible need for housing

Hotel Demand Analysis

- Growth of demand for rooms outpaces the growth of supply
- Support for absorption of smaller scale hotel/motel within short term (5-10 years) or a larger hotel/motel in long term (10-15 years)

Retail Demand Analysis

- Retail vacancy in King City is **lower** than the South Monterey County submarket, Monterey County, San Luis Obispo County, and most neighboring submarkets, indicating demand for retail
- Lease rates in King City are **higher** than the South Monterey County submarket, but **lower** than the lease rates of the neighboring submarkets, Monterey County, and San Luis Obispo County, demonstrating some additional demand for retail
- Retail sales in the City are **lower** than retail spending potential, suggesting that the City is **not likely** capturing a significant portion of King City resident retail purchases **nor** additional spending by residents of other cities resulting in a **retail sales leakage**.
- Based on retail category leakage and voids and current retail trends, there is potential for retail recruitment of **general merchandise stores, health and personal care stores, motor vehicle and parts, and fitness centers and more convenience restaurants**

Next Steps

- Present findings to City Council (on 4/10/18) and receive feedback
- Subject to Council's direction, prepare to sell Site
- CA licensed brokerage firm (Kosmont Realty Corp.) can list Site for sale including preparation of marketing material
- Solicit and manage buyer interest and pricing with targeted uses as retail and/or hotel
- Coordinate closing of Site with City and Oversight Board (ideally before 6/30/18)

EXCLUSIVE AUTHORIZATION TO SELL AGREEMENT

Successor Agency to the Community Development Agency for the City of King ("Owner" or "Seller") hereby grants to **Kosmont Realty Corporation** ("Broker" or "KRC") the exclusive right to sell the subject property known as and shown/listed below:

- A) 1023 Broadway Street, King City, CA (Assessor's Parcel Number ("APN"): 026-391-025-000)

("Property") for a period commencing on April 10, 2018, and ending at midnight on April 9, 2019.

The price and terms of the sale shall be as follows:

In consideration of this Authorization and Broker's agreement to diligently pursue the procurement of a purchaser or lessee for the Property, Owner agrees to pay Broker a commission as set forth in the attached Schedule of Commissions, which is made a part of this Agreement.

Owner shall pay said commission to Broker if: (a) the Property or any interest therein is sold, transferred or conveyed by or through a Broker, Owner or any other party prior to the expiration of this Authorization or any extension hereof; or (b) a purchaser is procured by or through Broker, Owner or any other party who is ready, willing and able to purchase the Property or any interest therein on the terms above stated or other terms reasonably acceptable to Owner prior to the expiration of this Authorization or any extension hereof; or (c) any contract for the sale, transfer or conveyance of the Property or any interest therein is made directly by Owner prior to the expiration of this Authorization or any extension hereof; or (d) the Property is withdrawn from sale without the written consent of Broker or made unmarketable by Owner's voluntary act during the term of this Authorization or any extension hereof; or (e) within one hundred eighty (180) days after the expiration of this Authorization or any extension hereof, the Property or any interest therein is sold, transferred, or conveyed to any person or entity with whom Broker has negotiated or to whom Broker has exposed or shown the Property prior to such expiration in an effort to effect a transaction provided that such buyer, person or entity to whom Broker has negotiated with or has shown the Property has been clearly and expressly identified in writing on such list which Broker shall have mailed to Owner at the address below stated within thirty (30) days following such expiration.

If during the terms of this authorization or any extension hereof an escrow is opened or negotiations involving the sale, transfer, or conveyance of the Property has commenced and is continuing, then the term of this Authorization shall be extended for a period through the closing of such escrow, the termination of such negotiations or the consummation of such transaction, provided this authorization would otherwise have expired during such period.

Owner agrees that Broker shall be included as a party to any escrow opened for the sale of the Property and the terms of said escrow shall provide that Broker shall have the right to request the escrow holder to make payment to Broker in the amount of Broker's commission as set forth on the Schedule of Commissions attached hereto from any sale proceeds and/or deposits held in escrow.

Owner agrees to cooperate with Broker in effecting a sale of the Property and immediately to refer to Broker all inquiries of any party interested in the Property. All negotiations are to be through Broker. Owner agrees to pay all customary escrow, title and revenue charges and to execute such documents as may be necessary to affect a sale of the Property. Broker is authorized to accept a deposit from any prospective purchaser. Broker is further authorized to advertise the Property and shall have the exclusive right to place a sign or signs on the Property if, in Broker's opinion, such would facilitate the sale or leasing thereof.

It is understood that it is illegal for either Owner or Broker to refuse to present, sell to any person because of race, color, religion, national origin, sex, marital status or physical disability.

Owner warrants that it is the owner of record of the Property or has the legal authority to execute this Authorization. Owner agrees to hold Broker harmless from any liability or damages arising from any incorrect information supplied by Owner or any information which Owner fails to supply. Owner acknowledges receipt of a copy of this Authorization and the attached Schedule of Commissions, which Owner has read and understands.

DISPUTE RESOLUTION

Broker and Owner agree to attempt to resolve any claim or controversy by submission to non-binding mediation. Mediation shall be commenced by providing the opposing party with a written notice of the dispute or claim within 30 days of the event giving rise to the dispute or claim or within 30 days after discovery of the conditions giving rise to the dispute or claim, whichever is later. The written notice to the other party shall summarize the basis of the dispute or claim and describe the relief sought. Within 15 calendar days thereafter, if the parties have not reached a mutually satisfactory resolution, the disputing party shall have 15 additional calendar days to submit the dispute to non-binding mediation at the offices of Judicial Arbitration & Mediation Services, Inc. (JAMS) in the county where the Property is located. The parties may agree on a retired judge from the JAMS panel as a mediator. If the parties are unable to agree, JAMS will provide a list of three (3) available judges and each party may strike one. The remaining judge will serve as the mediator. Within 15 calendar days of commencement of mediation, each party agrees to produce any and all documents relied upon to prove or defend their claims. The assessment of the mediator shall be an appealable result, but only if the appealing party files a court action within 30 days after the mediator's assessment is rendered. Each party shall bear its own costs of mediation including its own attorneys' fees and related costs, and each party shall pay an equal share of the costs of the mediator's fees and expenses.

By signing below, Seller and Buyer acknowledge that they have read, understand, accept and have received a copy of this Agreement.

Owner:

By:

Date:

Address:

Telephone:

Broker:

Kosmont Realty Corporation

CA BRE License # 01770428

By:

Date:

Address:

1601 N. Sepulveda Blvd., #382

Manhattan Beach, CA 90266

Telephone:

(424) 297-1070

SCHEDULE OF COMMISSIONS (for Brokerage Services)

Kosmont Realty Corporation ("Broker" or "KRC") is hereby employed as the agent for the Successor Agency to the Community Development Agency for the City of King (hereinafter referred to as "Owner") in connection with the:

Sale Lease Sublease Other

of that certain Property owned by the Owner and referred to by Owner as:

A) 1023 Broadway Street, King City, CA (Assessor's Parcel Number ("APN"): 026-391-025-000)

(hereinafter referred to as "Property").

Owner agrees to pay Broker, in consideration for their brokerage services relative to the above referenced Property, a commission computed as follows:

A. SALES, EXCHANGES, AND OTHER TRANSFERS

1. **Vacant Real Property:** 6% of the gross sales price or independently appraised value of the parcel, whichever is greater.
2. **Improved Real Property:** 6% of the gross sales price or independently appraised value of the parcel, whichever is greater. 8% of the higher of the gross value of ground lease payments or ground lease value as established by an appraisal or mutually acceptable valuation; 6% of lease or sublease rate for initial term and 3% for subsequent lease periods and renewals.
3. **Commissions** shall be paid through escrow upon the closing of sales and exchange transactions; absent an escrow; commissions shall be paid upon recordation of a deed or upon delivery of such deed or other conveyance if recordation is deferred more than one month thereafter. In the event of a contract or agreement of sales, joint venture agreement, business opportunity or other transaction not involving the delivery of a deed, commissions shall be paid upon execution and delivery of the instrument of conveyance or establishment of the entitlement of ownership.
4. **Termination Fee:** In the event the Seller does not proceed during the term of the listing by cooperating in Broker's attempts to sell the Property and Seller withdraws the Property and/or in effect causes the Property to not be marketed for sale during the term of the listing, including the circumstance where Seller decides to sell the Property to a related entity (e.g. City of King), Broker shall be entitled to a termination fee (Termination Fee) upon expiration of the listing in the amount of 6% of the greater of the asking price, gross sales price or the independently appraised value, whichever is higher.

Miscellaneous:

The provisions hereof are subject, however, to the terms and provisions of any Exclusive Authorization To Sell to which this Schedule may be attached and which is executed by the parties hereto.

The parties hereto intend for this Exclusive Authorization to Sell and Schedule of Commissions to satisfy the requirements of the Civil Code, Business and Professions Code, and regulatory requirements relative to verifying Broker's authority to act on behalf of Owner and Owner's obligation to pay Broker commissions therefore, in accordance herewith.

In the event Owner fails to make payments within the time limits called for herein, then from the date due until paid the delinquent payment shall bear interest at the maximum legal rate of the State of California.

By signing below, Owner and Broker acknowledge that they have read, understand, accept and have received a copy of this Agreement.

Broker:

Kosmont Realty Corporation

CA BRE License # 01770428

Owner:

By:

By:

Date:

Date:

Address:

1601 N. Sepulveda Blvd., #382

Manhattan Beach, CA 90266

Address:

Telephone:

(424) 297-1070

Telephone:



Item No. 11(B)

REPORT TO THE CITY COUNCIL

DATE: APRIL 10, 2018

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF KING CITY COMMUNITY POWER PRE-LAUNCH BRIEFING AND RATE SETTING

RECOMMENDATION:

It is recommended the City Council: 1) receive a pre-launch briefing from Pilot Power Group; and 2) adopt a Resolution approving King City Community Power rates for the period of July 1, 2018 through March 31, 2019.

BACKGROUND:

The City first considered community choice aggregation ("CCA") as a part of the Monterey Bay Community Power ("MBCP") initiative, which began in 2013 as a regional CCA investigation involving the Counties of Santa Cruz, Monterey, and San Benito, plus all 18 cities (including the City) located within those counties, as well as some special districts. On January 10, 2017, Pilot Power Group, Inc. ("Pilot") presented to the City Council regarding the possibility of an independent City CCA utilizing Pilot's Full Service Option for smaller CCAs ("FSO"). At a follow-up meeting on February 28, 2017, both MBCP and Pilot presented to the City Council.

On March 28, 2017, the City Council declined membership in the JPA and directed staff to proceed with fully assessing the feasibility of an independent City CCA. On May 17, 2017, staff released a Request for Proposals ("RFP") seeking preparation of a City CCA feasibility analysis and, should the City Council subsequently seek to move forward with an independent CCA, development and implementation of a turnkey CCA program. On August 8, 2017, the City Council approved a Phase 1 contract with Pilot to produce a full and thorough CCA feasibility analysis ("Feasibility Study").

On October 24, 2017, the City received and reviewed the Feasibility Study prepared by Pilot. An independent energy consulting firm hired by the City also

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CONSIDERATION OF KING CITY COMMUNITY POWER PRE-LAUNCH
BRIEFING AND RATE SETTING
APRIL 10, 2018
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conducted a peer review of the Feasibility Study, finding no issues of major concern. The City Council authorized moving forward with implementing a City CCA utilizing Pilot's FSO.

On November 14, 2017, the City Council adopted the City CCA Ordinance and environmental review. On December 12, 2017, the City Council adopted the Implementation Plan. A number of public outreach and education events were also conducted. On February 15, 2018, the City Council approved execution of the final version of the Community Choice Aggregation Full Service Agreement with Pilot and received a briefing regarding the potentially negative impact of Resolution E-4907 of the California Public Utilities Commission ("E4907") on the launch of King City Community Power ("KCCP"). Throughout February and March of this year, Pilot has worked closely with City staff to complete the many tasks required to launch KCCP. Launch of service is on schedule for July 2, 2018.

DISCUSSION:

The proposed rates are designed to best ensure that KCCP collects enough revenue to cover the projected costs associated with operating KCCP over the time period for which rates are being proposed. This time period is known as the "Rate Cycle." The current Rate Cycle begins July 1, 2018 and ends on March 31, 2019, and each annual Rate Cycle that follows will begin on April 1 and end on March 31. This time period allows KCCP to update rates based on PG&E's annual rate changes, which may be finalized as late as March of each year. In March of every year, KCCP will evaluate whether to make changes to rates for the next Rate Cycle.

Based on current forecasts of KCCP customer revenue and the costs of operating KCCP until March 31, 2019 under a compliant energy portfolio, rates are proposed to be set at an average of 0.5% below what a customer would otherwise pay for fully bundled PG&E electric service. Revenue from these rates are forecasted to cover all KCCP costs while maintaining ongoing cash flow needs.

Beyond the current Rate Cycle, Pilot has procured energy for KCCP through the end of 2019 and capacity, or "Resource Adequacy" ("RA"), through 2020. The negative impact of E4907 has resulted in an approximately \$100,000 increase in KCCP annual RA costs. Nevertheless, in spite of this cost increase, the certainty that energy procurement through 2019 and RA procurement through 2020 brings is a significant planning benefit to KCCP.

**CITY COUNCIL
CONSIDERATION OF KING CITY COMMUNITY POWER PRE-LAUNCH
BRIEFING AND RATE SETTING
APRIL 10, 2018
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As projected, if the City Council maintains the 0.5% discount and compliant portfolio throughout the following two Rate Cycles, the GRID Alternatives low income solar installations and the wireless street lighting programming will roll out next Spring, and by the Fall of 2020 all of the deferred costs associated with KCCP's start-up will be paid off and KCCP will have cash flow and a financial profile consistent with the potential siting of local renewable power capable of supplying as much as 50% of King City's energy needs. Staff also anticipates that additional rate reductions may be possible by next Spring.

COST ANALYSIS:

On average, customers that do not opt out of KCCP service will save 0.5% off of what they would pay for fully bundled electric service through PG&E. For average residential customers, the annual savings amounts to approximately \$5 to \$10, or possibly more. For business customers the annual savings could range from over a hundred to several hundred dollars or more.

Current Rate Cycle Forecast

Revenue:	\$2,068,275
Energy Costs:	\$1,600,214
Operating Costs, Including Deferred Cost Recovery:	408,797
Bad Debt Reserves:	10,341
TOTAL COSTS:	\$2,019,352
NET:	\$ 48,923

Note that the \$48,923 net is not reflective of actual available cash flow at the end of the Rate Cycle. Instead, the net is presented to demonstrate that the proposed rates recover all of the costs applicable to that Rate Cycle. KCCP cash flow is significantly enhanced due to the deferral of start-up costs and bridge funding to cover the first three-months of expense, allowing CCA revenues to be fully realized following the launch.

ENVIRONMENTAL REVIEW:

The rates are not considered a "project" for the purposes of the California Environmental Quality Act (CEQA). Therefore, the rates 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.

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APRIL 10, 2018
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ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Adopt the Resolution approving staff's recommended King City Community Power rates;
2. Adjust the proposed King City Community Power rates and then adopt the Resolution;
3. Direct staff provide additional analysis prior to approving rates; or
4. Provide other direction to staff.

Exhibits:

1. Opt Out Notice

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. 2018-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
APPROVING KING CITY COMMUNITY POWER RATE SCHEDULES**

WHEREAS, the City of King oversees a California Community Choice Aggregation ("CCA") program known as King City Community Power ("KCCP"); and

WHEREAS, the purpose of the KCCP Rate Schedules are to pay the cost of providing CCA service; and

WHEREAS, the inaugural KCCP Rate Schedules are in effect from July 1, 2018 until March 31, 2019; and

WHEREAS, the City will review and update the KCCP Rate Schedules on an annual basis each March for the time period beginning April 1 and ending March 31 of each year, and

WHEREAS, the City has reviewed the current KCCP Rate Schedules to ensure that the rates accurately reflect the cost to provide CCA services; and

WHEREAS, any KCCP customer can opt out of KCCP CCA service at any time.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of King hereby approves the KCCP Business and Residential Rate Schedules attached and included herein as Exhibit A and Exhibit B, respectively.

This resolution was passed and adopted this 10th day of **April, 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, Interim City Attorney



KING CITY COMMUNITY POWER

Commercial and Industrial Rates

Effective July 2018

	PGE Energy Rate	KCCP Rate*
A-1 - SMALL GENERAL SERVICE NON-TIME-OF-USE SERVICE		
Summer (kWh)	\$0.12570	\$0.12193 May 1 through October 31
Winter (kWh)	\$0.08648	\$0.08389 November 1 through April 30
A-1-TOU - SMALL GENERAL SERVICE TIME-OF-USE SERVICE		
Summer - May 1 through October 31		
Peak (kWh)	\$0.13984	\$0.13564 Mon-Fri 12:00 p.m. to 6:00 p.m.
Part-Peak (kWh)	\$0.11619	\$0.11270 Mon-Fri 8:30 a.m. to 12:00 p.m. + 6:00 p.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.08884	\$0.08617 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
Winter - November - 1 through April 30		
Part-Peak (kWh)	\$0.11600	\$0.11252
Off-Peak (kWh)	\$0.09508	\$0.09223 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
A-6 - SMALL GENERAL TIME-OF-USE SERVICE		
Summer - May - 1 through October 31		
Peak (kWh)	\$0.37744	\$0.36612 Mon-Fri 12:00 p.m. to 6:00 p.m.
Part-Peak (kWh)	\$0.13786	\$0.13372 Mon-Fri 8:30 a.m. to 12:00 p.m. + 6:00 p.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.07957	\$0.07718 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
Winter - November - 1 through April 30		
Part-Peak (kWh)	\$0.10503	\$0.10188 Mon-Fri 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.08754	\$0.08491 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
A-10 - MEDIUM GENERAL DEMAND-METERED SERVICE NON-TIME-OF-USE		
Secondary Voltage		
Energy Rate by Components		
Summer (kWh)	\$0.11614	\$0.11266 May 1 through October 31
Winter (kWh)	\$0.08916	\$0.08649 November 1 through April 30
Demand Rate by Components		
Summer (kW)	\$5.41000	\$5.38295 May 1 through October 31
A-10 - MEDIUM GENERAL DEMAND-METERED SERVICE TIME-OF-USE		
Secondary Voltage		
Energy Rate by Components		
Summer - May 1 through October 31		
Peak (kWh)	\$0.17002	\$0.16492 Mon-Fri 12:00 p.m. to 6:00 p.m.
Part-Peak (kWh)	\$0.11489	\$0.11144 Mon-Fri (Except Holidays) 8:30 a.m. to 12:00 p.m. + 6:00 p.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.08682	\$0.08422 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
Winter - November - 1 through April 30		
Part-Peak (kWh)	\$0.09895	\$0.09598 Mon-Fri (Except Holidays) 8:30 a.m. to 9:30 p.m.



KING CITY COMMUNITY POWER

Commercial and Industrial Rates

Effective July 2018

	PGE Energy Rate	KCCP Rate*	
<i>Demand Rate by Components</i>			
Off-Peak (kWh)	\$0.08188	\$0.07942	Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
Summer (kW)	\$5.41000	\$5.38295	



KING CITY COMMUNITY POWER

Commercial and Industrial Rates

Effective July 2018

	PGE Energy Rate	KCCP Rate*
AG-1A - AGRICULTURAL POWER		
<i>Energy Rate by Components</i>		
Summer (kWh)	\$0.10874	\$0.10548 May 1 through October 31
Winter (kWh)	\$0.08721	\$0.08459 November 1 through April 30
<i>Demand (Horsepower charge)</i>		
Connected Load Summer (kW)	\$1.49000	\$1.48255
AG-4A - TIME-OF-USE AGRICULTURAL POWER		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.17399	\$0.16877 Mon-Fri 12:00 p.m. to 6:00 p.m.
Off-Peak (kWh)	\$0.07511	\$0.07286 All other times including Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.07960	\$0.07721 Mon-Fri 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.06782	\$0.06579 All other times including Holidays
<i>Demand (Horsepower charge)</i>		
Connected Load Summer (kW)	\$1.48000	\$1.47260
AG-4B - TIME-OF-USE AGRICULTURAL POWER		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.13325	\$0.12925 Mon-Fri 12:00 p.m. to 6:00 p.m.
Off-Peak (kWh)	\$0.07734	\$0.07502 All other times including Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.07542	\$0.07316 Mon-Fri 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.06417	\$0.06224 All other times including Holidays
<i>Demand Rate by Components</i>		
Summer		
Maximum Peak Demand (kW)	\$2.78000	\$2.76610
Maximum Demand (kW)	\$2.62000	\$2.60690
Primary Voltage Discount Summer (kWh)	(\$0.65000)	(\$0.64675)
AG-4C - TIME-OF-USE AGRICULTURAL POWER		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.15377	\$0.14916 Mon-Fri 12:00 p.m. to 6:00 p.m.
Part-Peak (kWh)	\$0.08705	\$0.08444 Mon-Fri 8:30 a.m. to 12:00 p.m. + 6:00 p.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.06281	\$0.06093 Mon-Fri 9:30 p.m. to 8:30 a.m.; All Day Sat, Sun including Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.06969	\$0.06760 Mon-Fri 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.05928	\$0.05750 All other times including Holidays
<i>Demand Rate by Components</i>		
Summer		
Maximum Peak Demand (kW)	\$6.45000	\$6.41775
Maximum Part-Peak Demand (kW)	\$1.10000	\$1.09450



KING CITY COMMUNITY POWER

Commercial and Industrial Rates

Effective July 2018

	PGE Energy Rate	KCCP Rate*
Primary Voltage Discount Summer (kW)	(\$1.12000)	(\$1.12000)
Transmission Voltage Discount Summer		
Maximum Peak Demand (kW)	(\$2.06000)	(\$2.06000)
Maximum Part-Peak Demand (kW)	(\$0.02000)	(\$0.02000)



KING CITY COMMUNITY POWER

Commercial and Industrial Rates

Effective July 2018

	PGE Energy Rate	KCCP Rate*
AG-5A - LARGE TIME-OF-USE AGRICULTURAL POWER		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.16283	\$0.15795 Mon-Fri 12:00 p.m. to 6:00 p.m.
Off-Peak (kWh)	\$0.08051	\$0.07809 All other times including Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.08432	\$0.08179 Mon-Fri 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.07191	\$0.06975 All other times including Holidays
<i>Demand (Horsepower charge)</i>		
Connected Load Summer (kW)	\$4.05000	\$4.02975
AG-5B - LARGE TIME-OF-USE AGRICULTURAL POWER		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.15904	\$0.15427 Mon-Fri 12:00 p.m. to 6:00 p.m.
Off-Peak (kWh)	\$0.05347	\$0.05187 All other times including Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.07547	\$0.07321 Mon-Fri 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.04437	\$0.04304 All other times including Holidays
<i>Demand Rate by Components</i>		
Summer		
Maximum Peak Demand (kW)	\$6.10000	\$6.06950 Mon-Fri 12:00 p.m. to 6:00 p.m.
Maximum Demand (kW)	\$4.87000	\$4.84565 All other times including Holidays
<i>Voltage Discounts</i>		
Summer		
Primary Maximum Peak Demand (kW)	(\$1.53000)	(\$1.53000)
Transmission Maximum Peak Demand (kW)	(\$2.66000)	(\$2.66000)
AG-5C - LARGE TIME-OF-USE AGRICULTURAL POWER		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.13183	\$0.12788 Mon-Fri 12:00 p.m. to 6:00 p.m.
Part-Peak (kWh)	\$0.07612	\$0.07384 Mon-Fri 8:30 a.m. to 12:00 p.m. + 6:00 p.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.05538	\$0.05372 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.06159	\$0.05974 Mon-Fri 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.05217	\$0.05060 All other times including Holidays
<i>Demand Rate by Components</i>		
Summer		
Maximum Peak Demand (kW)	\$11.31000	\$11.25345
Maximum Part-Peak Demand (kW)	\$2.13000	\$2.11935
<i>Voltage Discounts</i>		
Summer		
Primary Maximum Peak Demand (kW)	(\$2.33000)	(\$2.33000)
Transmission Maximum Peak Demand (kW)	(\$4.36000)	(\$4.36000)



Commercial and Industrial Rates

Effective July 2018

	PGE Energy Rate	KCCP Rate*
E-19 - MEDIUM GENERAL DEMAND-METERED TOU SERVICE		
Secondary Voltage		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.13766	\$0.13353 Mon-Fri 12:00 p.m. to 6:00 p.m.
Part-Peak (kWh)	\$0.09324	\$0.09044 Mon-Fri (Except Holidays) 8:30 a.m. to 12:00 p.m. + 6:00 p.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.06382	\$0.06191 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.08715	\$0.08454 Mon-Fri (Except Holidays) 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.07112	\$0.06899 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
<i>Demand Rate by Components</i>		
Summer		
Maximum Peak Demand (kW)	\$13.86000	\$13.79070
Maximum Part-Peak Demand (kW)	\$3.42000	\$3.40290
E-19 - MEDIUM GENERAL DEMAND-METERED TOU SERVICE (OPTION R - SOLAR)		
Secondary Voltage		
<i>Energy Rate by Components</i>		
Summer - May 1 through October 31		
Peak (kWh)	\$0.29098	\$0.28225 Mon-Fri 12:00 p.m. to 6:00 p.m.
Part-Peak (kWh)	\$0.12891	\$0.12504 Mon-Fri (Except Holidays) 8:30 a.m. to 12:00 p.m. + 6:00 p.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.06382	\$0.06191 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.08715	\$0.08454 Mon-Fri (Except Holidays) 8:30 a.m. to 9:30 p.m.
Off-Peak (kWh)	\$0.07112	\$0.06899 Mon-Fri 9:30 p.m. to 8:30 a.m., All Day Sat-Sun + Holidays
LS-1 - PG&E-OWNED STREET AND HIGHWAY LIGHTING		
All Usage (kWh)	\$0.08753	\$0.08490
LS-2 - CUSTOMER-OWNED STREET AND HIGHWAY LIGHTING		
All Usage (kWh)	\$0.08753	\$0.08490
LS-3 - CUSTOMER-OWNED STREET AND HIGHWAY LIGHTING ELECTROLIER METER RATE		
All Usage (kWh)	\$0.08753	\$0.08490
OL-1 - OUTDOOR AREA LIGHTING SERVICE		
All Usage (kWh)	\$0.08753	\$0.08490
TC-1 - TRAFFIC CONTROL SERVICE		
All Usage (kWh)	\$0.09504	\$0.09219



KING CITY COMMUNITY POWER

Residential Rates

Effective July 2018

	PGE Energy Rate	KCCP Rate*
E-1 - RESIDENTIAL SERVICE		
All Usage (kWh)	\$0.10780	\$0.10645
E-6 - RESIDENTIAL TIME-OF-USE SERVICE		
Summer - May 1 through October 31		
Peak (kWh)	\$0.23774	\$0.23477 Mon-Fri 1:00 p.m. to 7:00 p.m.
Part-Peak (kWh)	\$0.12489	\$0.12333 Mon-Fri 10:00 a.m.-1:00 p.m. + 7:00 p.m. to 9:00 p.m., Sat & Sun 5:00 p.m.-8:00 p.m.
Off-Peak (kWh)	\$0.07883	\$0.07784 All other times including Holidays.
Winter - November 1 through April 30		
Part-Peak (kWh)	\$0.10440	\$0.10310 Mon-Fri 5:00 p.m. to 8:00 p.m.
Off-Peak (kWh)	\$0.09173	\$0.09058 All other times including Holidays.
*Schedule closed to new customers as of May 31, 2016		
**Time Periods will change in 2021 & 2022		
E-TOU-A - RESIDENTIAL TIME-OF-USE SERVICE		
Summer - June 1 through September 30		
Peak (kWh)	\$0.19050	\$0.18812 Mon-Fri 3:00 p.m. to 8:00 p.m.
Off-Peak (kWh)	\$0.11493	\$0.11349 All other times including Holidays.
Winter - October 1 through May 31		
Peak (kWh)	\$0.10316	\$0.10187 Mon-Fri 3:00 p.m. to 8:00 p.m.
Off-Peak (kWh)	\$0.08887	\$0.08776 All other times including Holidays.
E-TOU-B - RESIDENTIAL TIME-OF-USE SERVICE		
Summer - June 1 through September 30		
Peak (kWh)	\$0.21238	\$0.20973 Mon-Fri 4:00 p.m. to 9:00 p.m.
Off-Peak (kWh)	\$0.10932	\$0.10795 All other times including Holidays.
Winter - October 1 through May 31		
Peak (kWh)	\$0.10554	\$0.10422 Mon-Fri 4:00 p.m. to 9:00 p.m.
Off-Peak (kWh)	\$0.08674	\$0.08566 All other times including Holidays.
EM - MASTER-METERED MULTIFAMILY SERVICE		
All Usage (kWh)	\$0.09838	\$0.09715
ET - MOBILEHOME PARK SERVICE		
All Usage (kWh)	\$0.09838	\$0.09715

ATTENTION

On your July 2018 PG&E bill date, **King City Community Power (KCCP)**, a City of King sponsored program, will become / became your new provider of electric energy. PG&E continues to provide nearly all other services and programs to you, including delivery of your energy, CARE, FERA and Medical Baseline discounts. As a KCCP customer, on average you will receive an additional **.5% discount on your total electric bill**. KCCP also sponsors **special programming for the King City community**, including free solar for low-income residents and new wireless street lighting. If you prefer to continue to buy energy from PG&E, you may do one of the following to opt out with no penalty: 1) visit www.kingcitycommunitypower.org; or 2) call 1-833-888-KING (5464); or 3) fill out the information on the other side of this card and mail to **"KCCP c/o Pilot Power, 8910 University Center Lane, Suite 520, San Diego, CA 92122"** KCCP's terms and conditions of service can also be found at our website, by phoning our call center, or by checking the appropriate box on the other side of this card to have a paper copy of the terms and conditions mailed to the address on your account.

ATENCIÓN

En su factura de PG&E de julio del 2018, **King City Community Power (KCCP)**, un programa de la ciudad de King City, se convertirá en su nuevo proveedor de energía eléctrica. PG&E continuará brindándole casi todos los demás servicios y programas, incluyendo la entrega de su energía, CARE, FERA y descuentos de Medical Baseline. Como un cliente de KCCP, en promedio recibirá un descuento adicional de **.5% en su factura total de electricidad**. KCCP también patrocina **programación especial para la comunidad de King City**, incluyendo energía solar gratuita para residentes de bajos ingresos y nuevo alumbrado público inalámbrico. Si desea continuar comprando energía de PG&E, y quiere optar por salirse de KCCP sin pena de multa, lo puede hacer haciendo uno de lo siguiente: 1) visite www.kingcitycommunitypower.org; o 2) llame al 1-833-888-KING (5464); o 3) complete la información en el otro lado de esta tarjeta y envíela por correo a **"KCCP c/o Pilot Power, 8910 University Center Lane, Suite 520, San Diego, CA 92122"** Los términos y condiciones de servicio de KCCP también se pueden encontrar en nuestro sitio web, llamando a nuestro centro de llamadas o marcando la caja correspondiente al otro lado de esta tarjeta para que se envíe una copia en papel de los términos y condiciones a la dirección de su cuenta.



KING CITY
COMMUNITY POWER

NAME ON ACCOUNT / NOMBRE EN LA CUENTA:

ACCOUNT NUMBER / NÚMERO DE CUENTA:

(CHECK ONE OR BOTH / MARQUE UNO O AMBOS):

- OPT ME OUT OF KCCP / OPTEME FUERA DE KCCP**
- MAIL TERMS AND CONDITIONS / MANDE POR CORREO LOS TÉRMINOS Y CONDICIONES**

King City Community Power
212 South Vanderhurst Avenue
King City, CA 93930

VALUED CUSTOMER
1000 ANY STREET
KING CITY, CA 93930