

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 24, 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. Patrick Mathews, Salinas Valley Solid Waste Authority, Update on Recycling Market Challenges**
- 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 Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion.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 April 10, 2018 Council Meeting
Recommendation: approve and file.
- B. City Check Register
Recommendation: approve and file.
- C. City Monthly Treasurer's Report- March 2018
Recommendation: approve and file.
- D. Successor Agency Monthly Treasurer's Report- March 2018
Recommendation: approve and file.
- E. Public Financing Authority Treasurer's Report- March 2018
Recommendation: approve and file.
- F. Consideration: AMGEN Tour of California City Participation Agreement
Recommendation: approve and authorize the City Manager to execute the Amgen Tour of California City Participation Agreement for the Stage 3 Start on May 15, 2018 and to make non-substantive changes as necessary that are approved as to form by the City Attorney.
- G. Consideration: FY 2018-19 SB 1 Funded Street Improvements and 5-Year Street and Sidewalk Improvement Capital Improvement Project
Recommendation: 1) adopt a Resolution designating street projects and appropriating revenues from SB 1 – The Road Repair and Accountability Act of 2017 for FY 2018-19; and 2) amend the 5- Year Street and Sidewalk Improvement Capital Improvement Project (CIP).
- H. Consideration: 10-Day Report on Interim Ordinance Establishing Moratorium on Approval of Seasonal Employee Housing Projects in FSC and C-2 Zones
Recommendation: accept and issue.
- I. Consideration: Broadway Street Sidewalk Improvement Project at 637 and 641 Broadway Street
Recommendation: authorize the City Manager to issue an addendum to Alfredo's Concrete to remove and replace 207 lineal feet of curb, gutter and sidewalk and install new handicap ramp.

10. PUBLIC HEARINGS

- A. Consideration: Introduction of an Ordinance of the City Council of the City of King Amending Section 9.08.010 of Chapter 9.08 of Title 9 of the King City Municipal Code Governing Dogs Running at Large within the Boundaries of the City of King
Recommendation: introduce an Ordinance amending Municipal Code Section 9.08.010 to require all dogs on public property to be on leash to be read by title only, open the hearing, allow for public testimony, close the hearing, waive first reading of the Ordinance, and approve the introduction of the Ordinance.

11. REGULAR BUSINESS

- A. Consideration: Analysis of Local Sales Tax Increase and Long Range Financial Stability Efforts
Recommendation: 1) consider staff's analysis of a potential ½ cent increase to the local sales tax; 2) receive public input; 3) direct staff whether to proceed with preparation of a ballot measure for the November 6, 2018; and 4) direct staff whether to include an advisory measure, sunset clause, advisory committee, or other special provisions.

12. CITY COUNCIL CLOSED SESSION

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

13. ADJOURNMENT

**City Council Meeting
April 10, 2018**

1. CALL TO ORDER:

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

2. FLAG SALUTE:

The flag salute was led by Council Member Acosta

3. ROLL CALL:

City Manager Adams conducted roll call.

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

City Staff: City Manager Steven Adams; Asst. City Attorney Roy Santos; Admin. Asst./Deputy City Clerk, Erica Sonne.

4. CLOSED SESSION ANNOUNCEMENTS:

None

5. PRESENTATIONS:

Commendation proclaiming April 10, 2018 as Dr. Edward Ballengee Day. City Council gave their words of appreciation. Community member Laurie Slaten, thanked and appreciated Dr. Ballengee with a bouquet of flowers. Mayor LeBarre read the proclamation to Dr. Ballengee.

Dr. Ballengee spoke about the most important thing in life is to give. He never found anyone he didn't love. He introduced his assistance and his lovely wife. He plans on raising black angus bulls on his property.

6. PUBLIC COMMUNICATIONS:

None

7. COUNCIL COMMUNICATIONS:

Council Member DeLeon nothing to report.

Council Member Acosta welcomed back the City Manager after not feeling well. Four Cities for Peace is tomorrow.

Mayor Pro Tem Victoria stated that AMBAG meeting is tomorrow.

Council Member Cullen will not be in attendance at the next meeting. He attended the Salinas Valley Fair board meeting. Heritage foundation has raised enough money to pay off the renovation to the Orradre building. Fair kickoff is April 28th and the Heritage foundation is doing a golf tournament this weekend. Next year is the 75th anniversary of the Fair.

Mayor LeBarre he attended the Rancho Cielo fundraiser which was a great event. He stated that MST will be providing free passes this summer. He suggested some for Rancho Cielo and our residents.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Steven Adams stated that the refuse rates for the Rio Plaza mobile home park will get to have individual bins instead of dumpsters. CDBG application good new the City was awarded the money for the ProYouth program. He attended the MBASIA meeting yesterday and received some good news where we will get a reduction in our cost. New sign for Forden Park donated by CalWater and Funds for Forden 9:30a.m. at the park.

City Attorney Shannon Chaffin had nothing at this time.

9. CONSENT AGENDA

- A. Meeting Minutes of March 27, 2018 Council Meeting
- B. City Check Register
- C. Successor Agency Check Register
- D. Consideration: Resolution Consenting to the Inclusion of Properties within the Territory of the City of King in the CSCDA Open PACE Program

Mayor LeBarre pulled item D.

Action: Motion to approve consent agenda items A-C by Acosta and seconded by Cullen.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Mayor LeBarre wanted to bring to the staff's attention that there has been some price gouging. He would like to make sure there are protections in place to protect the elderly and people that didn't understand.

Bob Schuman, Counterpointe Energy Solutions, Vice President Policy and Government Relations explained the protections that are in place to protect the elderly and people that may not understand.

Jim Johnson, Plant Operations Manager at the Hospital, stated that this program will help the hospital save some money to buy some equipment that will give back to the community as well.

Council member Acosta is in favor of this and is very happy when the City can partner with others to bring in things to help others.

Action: Motion to approve consent agenda items B 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:

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

City Manager Steven Adams introduced this item.

Ken Hira Executive Vice President, Kosmont Companies, further introduced this item with a PowerPoint. He went over the site with its exposure and the challenges. They found that people are coming for jobs and leaving for housing. May need to have more housing. Seems to be a strong weekend stay.

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

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

–Electronics & Appliance Stores

–Motor Vehicle & Parts Dealers (e.g., Napa Auto Parts) *

–Gasoline Stations

–Non-store Retailers

Retail is confused by online sales. The site being on the freeway should capture a food place. Hotel is a longer term away.

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**

Council member Cullen was happy to get the data.

Laurie Slaten spoke to the fact that King City is a halfway point between LA and San Francisco. Hospital staff stated that the property is in the flight pattern for the heliport at the Hospital.

Mr. Hira said they want to cast a really wide net. They are going to do their best to get it sold before June 30th.

Action: Motion to approve 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 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:

B. Consideration: King City Community Power Pre-Launch Briefing and Rate Setting

City Manager Steven Adams introduced this item.

Kelley Foley further introduced this item with a PowerPoint. She made sure the Council knows that they can make rate changes at any time.

Megan (web design) went over the website for the Community Power. Council member Cullen had some changes he would like to see. The picture on the front should be from a community members home. Community member TJ Plew state that the resolution is not good on phones and most people in the community check thing on the web from their phones. Pilot Power will look into this.

Denis Vermette, MBA President and Chief Financial Officer of Pilot Power Group went over energy performance and revenue coming in.

Motion to 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 by Acosta 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:

ADJOURNMENT:

There being no further business to come before the City Council, Mayor LeBarre adjourned the regular meeting at 7:54pm on a motion by Victoria and second by DeLeon.

Approved Signatures:

**Mayor, Michael LeBarre
City of King**

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



Item No. 9 (B)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 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 24, 2018
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

Wells Fargo Bank- FY17-418

Date: 04/10/2018
Time: 11:59 am
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							
60378	04/06/2018	Printed		A T T	A T & T	Monthly Internet	75.00
60379	04/06/2018	Printed		ACEHIGH	ACE HIGH DESIGNS INC	Pool Uniforms	574.11
60380	04/06/2018	Printed		ADAMSS	STEVEN ADAMS	Mileage (Caled Conference)	69.76
60382	04/06/2018	Printed		KCTVHARD	ALCANTAR HARDWARE INC	Tool to mount light on truck.	586.09
60383	04/06/2018	Printed		A & W	ALESHIRE & WYNDER LLP	Legal Services	20,001.68
60384	04/06/2018	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	May 2018 Computer	2,673.00
60385	04/06/2018	Printed		HANNA	ASSOCIATED ENGINEERING-SURVEY	111 E San Antonio Dr -	772.50
60386	04/06/2018	Printed		AT & T	AT & T	Sentry Alarm System.	13.09
60387	04/06/2018	Printed		AT&T - C	AT&T	KCPD Line	39.82
60388	04/06/2018	Printed		BARRIOSA	ANDRES BARRIOS	Softball -	110.00
60389	04/06/2018	Printed		CARMEL FIR	ART BLACK	118128 Nino Homes	600.00
60390	04/06/2018	Printed		PEAKC	BROCK LAWRIE	CAT 6 Network Cabling	15,662.20
60391	04/06/2018	Printed		CASTILLOE	EILEEN CASTILLO	Rec Refund Deposit	500.00
60392	04/06/2018	Printed		CNAUTO	CLARK N. CLEVINGER	Hedge Trimmer Cleaner	42.19
60393	04/06/2018	Printed		UMSTEAD EL	CLIFTON T. UMSTEAD	Fix Gate.	220.28
60394	04/06/2018	Printed		COASTL	COASTLINE MARKETING GROUP INC	Wedsite Monthly Service.	125.00
60395	04/06/2018	Printed		CSGCON	CSG CONSULTANTS INC	Jan/Feb 2018	4,712.50
60396	04/06/2018	Printed		DEROTIC	DEROTIC LLC	Inverter Charger	622.55
60397	04/06/2018	Printed		DIVISION	DIVISION OF STATE ARCHITECT	Disability Access and	2.10
60398	04/06/2018	Printed		DMV RENEW	DMV RENEWAL	Duplicae Title	21.00
60400	04/06/2018	Printed		EARTH DESI	EARTH DESIGN, INC.	Cal Grow	24,758.23
60401	04/06/2018	Printed		EIKHOF	EIKHOF DESIGN GROUP INC	2018-005 Consultant	6,330.00
60402	04/06/2018	Printed		EVEH	EMERGENCY VEHICLE SPECIALISTS	Services for Multiple units.	2,303.63
60403	04/06/2018	Printed		FIRST AL	FIRST ALARM, INC	Fire Alarm/False	95.00
60404	04/06/2018	Printed		GARCIAJ	JOVANY GARCIA	Basketball Ref -	71.50
60405	04/06/2018	Printed		GTA	GOVERNMENT TRAINING AGENCY	Tuition for Bowen & Baughman.	230.00
60406	04/06/2018	Printed		HYDRO TURF	HYDRO TURF, INC.	Mower	34,908.46
60407	04/06/2018	Printed		SCOFIELD	IRMA SCOFIELD	Supplies	238.70
60408	04/06/2018	Printed		GISPLUMB	ISMAEL GONZALEZ	Swimming Pool Temp Heater	1,945.00
60409	04/06/2018	Printed		JOHNSONL	LAUREN JOHNSON	Softball/Rec. Aide/Ump	126.50
60410	04/06/2018	Printed		KC CHAMBER	KING CITY CHAMBER OF COMMERCE	KC Chamber Aerial Fireworks	1,000.00
60411	04/06/2018	Printed		LEAG OF CA	LEAGUE OF CALIFORNIA CITIES	2018 Membership Dues	5,844.00
60412	04/06/2018	Printed		LCAH	LOS COCHES ANIMAL HOSPITAL	Sick Cat	100.00
60413	04/06/2018	Printed		MBAS	MBAS, INC.	Water Samples	640.00
60414	04/06/2018	Printed		MOCO HTH E	MO CO HEALTH DEPARTMENT	Rape Kit	925.00
60415	04/06/2018	Printed		MO BAY SYS	MONTEREY BAY OFFICE PRODUCTS	Monthly Copier Contract	3,297.90
60416	04/06/2018	Printed		MOTTM	MOTT MACDONALD GROUP, INC	KC Farm Worker Housing Project	11,997.50
60417	04/06/2018	Printed		NICHOP	N. I. CHOPPERS, INC.	KC Entry Alluminum Signs	665.74
60418	04/06/2018	Printed		O'REILLY A	O'REILLY AUTOMOTIVE, INC.		492.78
60420	04/06/2018	Printed		OFFICE DEP	OFFICE DEPOT	Sign Sticks	1,951.66
60421	04/06/2018	Printed		PARTS & SE	PARTS & SERVICE CTR- NAPA, INC	Wrench	28.98
60422	04/06/2018	Printed		PURE WATEF	PENINSULA PURE WATER INC.	Water Service	31.70
60423	04/06/2018	Printed		PETTY CASH	PETTY CASH-PATRICIA GRAINGER		310.07
60424	04/06/2018	Printed		PROYOUTH	PROYOUTH	ProYouth After School Program	11,458.33
60425	04/06/2018	Printed		RED SHIFT	RED SHIFT INTERNET SERVICES	Internet Monthly Service	30.90
60426	04/06/2018	Printed		SOVALOCK	ROBERT D. BURDEN JR.	Door Handle Repair	297.58
60427	04/06/2018	Printed		REPATT	RUSSELL E. PATTERSON	Emergency Management Consult	1,600.00
60428	04/06/2018	Printed		SPEAK	SPEAKWRITE BILLING DEPT	Translation Services	271.35
60429	04/06/2018	Printed		SUAREZ/FER	FERNANDO SUAREZ	Reimb. Pesticide&Training	80.00
60430	04/06/2018	Printed		SUN STREET	SUN STREET CENTERS	Services 3/1 - 3/31/18.	10,450.00

Check Register Report

Wells Fargo Bank- FY17-418

Date: 04/10/2018
 Time: 11:59 am
 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							
60431	04/06/2018	Printed		SURVEI	SURVEILLANCEGRID	Surveillance Grid Services	6,521.17
60432	04/06/2018	Printed		TORO	TORO PETROLEUM CORP.	Monthly Gasoline	2,732.60
60433	04/06/2018	Printed		TRI	TRI-COUNTY FIRE PROTECTION INC	Repair Fire Box and Stands	360.24
60434	04/06/2018	Printed		VERDIN	VERDIN MARKETING INK., CO	Amgen Ad	250.00
60435	04/06/2018	Printed		VERIZON WI	VERIZON WIRELESS	Cell Phone	949.18
60436	04/06/2018	Printed		VIAHEAR	VIA HEART PROJECT	AED Batteries	410.75
60437	04/06/2018	Printed		INTER TIRE	VICENTE ZARATA	Tire Disposal	525.00

Total Checks: 57	Checks Total (excluding void checks):	181,652.32
Total Payments: 57	Bank Total (excluding void checks):	181,652.32
Total Payments: 57	Grand Total (excluding void checks):	181,652.32



Item No. 9(C)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 2018
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT – MARCH 2018

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

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

DISCUSSION:

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

COST ANALYSIS:

There is no fiscal impact as a result of this action

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL
MONTHLY TREASURER'S REPORT – MARCH 2018
APRIL 24, 2018
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

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

Exhibits:

1. Investment Report

Submitted by:


Patricia Grainger, Accountant

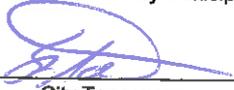
Approved by:


Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
March 31, 2018

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
Institution	Investment Type				
State of California LAIF - City	Pooled	1.20%	2,285,814.49	On Demand	N/R
1st Capital Bank	Checking Acct Housing Rehab	-	91,920.07	On Demand	N/R
Wells Fargo Bank	General Checking	-	4,207,073.57	On Demand	N/R
Wells Fargo Bank	Payroll Checking Account	-	17,466.44	On Demand	N/R
Petty Cash-City Hall/Change Fund	Change Cash Drawer	-	500.00	On Demand	N/R
Invested by City Treasurer (Subtotal):			6,602,774.57		
Total Cash and Investments			6,602,774.57		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 04/24/2018. Cash flow liquidity is still limited.

SIGNED: 
City Treasurer



Item No. 9(D)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 2018
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: CONSIDERATION OF SUCCESSOR AGENCY MONTHLY
TREASURER'S REPORT – MARCH 2018

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

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

DISCUSSION:

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

COST ANALYSIS:

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

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/SUCCESSOR AGENCY
SA MONTHLY TREASURER'S REPORT – MARCH 2018
APRIL 24, 2018
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

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

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
March 31, 2018

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
Institution	Investment Type				
Wells Fargo Bank	SA Checking Account		789,194.02	On Demand	N/R
Invested by City Treasurer (Subtotal):			789,194.02		
Invested by Trustees (as of March 2018 Statements)					
Bond Reserves (1)					
<u>U.S. Bank - 2011 TARB</u>					
US Bank Money Market Ct	Escrow Fund #5050	0.00%	5,492,887.46	8/1/2034	5,492,887.46
<u>U.S. Bank - 2016 A & B TARB</u>					
US Bank Money Market Ct	Debt Service Fund #5000	0.00%	67.75	3/31/2025	67.75
US Bank Money Market Ct	Interest Account #5001	0.10%	9,243.83	3/31/2025	9,243.83
US Bank Money Market Ct	Cost of Issu Acct. #5009	0.10%	0.00	3/31/2025	0.00
<u>U.S. Bank - 2016 TARB</u>					
US Bank Money Market Ct	Debt Service Fund #6000	0.10%	73.69	3/31/2025	73.69
US Bank Money Market Ct	Interest Account #6001	0.00%	843.31	9/30/2016	843.31
US Bank Money Market Ct	Sinking Account #6003	0.00%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Reserve Account #6005	0.10%	319,549.07	3/31/2025	319,549.07
US Bank Money Market Ct	Cost of Issu Fund #6009	0.10%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Escrow Fund #6050	0.39%	0.00	9/30/2016	0.00
Market Value Provided by U.S. Bank, Trustee					
Invested by Trustees (Subtotal):			5,822,665.11		
Total Cash and Investments			6,611,859.13		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 04/24/2018. Cash flow liquidity is still limited.

SIGNED: _____



City Treasurer

Note:
(1) Bonds



Item No. 9(E)

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: APRIL 24, 2018
TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY
FROM: STEVEN ADAMS, SECRETARY
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT –
MARCH 2018

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

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

DISCUSSION:

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

COST ANALYSIS:

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

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
MONTHLY TREASURER'S REPORT – MARCH 2018
APRIL 24, 2018
PAGE 2 OF 2**

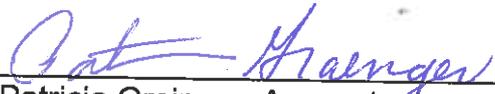
ALTERNATIVES:

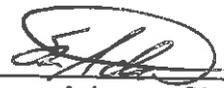
The following alternatives are provided for Council consideration:

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

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
 Investment Report
 Schedule of Cash and Investments
 March 31, 2018

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
	Investment Type				
Wells Fargo Bank	Fin Auth Checking Account		1,292.71	On Demand	N/R
State of California LAIF- Financing Authority	Pooled	1.20%	8.53	On Demand	N/R
Invested by City Treasurer (Subtotal):			1,301.24		
Total Cash and Investments			1,301.24		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 04/24/2018. Cash flow liquidity is still limited.

SIGNED: 
 Secretary



Item No. 9 (F)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 2018
TO: CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
RE: CONSIDERATION OF AMGEN TOUR OF CALIFORNIA CITY PARTICIPATION AGREEMENT

RECOMMENDATION:

It is recommended the City Council approve and authorize the City Manager to execute the Amgen Tour of California City Participation Agreement for the Stage 3 Start on May 15, 2018 and to make non-substantive changes as necessary that are approved as to form by the City Attorney.

BACKGROUND:

The Amgen Tour of California is an annual professional cycling stage race on the UCI World Tour and USA Cycling Professional Tour. At the October 10, 2017 meeting, the City Council approved a Letter of Intent (LOI) to participate as a host city and was later selected. Plans are under way and on schedule for the event, which will take place on May 15th. A Local Organizing Committee was formed and has been meeting on a regular basis. A budget was also developed for expenses related to the plans that have been developed.

DISCUSSION:

Attached for City Council consideration is the Amgen Tour of California City Participation Agreement. The agreement sets forth the responsibilities of both the City and the Amgen Tour of California. The most significant portion of the agreement is probably the indemnity and insurance provisions. MBASIA, the City's liability insurance pool, has been in negotiations with Amgen Tour of California regarding these provisions for several weeks. They have now authorized the City to proceed and indicated the City will be covered for claims arising from the event.

**CITY COUNCIL
CONSIDERATION OF AMGEN TOUR OF CALIFORNIA CITY PARTICIPATION
AGREEMENT
APRIL 24, 2018
PAGE 2 OF 3**

COST ANALYSIS:

The total cost to the City of hosting the event is projected to be approximately \$15,000. Half of this amount is intended to be paid from sponsorships and fees. The City has reached its fundraising goals.

ENVIRONMENTAL REVIEW:

Environmental review was considered and approved when the LOI was considered. Staff performed a preliminary environmental assessment of this event and determined that it falls within the Categorical Exemptions set forth in 15301 (Existing Facilities) and 15323 (Normal Operations of Facilities for Public Gatherings) because it consists of the use of existing public or private structures and facilities for the Amgen event that will involve negligible or no expansion of use beyond that existing at the current time. Additionally, use of streets, park(s) and other spaces for bicycles and public gatherings is consistent with the use for which the facilities were designed, and they have been previously been used for similar types of events and public gatherings whether it be parades, biking events or other events. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve the Agreement;
2. Direct staff to renegotiate terms of the agreement, but given the effort already dedicated by representatives of MBASIA, staff does not believe any additional changes are feasible at this time;
3. Move forward without an agreement, which is not recommended because it would leave a number of issues unresolved; or
4. Provide staff other direction.

Exhibit:

1. Amgen Tour of California Participation Agreement

Prepared and Approved by:



Steven Adams, City Manager

AMGEN TOUR OF CALIFORNIA
CITY PARTICIPATION AGREEMENT

(MEN'S STAGE START: KING CITY)

This **Amgen Tour of California City Participation Agreement** (hereinafter referred to as the "Agreement") is entered into as of this 3rd day of April, 2018 by and between AEG Cycling, LLC, a Delaware limited liability company ("AEG Cycling"), and the City of King City, a municipal corporation organized under the laws of the State of California ("City"). (AEG Cycling and City are sometimes hereinafter collectively referred to as the "Parties" and individually as a "Party".)

RECITALS:

WHEREAS, AEG Cycling owns the Amgen Tour of California, a multi-stage cycling race across the State of California (the "Tour"), which includes a Women's Race ("Women's Race") in addition to a Men's Race ("Men's Race").

WHEREAS, in connection with its ownership of the Tour, AEG Cycling has rights to certain marks, logos, and other distinctive indicia of the Tour;

WHEREAS, AEG Cycling has contracted Amaury Sport Organisation ("ASO") to assist with presenting, organizing and coordinating the Tour and developing its route and to utilize the Tour Marks (as hereinafter offered) in connection therewith;

WHEREAS, City wishes to acquire the rights and benefits of hosting the Host Stage (as that term is defined herein) in connection with the Men's Race and to undertake all of the obligations related to such hosting, all under the terms and conditions of this Agreement; and

WHEREAS, AEG Cycling wishes to grant such rights to the City under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the promises and covenants contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties hereby agree as follows:

1. Designation of Host and Location of Host Stage City. AEG Cycling licenses to City (the "Host") the right to host a Stage Start for the Men's Race (the "Host Stage") to be held in May 2018. The 2018 edition of the Tour is scheduled to be held from May 13 through 19, 2018 and the Host Stage is scheduled to be held on **May 15, 2018**. Host accepts such license and agrees to exercise such license to host the Host Stage and to undertake and perform the Host Obligations, as defined hereinafter and as set forth more specifically in Section 4 of this Agreement. The Host Stage shall be held at a location in City which shall be subject to the prior review and approval of AEG Cycling and ASO (the "Host Stage Location").

2. Term. The term of this Agreement shall begin as of the date first set forth above (the "Effective Date") and, unless earlier terminated in accordance with the terms set forth herein, shall continue through and including June 30, 2018 (the "Term").

3. **CITY.** City shall be subject to the following requirements:

a. **General.** At all times during the Term of this Agreement, City will not discriminate in any way on the basis of age, sex, race, national origin, handicap, religion or any other characteristic protected by law, in the conduct of its activities.

b. **Structure.** City will be led by one or more chairperson(s) who will be primarily responsible for performance of City's obligations under this Agreement. Such chairperson(s) shall ensure that the City's representatives relating to Tour include individuals with experience in the following areas and whose responsibilities could be as follows for the Host Stage in City (Cities have option to have one individual handle more than one responsibility):

Chairperson (Tour Director Point of Contact)
Technical Director
Operations Director
Media/Public Relations Director
Marketing Director
Sales/Sponsorship Director
Volunteer Director
VIP/Hospitality Director
Ceremony Coordinator
Lifestyle Festival Liaison
School/Community Involvement/Ancillary Events Director
Breakaway from Cancer Director

4. **Obligations.**

A. **Host Obligations.** In consideration of the license granted by AEG Cycling to host the Host Stage as set forth in Section 1 and the Host Benefits as set forth in Section 5 of this Agreement and in addition to those other obligations set forth in this Agreement, Host agrees to undertake and perform the following obligations (collectively, the "Host Obligations"):

a. **Implementation in Accordance with Planning Manual.** Host shall provide assistance in accordance with the 2018 Planning Manual for the Tour to be furnished by AEG Cycling or ASO to Host within a reasonable period of time following the execution of this Agreement.

b. **Publicity and Promotion.** Host shall use its best efforts to publicize and promote the Tour and the Host Stage through all local media.

c. **Host Obligation Specifications.** Provide the following at the sole expense of Host in accordance with the operational and technical specifications set forth on Exhibit "A" (collectively, the "Host City 2018 Requirements"):

(1) **Auxiliary Space and Equipment for Tour Requirements:** Those types of areas, premises and equipment for the time period designated on Exhibit A;

(2) **Police Services:** Local police services to work in coordination with the California State Patrol and California Department of Transportation, as well as Tour

representatives and City volunteers, to provide for safe road closure, fixed-post positions, traffic and crowd control and general public safety;

(3) Public Works and Road Services: Support police efforts to ensure road closure and course safety;

(4) Permits: All local permits and fees for operation of the Tour in Host's locale and presentation of the Host Stage, including but not limited to special event permits, parking permits, road closure and use permits, alcohol permits, and concession sales permits;

(5) EMS/EMT Services: Emergency medical services and emergency medical technicians to serve the general public at and on the day of the Host Stage in City;

(6) Waste Management/Trash Removal/Recycling: Waste management, trash removal services and recycling following conclusion of the Host Stage in City; and

(7) Volunteers: Recruitment of sufficient number of volunteers (See Exhibit A) to assist local police and Tour personnel with various functions. Host will be responsible for the selection, management and training of its volunteers. All volunteers will be expected to perform their assigned duties and services in a professional and competent manner, to the best and full limit of their abilities at all times and in accordance with the highest quality standards, applicable law and the rules and regulations established by Host in consultation with ASO and AEG Cycling. All volunteers will be required to sign a standard Volunteer Waiver and Release of Liability, Assumption of Risk and Indemnity Agreement form for the Tour as provided by AEG Cycling.

d. Tour Course Layout and Host Stage Location. Host will assist ASO and AEG Cycling in obtaining a design and layout of that portion of the City and county (if applicable) through which the Tour course will run and provide access to such course without imposition of any site fees.

e. Ambush-Free Zone. Host agrees to work with AEG Cycling and ASO to create a zone which consists of the Host Stage Location and a radius around the Host Stage Location (the "Ambush-Free Zone") that shall be free from temporary merchandise vending, temporary advertising, and temporary signs and inflatable items. Nothing herein shall obligate Host to take any actions as it relates to permanent retail establishments in the Ambush-Free Zone. The parameters of the Ambush-Free Zone should be within a 1-block radius of the Start/Finish area.

f. Ambush Marketing. Host agrees to use its commercially reasonable efforts to: (1) minimize the "ambush marketing" of Tour sponsors and local sponsors in and around City and the Host Stage Location during the Tour; (2) prevent Commercial Exploitation Rights (as hereinafter defined) identified with City from being granted by any governmental agency to any entity that is not a Tour sponsor during the period commencing two (2) weeks prior to, through Tuesday following the conclusion of the Tour; and (3) prevent other City-controlled and conflicting major sporting, civic or cultural events from being scheduled in City during the week prior to, through the week following, the Tour, unless such major sporting, civic or cultural events are approved in writing by AEG Cycling and under such conditions as ASO and AEG Cycling may specify.

g. Merchandise Counterfeiting and Trademark Enforcement. Host shall cooperate with AEG Cycling in preventing unauthorized use of the Tour Marks, admissions for the Host Stage and other intellectual property and the sale or distribution of unlicensed merchandise bearing the Tour Marks or any other reference to the Tour. Such commitment shall apply and be in force during the Term of this Agreement, particularly with respect to the period beginning May 1 prior to the Tour and continuing through thirty (30) days following the Tour. Host will cooperate with AEG Cycling by permitting AEG Cycling the right to pursue (at its expense) legal enforcement measures to prevent unauthorized use of the intellectual property regarding the Tour, including but not limited to action against any seller or distributor of unlicensed merchandise. Host, in conjunction with such appropriate governmental entities, will help to identify and communicate information to AEG Cycling regarding unauthorized use of the intellectual property of the Tour, including but not limited to sales or distribution of unlicensed merchandise. The decision to pursue civil legal action or settle claims against an unauthorized user of the intellectual property of AEG Cycling or against a seller or distributor of unlicensed merchandise will be at the sole discretion of AEG Cycling. Host shall not be responsible for the unauthorized use of the intellectual property of the Tour by anyone other than Host

h. Media and Marketing Plan Cooperation. Host will cooperate with the media and marketing plan of AEG Cycling and its contractors, ASO and designated public relations entity, including accommodating television broadcasters, sponsors, and other persons and entities to whom and to which AEG Cycling has granted and will grant rights.

i. Tour Sponsor Recognition. Host agrees that Tour sponsors shall have the right to have recognition and visibility at the Host Stage Location and that AEG Cycling shall determine placement of signage, recognition and visibility.

j. Ancillary Events. Before staging any ancillary events in connection with the rights licensed by AEG Cycling as set forth in this Agreement, Host shall obtain the prior written approval of AEG Cycling and ASO for the type, location and anticipated size of the event as well as sponsors.

k. Sale of Merchandise. Host agrees that no merchandise other than that designated by AEG Cycling will be sold on-site at the Host Stage Location during the Tour without the prior written consent of AEG Cycling.

l. Reference to Name of Tour. Host shall refer to the Tour by the exact name supplied by AEG Cycling from time-to-time, including any title or presenting sponsor identification (should title or presenting sponsorship rights be granted), and shall include, in all agreements that Host may enter into with third parties, a requirement that all third parties utilize the exact name for the Tour supplied by AEG Cycling from time-to-time. Notwithstanding anything to the contrary herein, if AEG Cycling changes the name or logo of the Tour after Host has created Tour related identification, Host shall not be required to recreate the Tour related identification.

m. Proposed Host Contracts. Host shall submit to AEG Cycling for prior review and approval, such approval not to be unreasonably withheld, denied or conditioned, all material contracts that Host proposes to enter into with respect to: (1) the obligations undertaken by Host in connection with the Tour; and (2) Host's organization of any ancillary events. All such proposed Host contracts shall be subject to the terms of Section 8 of this Agreement.

n. Anti-Gouging Provisions. Host shall exercise commercially reasonable efforts to make sure that hospitality services (including lodging and restaurants) are provided at reasonable prices for visitors and tenants.

o. Cycling Requirements. Host will use best efforts to respect the minimum requirements for the sport of cycling as defined by the various governing organizations over the sport of cycling and all other reasonable requirements established by AEG Cycling as set forth in the 2018 Planning Manual to be provided by AEG Cycling or ASO to Host within a reasonable period of time following the execution of this Agreement.

p. Guidelines and Amendments. All services and other activities required to be performed or provided by Host described in this Agreement will be performed or provided in compliance with all reasonable and customary guidelines, standards, policies and directives (collectively, "Guidelines") developed and issued by ASO and AEG Cycling from time to time and provided to Host in a timely manner. Host recognizes that, while the contents of the Planning Manual issued by ASO represents the current position of ASO and AEG Cycling on such matters, such material may evolve as a result of technological and other changes, some of which may be beyond the control of the Parties to this Agreement. ASO and AEG Cycling reserves the right to propose amendments to this Agreement to address such changes. Should amendments to the Agreement or Guidelines result in adverse effects on the financial or other obligations of Host, it will so inform AEG Cycling in writing and AEG Cycling will then negotiate with Host in order to address such adverse effects in a mutually satisfactory manner.

q. Progress Updates. During the Term of this Agreement, Host will advise ASO and AEG Cycling of the status of its plans relating to the Host Stage and the Host Stage Location and any related events, including, without limitation, information on: (1) the local sponsorships sold by Host and the status of efforts to present local sponsorship opportunities to various prospects; and (2) other revenues that Host has generated and expects to generate to pay the costs of discharging its obligations under this Agreement.

r. Promotion of Goodwill. Host agrees to conduct the activities contemplated by this Agreement and the Planning Manual in such a way as to promote the goodwill associated with the Tour, the Host Stage and the Host Stage Location, AEG Cycling, Anschutz Entertainment group, Inc. ("AEG"), ASO, the State of California, and the sponsors of the Tour, and will not at any time disparage the good name, reputation, or image of the Tour, the Host Stage and the Host Stage Location, AEG Cycling, AEG, ASO, the State of California, or the sponsors of the Tour. This section shall not be interpreted to preclude any action or proceeding by Host to enforce or defend its rights under the Agreement and shall not preclude Host or its representatives from communicating information, which Host reasonably determines to be factually accurate, pertaining to the Tour, its organizers or sponsors.

s. Credentials. AEG Cycling and its contractors shall be responsible for producing credentials of all types for the Tour, including the Host Stage and Host Stage Location and further including credentials for members of the media and operational personnel, which credentials shall be produced at the sole expense of AEG Cycling. AEG Cycling shall be responsible for all decisions regarding to whom media, VIP and operational credentials should be issued and shall establish all rules and regulations regarding media access to the Tour, the Host Stage and the Host Stage Location.

t. Intentionally Omitted.

u. Other Services. Host will provide those other services and undertake those other obligations set forth in Exhibit "A" attached hereto and incorporated herein by this reference, as well as those that may be reasonably requested by AEG Cycling after consultation with Host.

B. AEG Cycling Obligations. In consideration of the use of the Host City property and services, including the Host Stage, AEG Cycling agrees to the following:

- a. Provide timely notice of any obligations of Host as described in Section 4.A.p. Guidelines and Amendments, including the 2018 Planning Manual.
- b. AEG Cycling and its contractors shall be responsible for producing credentials for the Tour at its sole expense, including for the Host Stage. AEG Cycling shall be responsible for all decisions regarding media, VIP and other credentials and for establishing any rules AEG Cycling may deem necessary for media access to the Tour, including the Host Stage.
- c. Provide Host Stage setup, staging materials and related facilities and equipment, except as otherwise set forth on Exhibit A as a Host requirement.
- d. Provide Host with a Volunteer Waiver and Release of Liability, Assumption of Risk and Indemnity Agreement form to be signed by any Host volunteers.

5. Host Benefits. In consideration of the agreement by Host to undertake and perform the Host Obligations, AEG Cycling agrees to provide the following recognition and benefits to and for the benefit of Host (collectively referred to as the "Host Benefits"):

- a. Recognition. Include recognition for Host in the official Tour Guide, Tour web site, and in a press conference announcing that Host has agreed to serve as the host for the Host Stage of the Tour;
- b. Hospitality. Provide a designated number of credentials for and grant access to VIP hospitality area that AEG Cycling intends to create;
- c. Local Sponsorship. Provide local sponsorship opportunities for Host to utilize, as a means of fundraising, in accordance with the terms of Section 7 of this Agreement; and
- d. Ancillary Events. Establish activities ancillary to the Host Stage within City for the promotion of the State of California and Host, subject to the prior review and approval of AEG Cycling.

6. Financial.

a. Tour Revenues. Host acknowledges and agrees that AEG Cycling shall be entitled to retain all revenues attributable to the Tour, the Host Stage and the Host Stage Location, except as may be specifically set forth in Sections 6c and 7 of this Agreement.

b. Expenses. Host agrees that it shall be responsible for the entire cost and expense of undertaking and performing those Host Obligations listed in Section 4(c) of this document and in otherwise discharging its obligations under this Agreement.

c. Local Revenues.

(1) Parking. Host may offer parking for spectators for the Host Stage. Host may retain all revenues from such parking and shall be responsible for all parking expenses.

(2) Food and Beverage Concessions. Subject to certain VIP hospitality to be offered exclusively by AEG Cycling, Host may offer food and beverage concessions at the Host Stage -Location for purchase. Host may retain all revenues derived from food and beverage concessions and shall be responsible for all expenses attendant to such concessions.

(3) Ancillary Events. Host may create, organize and present events ancillary to the Host Stage, provided AEG Cycling and ASO has approved such events in advance in writing, and Host may retain all revenues generated thereby. Host shall be responsible for all expenses of creating, organizing and presenting such ancillary events.

7. Local Sponsorships. Host acknowledges and agrees that AEG Cycling holds and retains superior rights to grant sponsorships for the Tour, including for a title and presenting sponsor as well as for sponsorships which will grant recognition for the entire Tour (collectively, the "Tour Sponsors"). Notwithstanding the foregoing, AEG Cycling grants to Host a license to solicit and secure local sponsors to support the activities of Host in connection with the Host Stage, in accordance with the following terms and conditions:

a. Designation. Each local sponsor may be given the designation "Local Stage Sponsor", to the exclusion of any other sponsorship designation. A Local Stage Sponsor may neither be referred to nor describe its involvement with the Host Stage by any other designation, including but not limited to a sponsor of the Tour or a local sponsor of the Tour.

b. Sponsorship Levels. Host may create one or more sponsorship levels for Local Stage Sponsors, including a local presenting sponsor.

c. Local Sponsorship Benefits. Host shall be able to provide Local Stage Sponsors with those local sponsorship benefits to be provided by AEG Cycling. Specific local sponsorship benefits will be provided upon execution of this Agreement.

d. Local Sponsorship Guidelines. Sale of Local Stage Sponsor rights shall be subject to the following guidelines provided by AEG Cycling.

(1) Reserved Tour Sponsor Categories. Host acknowledges that AEG Cycling has retained the exclusive right to sell sponsorship rights in specific sponsorship categories to Tour Sponsors ("the Tour Sponsor Categories"). A listing of the current Tour Sponsor Categories is set forth on Exhibit "B" (which listing may be updated by AEG Cycling to add or delete sponsor categories). Pursuant to Exhibit "B", all potential local sponsors must be pre-approved by AEG Cycling's designated Tour Managing Director. Host acknowledges that it may not sell local sponsorship rights to become a Local Stage Sponsor to any company which manufactures, markets or distributes products or services in any of the Tour Sponsor Categories, such right being reserved to AEG Cycling for Tour Sponsors.

(2) AEG Cycling Approval. AEG Cycling shall have the right of prior review and prior written approval over the identity of all proposed Local Stage Sponsors as

well as recognition and benefits to be provided by Host to such Local Stage Sponsors. Host acknowledges that such review and approval is necessary to avoid conflicts between Tour Sponsors and Local Stage Sponsors.

(3) Sponsorship Priority. The title sponsor of the Tour as well as all other sponsors of the Tour designated by AEG Cycling shall have priority over and rights superior to that of any local sponsor.

(4) Submission of Materials to AEG Cycling. Host must submit all prospective sponsor lists and packages, art work, copy and designs to AEG Cycling for approval in advance.

(5) Use of Tour Marks. Host has no authority to grant a sublicense to and Local Stage Sponsors shall have no right to use the Tour Marks at any time.

(6) Recognition of Tour Sponsors. Host shall facilitate that recognition of Tour Sponsors as designated by AEG Cycling and Benefits List.

(7) No Other Recognition. Local Stage Sponsors shall not receive any endorsements from individual athletes participating in the Tour without the involved athlete's prior permission, nor will local sponsors be guaranteed broadcast exposure of any type.

8. Required Clauses. Notwithstanding the obligations of Host pursuant to Section 4m of this Agreement, Host agrees that, in each and every contract that the City enters into with regard to the Tour, the Host Stage, the ancillary events, or rights related to either the Tour, the Host Stage, or the ancillary events, the following required clauses will be incorporated:

a. Commercial Identification Prohibition. Unless otherwise agreed in writing by AEG Cycling, all parties contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or any ancillary events related thereto must agree that neither they nor their affiliates, agents, representatives, employees, suppliers or subcontractors shall commercially exploit in any manner the nature of their transaction with goods and/or services provided to Host for the Host Stage or the Tour, including without limitation: (1) by referring to the transaction or the goods or services, Host, the Host Stage or the Tour and/or events related thereto in any sales literature, advertisements, letters, client lists, press releases, brochures or other written, audio or visual materials; and (2) by using or allowing the use of the Tour Marks or any other service mark, trademark, copyright or trade name now or which may hereafter be owned or licensed to signify the Tour in connection with any service or product; or (3) by otherwise disclosing their affiliation with Host or the Host Stage or the Tour and/or events related thereto for a commercial purpose.

b. Clearances and Licenses. All parties contracting with or providing goods or services to Host in connection with the Host Stage or the Tour or events which Host hosts or associates with during the Host Stage and/or events related thereto must agree that they are responsible for providing all clearances, licenses, permissions and consents (including without limitation all music clearances, synchronization rights, union and guild fees and the like) as may be necessary for the presentation of all such events, to the extent permitted by AEG Cycling, in any and all media and in any and all forms, whether now known or hereafter developed.

c. Indemnification. Every party contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or events related thereto must agree to indemnify, defend and hold harmless AEG Cycling, AEG, ASO, , the State of California, Union Cycliste Internationale (“UCI”), Amgen, Inc., and Tour Sponsors, and their respective parent, subsidiary, and affiliated companies and each of their respective shareholders, members, trustees, partners, officers, directors, agents, volunteers, employees, and other representatives (collectively, the “AEG Cycling Parties”) from and against any claims, demands, damages, liabilities, lawsuits, losses or expenses, including without limitation, interest, penalties, reasonable attorney’s fees, and all amounts paid in the investigation, defense or settlement of any or all of the foregoing (“Claim” or “Claims”) resulting from, arising out of or in connection with the contracting parties’ obligations to Host.

d. Compliance with Law. Every party contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or events related thereto must agree to comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal or promulgated by other agencies or bodies having or claiming jurisdiction) applicable to the performance of such party’s obligations to Host.

e. Exculpation Clause. Every party contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or events related thereto must agree to look solely to the assets of Host for any payment for such goods or services, and not those of AEG Cycling or the AEG Cycling Parties (as defined in Section 8c above).

f. Insurance. Every party contracting with Host in connection with the Host Stage or the Tour and/or events related thereto must agree to maintain, at no cost to AEG Cycling or the AEG Cycling Parties, appropriate insurance coverage for Claims arising out of the contracting party’s operations, personnel, products and services. All such insurance provided by each contracting party shall be (1) primary to and non-contributory with any insurance maintained by Host, AEG Cycling and the AEG Cycling Parties; (2) shall be written by insurance companies with ratings of “A-” or better in the latest edition of the A.M. Best key rating guide; and (3) shall provide that coverage may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to Host and AEG Cycling. All liability policies shall be endorsed to name Host, AEG Cycling, ASO, Amgen, Inc., and the AEG Cycling Parties as Additional Insureds, and shall include a waiver of subrogation in favor of the Additional Insureds. Each contracting party shall be solely responsible for the costs of all deductibles under such policies and shall remain solely and fully liable for the full amount of any Claims not covered by insurance. Each contracting party shall provide Host and AEG Cycling with certificates of insurance certifying that the appropriate insurance is in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

9. Licenses to Use Marks.

a. Tour Marks.

(1) Acknowledgements Regarding Tour Marks. AEG Cycling retains the rights to sell title and presenting sponsorships in and to the Tour and, in such event, to incorporate the name and/or marks of such title and/or presenting sponsor into the Tour Marks or to develop new marks and logos for the Tour, acknowledging such title and/or presenting sponsor’s relationship with and support for the Tour. Host acknowledges the foregoing and that the term “Tour Marks” as used herein may also refer to the Tour Marks as such may be

expanded to include the name and/or marks of a title and/or presenting sponsor of the Tour. Upon being advised by AEG Cycling and ASO of a change to the Tour Marks in the event of a sale of title or presenting sponsorships, Host agrees to utilize the updated Tour Marks with the name and/or marks of a title and/or presenting sponsor, all as designated by AEG Cycling.

(2) License to Use Tour Marks. AEG Cycling hereby grants to Host a limited non-exclusive license to use the name, logos, trademarks, service marks, designs, product and service identification, artwork and other symbols and distinctive indicia associated with the Tour and identified in Exhibit "C" (the "Tour Marks") during the Term of this Agreement, in accordance with the terms of this Agreement and the Tour Marks Guidelines set forth in Section 9a(6) hereinbelow, solely at or in connection with the site of the Host Stage, including the Host Stage Location. (Such Exhibit "C" to be provided within reasonable timeframe upon execution of this Agreement). The foregoing license is subject to the right of AEG Cycling to review and approve in advance all such uses of the Tour Marks. Host shall have no right to assign, license or "pass-through" rights to use the Tour Marks to any other person or entity. In exercising this license to use the Tour Marks and in each and every reference to the Tour, Host shall utilize the Tour Marks and the exact name of the Tour designated by AEG Cycling, which shall include the name of any title and/or presenting sponsor. The Parties acknowledge and agree that, upon the expiration or termination of the Term of the Agreement, Host shall cease to use the Tour Marks.

(3) License Does Not Extend to Merchandise. Host shall not manufacture or sell, or license the manufacture or sale of, any promotional or other merchandise which bears the Tour Marks.

(4) Acknowledgements Regarding Goodwill. Host acknowledges the great value of goodwill associated with the Tour Marks. Host acknowledges that the goodwill attached to the Tour Marks belongs exclusively to AEG Cycling. Host agrees that any and all goodwill and other rights that may be acquired by the use of the Tour Marks by Host shall inure to the benefit of AEG Cycling.

(5) No Disparagement by Host. Host will not, at any time, disparage, dilute or adversely affect the validity of the Tour Marks or take any action, or otherwise suffer to be done any act or thing which may at any time, in any way materially adversely affect any rights of AEG Cycling in or to the Tour Marks, or any registrations thereof or which, directly or indirectly, may materially reduce the value of the Tour Marks or detract from their reputation. This section shall not be interpreted to preclude any action or proceeding by Host to enforce or defend its rights under this Agreement and shall not preclude Host or its representatives from communicating information, which Host reasonably determines to be factually accurate, pertaining to the Tour, its organizers or sponsors.

(6) Tour Marks Guidelines. Any use of the Tour Marks during the Term shall be further subject to the following conditions and limitations (collectively, the "Tour Marks Guidelines"):

(a) The Tour Marks shall be used in accordance with the Amgen Tour of California Graphics Standards Manual, published by AEG Cycling from time-to-time;

(b) Host shall not use the Tour Marks in any manner that is misleading or that reflects unfavorably upon the reputation of the Tour, AEG Cycling, AEG, ASO, Amgen, Inc., the State of California or any competitor in the Tour or in any manner that

is contrary to applicable laws and regulations, including, without limitation, those relating to truth in advertising and fair trade practices;

(c) Host shall not (i) permit any tradename or mark of a third party to appear in conjunction with Host's materials that display any of the Tour Marks; or (ii) participate with any third party in a promotion using the Tour Marks or permit the Tour Marks to be used in a manner that could be reasonably interpreted as a promotion or endorsement of a third party's products or services;

(d) Host shall not use the Tour Marks without the appropriate trademark or copyright designation as required by AEG Cycling;

(e) Host acknowledges that its selection as a partner is not based upon the results of any quality comparison between Host and any other municipality within the State of California and agrees that it shall not represent otherwise to any third party or use the expressions "selected", "approved", "warranted", "preferred", or "consented to" by AEG Cycling or AEG, or the Tour or any similar endorsement;

(f) Host shall not use the license granted under this Agreement in any comparative advertising; and

(g) Host shall not, after the expiration or termination of this Agreement, use any slogan or graphic device that was developed for use in conjunction with the Tour Marks if such slogan or graphic device implies an ongoing association with the Tour.

b. Host Marks.

(1) License to Use Host Marks. Host hereby grants to AEG Cycling a limited non-exclusive license to use the name, logos, trademarks, service marks, designs, product and service identification, artwork and other symbols and distinctive indicia of Host and identified in Exhibit "D" attached hereto (the "Host Marks") during the Term of this Agreement in accordance with the terms of this Agreement and the Host Marks guidelines in accordance with Section 9b(2) of this Agreement, specifically to provide Host with the Host Benefits. The foregoing license is subject to the right of Host to review and approve in advance all such uses of the Host Marks. AEG Cycling shall have no right to assign, license or "pass-through" rights to use the Host Marks to any party, except as necessary to fulfill its obligations set forth in this Agreement. The Parties acknowledge and agree that, upon the expiration or termination of the Term of the Agreement, AEG Cycling shall discontinue any use of the Host Marks and AEG Cycling may continue to use the Tour Marks.

(2) Host Marks Guidelines. AEG Cycling shall utilize the Host Marks pursuant to the license granted herein in accordance with those graphics standards supplied by Host to AEG Cycling in writing from time-to-time.

10. Trademarks.

a. Tour Marks.

(1) The Tour Marks, specifically including but not limited to the words "Amgen Tour of California", are and shall remain the property of AEG Cycling and AEG Cycling shall take all steps reasonably necessary to protect such Tour Marks, which steps may

include registrations through the United States Patent and Trademark Office (“PTO”) and foreign registrations, as it deems desirable and through reasonable prosecution of infringements.

(2) The rights licensed by AEG Cycling to Host with respect to use of the Tour Marks shall convey license rights only and shall convey no rights of ownership in or to the Tour Marks.

(3) AEG Cycling represents and warrants that it has the right to use the Tour Marks, specifically including but not limited to the words “Amgen Tour of California”, and to license the use of the Tour Marks to Host as set forth in Section 9a of this Agreement.

(4) AEG Cycling (as well as Amgen) shall own all right, title and interest in and to the Tour Marks. AEG Cycling shall have the right to take all steps reasonable necessary to protect the Tour Marks through PTO registrations and such foreign registrations as it deems desirable and through reasonable prosecution of infringements. AEG Cycling shall be the record owner of all such registrations for the Tour Marks. Host shall cooperate as reasonably necessary to assist AEG Cycling in obtaining such trademark protection and in prosecuting any alleged infringements of the Tour Marks.

b. Host Marks.

(1) The Host Marks are and shall remain the property of Host and Host shall take all steps reasonably necessary to protect such Host Marks through the PTO and foreign registrations as it deems desirable and through reasonable prosecution of infringements.

(2) Host represents and warrants that it has the right to use the Host Marks and to license the use of the Host Marks to AEG Cycling for use in connection with the Tour and to provide the Host Benefits.

(3) The rights granted to AEG Cycling by Host with respect to use of the Host Marks shall convey license rights only and shall convey no rights of ownership in or to the Host Marks.

11. Merchandising. The Parties acknowledge and agree that AEG Cycling shall be the sole licensor of all Tour-related merchandise bearing the Tour Marks and/or otherwise relating to the Tour in any way (the “Tour-Related Merchandise”). Host shall have the right to purchase Tour-Related Merchandise from the licensee for such Tour-Related Merchandise at amount to be agreed upon by and among AEG Cycling, Host and such licensee, but shall have no right or license to manufacture or distribute Tour-Related Merchandise or any other merchandise bearing the Tour Marks.

12. Approvals.

a. Host agrees to submit to AEG Cycling for its prior written approval all proposed uses of the Tour Marks that Host wishes to make pursuant to the limited license granted to Host in this Agreement, including but not limited to submission of representative samples of all advertising, promotional and other materials to be used in connection with Host’s products and services as well as any premiums that Host may wish to use containing the Tour Marks. If Host’s request is not responded to by AEG Cycling within ten (10)

business days after AEG Cycling has received the material from Host, Host shall provide written notification to AEG Cycling of such fact and AEG Cycling agrees that any such proposed materials shall be deemed denied if Host's request is not responded to within five (5) business days following receipt of such written notice. Host shall not distribute any material without the prior written approval of AEG Cycling.

b. Host shall supply free of charge to AEG Cycling for administrative and archival purposes two (2) originals of all advertising, promotional or other materials in connection with the products and services to be used by Host in connection with the licenses granted under this Agreement.

c. All requests for approval, including representative samples of all advertising, promotional and other materials shall be sent to AEG Cycling at the address for notices under this Agreement to the attention of the individual designated to receive notices for AEG Cycling.

13. Broadcast and Media Rights; Other Commercial Exploitation of Tour. As between Host and AEG Cycling, AEG Cycling controls all rights to distribute, promote, market and otherwise commercially exploit the Tour and the Host Stage by means of any and all audio, visual and audiovisual media of all types, including but not limited to television, radio, Internet and print, and wireless devices as well as with respect to sponsorship, licensing, hospitality, merchandising, and other marketing rights with respect to the Tour ("Commercial Exploitation Rights") and that Host will not purport to grant or license any such rights to a third party without the prior express written approval of AEG Cycling.

14. Ownership and Protection of Intellectual Property.

a. Ownership of Intellectual Property.

(1) Subject to the terms of Section 10 of this Agreement, each Party shall own all right, title and interest in and to all intellectual property created by or on behalf of such Party in connection with this Agreement, including without limitation, all logos, names, ideas, concepts, creative materials, promotional materials, advertising, graphics, including all copyrights and proprietary rights therein, and any inventions and discoveries first conceived or developed, whether or not protected by patent, trade secret or copyright, subject to the ownership rights of the other Party to such other Party's trademarks to the extent that such are incorporated into such intellectual property (such property being collectively referred to as the "Intellectual Property"). (That Intellectual Property which has been created by or on behalf of Host is referred to as the "Host Intellectual Property" and that Intellectual Property which has been created on behalf of AEG Cycling is referred to as the "AEG Cycling Intellectual Property".)

(2) Notwithstanding the foregoing, the Parties acknowledge and agree that the Tour Marks and the distinctive colors, concepts, indicia and look displayed by AEG Cycling throughout the Tour and by AEG Cycling in its regular business operations and materials shall constitute AEG Cycling Intellectual Property and therefore be owned by AEG Cycling. Host expressly acknowledges that the Parties have agreed that all copyrightable aspects of the AEG Cycling Intellectual Property are to be considered "works made for hire" within the meaning of the Copyright Act of 1976, as amended (the "Act"), of which AEG Cycling is to be the "author" within the meaning of such Act. All such copyrightable works, as well as all copies of such works in whatever medium fixed or embodied, shall be owned

exclusively by AEG Cycling as its creation and Host expressly disclaims any interest in any of them. Host expressly acknowledges that it is not a joint author and that the AEG Cycling Intellectual Property and all other work created by AEG Cycling hereunder are not joint works under the Act.

(3) In the event (and to the extent) that any AEG Cycling Intellectual Property or any part or element thereof is found as a matter of law not to be “work made for hire” within the meaning of the Act, Host hereby conveys and assigns to AEG Cycling the sole and exclusive right, title and interest in the ownership to all such AEG Cycling Intellectual Property, and all copies of it, without further consideration, and agrees to assist AEG Cycling’s efforts to register, and from time to time to enforce, all patents, copyrights, and other rights and protections relating to the AEG Cycling Intellectual Property in any and all countries. To that end, Host agrees to execute and deliver all documents requested by AEG Cycling to evidence any assignment as well as otherwise in connection therewith.

(4) Host understands that the term “moral rights” means any rights of paternity and integrity, including any right to claim authorship of a copyrightable work, to object to a modification of such copyrightable work and any similar right existing under the judicial or statutory law of any country or under any treaty, regardless of whether or not such right is referred to as a “moral right”, including, without limitation, the rights of attribution and integrity in works of visual art pursuant to 17 U.S.C. § 106A. Host irrevocably waives and agrees never to assert any moral rights Host may have in the AEG Cycling Intellectual Property, even after any termination or expiration of this Agreement.

(5) The Parties agree to affix appropriate copyright and trademark notices as reasonably designated by the other, together with their own notices as appropriate, on the AEG Cycling Intellectual Property to identify AEG Cycling as the owner of the AEG Cycling Intellectual Property and Host as the owner of the Host Marks.

b. Protection of Intellectual Property.

(1) Host acknowledges that it has no right, title or interest in the Tour Marks and that nothing in this Agreement shall be construed as an assignment to Host of any right, title or interest in the Tour Marks, except the license to use of the Tour Marks as provided in this Agreement.

(2) Host agrees that AEG Cycling shall have the sole right to determine whether any action should be taken to terminate unauthorized use of the Tour Marks or to settle any proceeding brought by AEG Cycling to terminate such unauthorized use. All proceeds from any enforcement action shall belong exclusively to AEG Cycling.

(3) AEG Cycling and Host agree to assist each other in the defense of any proceeding or claim with respect to the use of any Tour Marks by Host in accordance with the terms of this Agreement. AEG Cycling agrees to defend, at its expense, any such proceeding or claim on behalf of Host. Host shall be permitted to retain, at its expense, separate counsel in such defense.

15. Reservation of Rights. AEG Cycling reserves all rights not expressly licensed to Host under this Agreement. Any and all rights of AEG Cycling, including those in and to the Tour and the Tour Marks, not expressly granted to Host under this Agreement are reserved to AEG Cycling and may be exercised, marketed, exploited or disposed of by AEG Cycling

concurrently with the Term of this Agreement in such form and manner as AEG Cycling wishes. Host acknowledges and agrees that this Agreement does not convey or grant to it any rights of ownership in or management of the Tour, AEG Cycling or the Tour Marks.

16. Representations and Warranties.

a. By AEG Cycling. AEG Cycling represents and warrants that:

(1) It has the full right, power and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person, that there are no other agreements or commitments, oral or written, that will interfere with its full performance hereunder and that it will fully comply with all federal, state and local laws, rules and regulations applicable to the day-to-day conduct of its business and to its obligations and performances hereunder;

(2) The Tour Marks do not infringe the trademarks or other proprietary rights of any other person or entity;

(3) Any materials created under the control, direction or supervision of AEG Cycling shall be original, shall be owned by AEG Cycling and shall not infringe any third party copyright or trademark; and

(4) It will comply with all applicable laws, regulations and ordinances pertaining to the promotion and conduct of the Tour.

b. By Host. Host represents and warrants that:

(1) It has the full right, power and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person, that there are no other agreements or commitments, oral or written, that will interfere with its full performance hereunder and that it will fully comply with all federal, state and local laws, rules and regulations applicable to the day-to-day conduct of its business and to its obligations and performances hereunder;

(2) Host owns or has the authority to grant to AEG Cycling a license to use the Host Marks;

(3) The Host Marks do not infringe the trademarks or other proprietary rights of any other person or entity;

(4) Any materials created under the control, direction or supervision of Host shall be original, shall be owned by Host and shall not infringe any third party copyright or trademark; and

(5) It will exercise its best efforts to ensure that City officials, employees and other representatives and Host officers, directors, employees, volunteers, agents, representatives, and contracted parties promote and protect the goodwill of the Tour and not engage in conduct which is detrimental to the Tour, its Sponsors, AEG Cycling, ASO and/or the AEG Cycling Parties. This section shall not be interpreted to preclude any action or proceeding by Host to enforce or defend its rights under this Agreement and shall not

preclude Host or its representatives from communicating information, which Host reasonably determines to be factually accurate, pertaining to the Tour, its organizers or sponsors.

17. Indemnification.

a. **By AEG Cycling.** AEG Cycling shall indemnify, defend and hold harmless Host, its affiliates, and their respective officers, directors, partners, shareholders, members, agents, employees, and other representatives (collectively, the "Host Indemnified Parties"), from and against any and all claims, demands, damages, liabilities, lawsuits, losses or expenses, including without limitation, interest, penalties, reasonable attorney's fees, and all amounts paid in the investigation, defense or settlement of the foregoing (the "Claim" or "Claims") arising out of, based on or in any other manner related to: (1) the breach of any representation, warranty, material covenant or obligation of AEG Cycling under this Agreement; (2) any negligent act, negligent omission or willful conduct by AEG Cycling; and (3) any Claim that the Tour Marks or other AEG Cycling Intellectual Property infringe upon any patent, copyright, trademark, trade secret or any other right of a third party.

b. **By Host.** Host shall indemnify, defend and hold harmless AEG Cycling, AEG, ASO, the State of California, UCI, Amgen, Inc., and Tour Sponsors, and their respective parent, subsidiary and affiliated companies, and each of their respective officers, directors, partners, trustees, shareholders, members, agents, employees, volunteers and other representatives (collectively, the "AEG Cycling Indemnified Parties"), from and against any and all Claims arising out of, based on or in any other manner related to: (1) the breach of any representation, warranty, material covenant or obligation of Host under this Agreement; (2) any negligent act, omission or willful conduct by Host; (3) the products, services, and other deliverables provided by Host and its employees, volunteers, agents, representatives and contractors in carrying out its obligations under this Agreement; provided, however, that Host shall not be responsible for indemnification resulting from road conditions of State of California maintained highways and roads (4) the exercise by Host of its rights and the Host Benefits under this Agreement, including but not limited to any parking, food and beverage concessions, ancillary events or local sponsorships organized by Host; (5) advertiser's liability or other claim arising out of or in connection with the use by Host of the Tour Marks, including but not limited to any claim based upon an allegation of sponsorship or guaranty by AEG Cycling of City; (6) a claim that the Host Marks infringe upon any patent, copyright, trademark, trade secret or any other right of a third party; and (7) the failure or alleged failure by Host to comply with all Laws relating to labor relations, fair employment practices, safety and similar rules and regulations, including without limitation, the requirement of the Occupational Safety and Health Act (OSHA) of 1970 and with all Equal Employment Opportunity (EEO) provisions as required by law, regulation or executive order. Notwithstanding the foregoing, this indemnification shall not extend to or include any claims, damages, suits or attorney fees arising out of any claim or allegation that any of the routes, roads, trails or other parts of the Tour course were negligently designed or selected. Prior approval by AEG Cycling of the use of the Tour Marks or other matters as to which AEG Cycling approval is required under this Agreement shall not affect AEG Cycling's right to indemnification as to such usage.

c. **Procedure Regarding Indemnification.** Each Party shall give the other Party prompt written notice of any Claim coming within the scope of any indemnity expressly set forth in this Agreement. Upon written request of any indemnitee, the indemnitor will assume defense of any such Claim, action or proceeding. The indemnitee shall cooperate with the

indemnitor in the investigation, defense and/or settlement of any such Claim. The indemnification obligations in this Section 17 of this Agreement shall survive the expiration and/or termination of this Agreement.

18. Termination.

a. Default. Either Party may terminate this Agreement, at its option, upon written notice to the other Party, upon the occurrence of one or more of the following events (the "Termination Events"):

(1) Material breach of any covenant, agreement, representation, warranty, term or condition of this Agreement, if such breach has not been waived in writing and if such breach is not cured or remedied by the breaching Party to the other Party's reasonable satisfaction within thirty (30) days after delivery of written notice specifying the nature of the breach, or if the Parties agree that the breach is not capable of being cured or remedied within said thirty (30) days, then within the time period mutually agreed to by the Parties in a jointly approved plan of corrective action developed within thirty (30) days after the delivery of written notice to the breaching Party specifying the nature of the breach;

(2) A Party becomes insolvent, fails to pay its debts or perform its obligations in the ordinary course of its business as they become due, admits in writing its insolvency or instability to pay its debts or perform its obligations as they become due, or becomes the subject of any voluntary or involuntary proceeding in bankruptcy, liquidation, dissolution, receivership or general assignment for the benefit of creditors, provided that, if such condition is assumed involuntarily, it has not been dismissed with prejudice within sixty (60) days after its commencement; or

(3) A Party is the subject of public controversy of such a magnitude that such Party's association with the other Party pursuant to this Agreement creates a negative association for such other Party, in the reasonable judgment of such other Party, in which case the other Party may terminate this Agreement without cost or penalty.

b. Effect of Termination. Should either Party terminate this Agreement as a result of a Termination Event set forth in subsection a above, then upon termination of this Agreement, Host's Host Benefits shall terminate and Host shall cease using the Tour Marks. In addition, should such termination result from termination notice given by Host to AEG Cycling from occurrence of a Termination Event of the type set forth in Sections 18a (1) or (2) above, AEG Cycling shall repay to Host all amounts actually expended by Host in performing its obligations hereunder; provided, however that in no event shall AEG Cycling be liable for amounts in excess of \$10,000 in the aggregate for any particular Tour. Should termination result from termination notice given by AEG Cycling to Host from occurrence of a Termination Event of the type set forth in Sections 18a (1) or (2) above, Host shall repay to AEG Cycling all amounts expended by AEG Cycling in licensing to Host the right to host the Host Stage, to provide the Host Benefits, and to relocate the site for the Host Stage.

19. Independent Contractors. AEG Cycling and Host are independent contractors with respect to each other and nothing herein shall be deemed or construed to create any partnership, joint venture or agency relationship between them. Host is simply serving as host to the Host Stage of the Tour under the license of rights granted herein and is agreeing herein to provide certain services and to undertake certain obligations in order to acquire certain

marketing rights and benefits. Neither Party shall have any authority to contract or bind the other Party in any manner and shall not represent itself as the agent of the other.

20. Insurance.

a. **AEG Cycling Provided Insurance.** Throughout the Term of this Agreement (including any extensions thereof), AEG Cycling shall provide and maintain, at its expense, the following insurance policies which shall protect the AEG Cycling Parties on a primary basis from any and all Claims arising out of or in connection with respect to the staging of each Tour and the obligations of AEG Cycling pursuant to this Agreement:

(1) Commercial General Liability insurance with limits not less than \$1,000,000 each occurrence and \$5,000,000 in the aggregate. Such insurance shall include coverage for contractual liability, products-completed operations, personal and advertising injury, premises damage legal liability, liquor liability (if applicable), property damage and bodily injury liability (including death).

(2) Commercial Auto Liability with a limit not less than \$1,000,000 each accident for bodily injury and property damage & Auto Physical Damage insurance covering Claims arising out of the use, operation or maintenance of any vehicle (whether owned, non-owned, leased, hired or borrowed) by AEG Cycling.

(3) Workers' Compensation insurance covering AEG Cycling's employees with limits as required by statutory law, including Employer's Liability coverage with limits not less than \$1,000,000 each accident, \$1,000,000 disease-each employee and \$1,000,000 disease-policy limit;

(4) Umbrella and/or Excess Liability insurance with limits not less than \$5,000,000 each occurrence shall apply in excess of and on a following form basis to the primary Commercial General Liability, Automobile Liability and Employer's Liability policies; and

(5) Any other insurance necessary and appropriate for the staging of the Tour as determined by AEG Cycling and ASO.

All such insurance to be maintained by AEG Cycling shall be (1) primary with respect to Claims arising out of the AEG Cycling's staging of each Tour and the obligations of AEG Cycling pursuant to this Agreement; (2) shall be written by insurance companies with ratings of "A" or better in the latest edition of the A.M. Best key rating guide; and (3) shall provide that coverage may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to Host.

Policies (1), (2) and (4) above shall be endorsed to name Host as Additional Insureds with respect to the negligent acts or omissions of AEG Cycling.

Policy (3) above shall be endorsed to include Waiver of Subrogation in favor of Host

At least 15 days prior to each Tour, AEG Cycling shall provide Host with a certificate of insurance certifying that the appropriate insurance is in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

b. AEG Cycling Optional Insurance. AEG Cycling may, but shall not be obligated to, secure Event Cancellation insurance providing reimbursement of insured losses if any Tour does not take place, in whole or in part, due to any Act of God or other event beyond the control of the AEG Cycling and those other circumstances set forth in Sections 21 and 22 of this Agreement. Covered perils may include adverse weather conditions; natural disasters; outbreak of disease; damage to or loss of venue; unavoidable transportation delays; non-appearance of key participants due to death, injury or illness; situations which pose significant danger to the public or Tour participants; and other causes beyond AEG Cycling's control which are not specifically excluded under the policy. Notable exclusions will include war, civil commotion, riot, martial law, seizure, or radioactive/ nuclear contamination; poor event planning and management; fraud, misrepresentation or concealment. All event cancellation proceeds shall constitute the property of AEG Cycling. AEG Cycling's obligation to secure Event Cancellation insurance is limited to the extent such coverage is available at a reasonable cost in the sole discretion of AEG Cycling.

c. Host Provided Insurance. Throughout the Term of this Agreement (including any extensions thereof), Host shall provide and maintain, at its expense, the following insurance policies (or in the event Host is self-insured, a program of insurance), which shall protect Host, AEG Cycling, ASO, Amgen, Inc. and the AEG Cycling Parties on a primary basis from any and all Claims arising out of or in connection with the Host's activities, operations, representations and warranties, rights, obligations and duties of Host pursuant to this Agreement:

(1) Commercial General Liability insurance with limits not less than \$1,000,000 each occurrence and \$5,000,000 in the aggregate. Such insurance shall include coverage for contractual liability, products-completed operations, personal and advertising injury, premises damage legal liability, liquor liability (if applicable), property damage and bodily injury liability (including death);

(2) Commercial Auto Liability insurance covering Claims arising out of the use, operation or maintenance of any vehicle (whether owned, non-owned, leased, hired or borrowed) by Host, with limits not less than \$1,000,000 each accident combined single limit for bodily injury and property damage;

(3) Workers' Compensation insurance covering Host's employees with limits as required by statutory law, including Employer's Liability coverage with limits not less than \$1,000,000 each accident, \$1,000,000 disease-each employee and \$1,000,000 disease-policy limit;

(4) Umbrella and/or Excess Liability insurance with limits not less than \$5,000,000 each occurrence shall apply in excess of and on a following form basis to the primary Commercial General Liability, Automobile Liability and Employer's Liability policies;

(5) Any other insurance necessary and appropriate for covering the Host's activities, operations, representations and warranties, rights, obligations and duties pursuant to this Agreement.

For any claims related to AEG Cycling's, or its contractors' temporary facilities or equipment at the Host site, AEG Cycling's insurance coverage shall be primary and non-contributory.

For any claims related to existing infrastructure of the Host site, the City's insurance coverage shall be primary and non-contributory.

All such insurance to be maintained by Host shall be written by insurance companies with ratings of "A-" or better in the latest edition of the A.M. Best key rating guide; and shall provide that coverage may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to AEG Cycling.

Policies (1), (2) and (4) above shall be endorsed to name AEG Cycling and the AEG Cycling Indemnified Parties (as defined in Section 17b of this Agreement) as Additional Insureds with respect to the negligent acts or omissions of Host.

Policy (3) above shall be endorsed to include Waiver of Subrogation in favor of AEG Cycling.

At least 15 days prior to each Tour, Host shall provide AEG Cycling with a certificate of insurance certifying that the appropriate insurance is in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

21. Force Majeure. In the event that the Tour does not take place or is rescheduled, in whole or in part, due to any Act of God or other event not reasonably foreseeable by the Parties or beyond the control of the Parties which is generally considered an event of force majeure ("Force Majeure"), including without limitation, weather, fire, flood, act of public enemy or terrorism, strike or labor dispute, governmental action or directive or local, regional or national day of mourning, whether such event of Force Majeure has occurred in a community through which the Tour course shall run or not, then AEG Cycling may discontinue provision of the Host Benefits to and for the benefit of Host and Host need not continue to perform those Host Obligations which remain unperformed as of the date of cancellation or postponement. AEG Cycling shall determine whether the Tour is to be cancelled in whole or in part or postponed due to a Force Majeure event. Should the Tour be cancelled in whole or in part due to an event of Force Majeure, AEG Cycling shall have no further obligation, financial or otherwise, to Host and Host shall have no further obligation to AEG Cycling in connection with the Tour. In the event that the Tour is postponed in whole or in part due to an event of Force Majeure and AEG Cycling intends to reschedule the Tour, AEG Cycling and Host shall discuss in good faith the terms under which such rescheduling should occur. In the event of such cancellation or postponement due to a Force Majeure event, the obligations of AEG Cycling and the rights of Host shall be as specifically set forth in this Section 21 as the sole and exclusive remedy by virtue of such cancellation or postponement.

22. Cancellation or Postponement of Tour for Reason Other than Force Majeure. AEG Cycling shall have the sole and unfettered right to cancel or postpone the Tour or any Host Stage. In such event, Host acknowledges and agrees that AEG Cycling shall have no financial responsibility to Host as a consequence of such cancellation or postponement. However, should AEG unilaterally cancel the Host Stage for reasons other than Force Majeure or a Termination Event, AEG shall, subject to the terms of Section 18(b), repay to Host amounts reasonably expended by Host in performing its obligations hereunder. In the event of such cancellation or postponement for a reason other than Force Majeure, the obligations of AEG Cycling and the rights of Host shall be as specifically set forth in this Section 22 as the sole and exclusive remedy by virtue of such cancellation or postponement.

Upon providing notice of cancellation or postponement, AEG Cycling shall have no further obligation to provide Host with any of the Host Benefits as set forth in this Agreement.

23. Public Announcement. The Parties agree to make a joint public announcement and press release upon in the near future following execution of this Agreement. The Parties agree that the form and substance of such announcement and press release shall be mutually agreed between the Parties.

24. Arbitration. The Parties agree that any dispute between them arising out of, based upon, or relating to this Agreement, shall be resolved exclusively by arbitration conducted in accordance with the Commercial Rules then in effect of the American Arbitration Association. Such arbitration shall be held in Los Angeles, California. Judgment upon the award rendered shall be final and non-appealable and may be entered in a court having jurisdiction. Each Party shall bear its own expenses arising out of any such proceeding, except that the fees and costs of any arbitrator(s) shall be borne equally by the Parties. Notwithstanding the obligations set forth in this Section, AEG Cycling shall be permitted to seek equitable relief to prevent the unauthorized uses of the Tour Marks.

25. Liability of City. City acknowledges and agrees that it shall be responsible for each and every obligation under this Agreement and, therefore, that any liability for breach of any obligation of Host hereunder shall constitute an obligation of City hereunder.

26. Specific Performance. The duties, obligations and responsibilities of the Parties under this Agreement are unique, and, therefore, the Parties agree that monetary damages will not be an adequate remedy for breach of this Agreement. The Parties acknowledge and agree that, in the event of a breach by Host, AEG Cycling will suffer irreparable harm. Therefore, AEG Cycling shall be entitled to the remedy of specific performance, which shall not be the exclusive remedy for any violation of breach of this Agreement.

27. General.

a. **Assignment.** Host may not assign any rights or obligations under this Agreement or this Agreement itself, in whole or in part, without the prior express written consent of AEG Cycling. Notwithstanding the foregoing, AEG Cycling may retain the services of subcontractors to discharge certain obligations under this Agreement.

b. **Notices.** Except as expressly provided to the contrary herein, any notice, consent, report, documents or other item to be given, delivered, furnished or received hereunder shall be deemed given, delivered, furnished and received when given in writing and personally delivered to and received by an officer or designated employee of the applicable Party, to seventy-two (72) hours after the same is deposited in the United States mail, postage prepaid, registered or certified first class mail, return receipt requested addressed as set forth below, or to such other address as either of the parties shall advise the other in writing or sent by confirmed facsimile transmission:

If to Host:

City of King City

Attn.: Steve Adams, City Manager

If to AEG Cycling:

AEG Cycling, LLC
800 W. Olympic Blvd., Ste. 305
Los Angeles, CA 90015
Attn: Kristin Klein

with a copy to:

AEG Cycling, LLC
800 W. Olympic Blvd., Ste. 305
Los Angeles, CA 90015
Attn: John Keenan, Esq.

c. Entire Agreement; Modifications. This Agreement constitutes the entire agreement of the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings between the Parties with respect to the subject matter hereof. This Agreement may not be modified, amended or supplemented or otherwise changed, except by a written document executed by an authorized representative of each of the Parties hereto.

d. No Waiver of Rights and Breaches. No failure or delay of any Party in the exercise of any right given to such Party hereunder shall constitute a waiver thereof, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. The waiver by a Party of any default of any other Party hereunder shall not be deemed to be a waiver of any such subsequent default or other default of any Party.

e. Captions. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

f. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and authorized assigns.

g. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State of California and for all purposes governed by and construed in accordance with the laws of the State of California.

h. Construction of Agreement. Each Party acknowledges that it has participated in the negotiation of this Agreement and that no provision of this Agreement shall be construed against or interpreted to the disadvantage of any Party hereto by any court or other governmental or judicial authority by reason of such Party having or deemed to have structured, dictated or drafted such provision.

i. Relationship of Parties. This Agreement shall neither be deemed nor construed to create a joint venture or partnership between AEG Cycling and Host, nor shall this Agreement be deemed or construed as making either Party the agent or representative of the other Party. Neither Party shall have the authority to bind the other Party in any respect.

j. Survival. Those covenants, acknowledgments, representations, agreements and obligations contained in Sections 9a(4), 9a(5), 9a(6)(g), 13-16, 17, 18b, 20-22, and 24-27 of this Agreement shall survive the expiration and/or termination of this Agreement.

k. Compliance with Law, Rules and Regulations. The Parties agree to comply with all federal, state and local laws, ordinances, orders, rules and regulations applicable to the performance of their respective obligations under this Agreement, both now existing and as such may hereinafter be adopted.

l. Time of Essence. The Parties agree that time is of the essence in performing obligations under this Agreement.

m. Exhibits. The documents attached hereto as exhibits are incorporated by reference herein and made a part of this Agreement as if fully set forth herein.

n. Severability. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, all of such provisions being inserted conditionally upon their being considered legally valid, and this Agreement shall be construed and performed in all respects as if such invalid or unenforceable provision(s) were omitted.

o. Exclusive Jurisdiction. The Parties agree that, subject to the provisions of Section 24, venue of any judicial action in connection with this Agreement shall lie exclusively in the state or federal courts located in Los Angeles, California. Host accepts, generally and unconditionally, the exclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Host further agrees that it irrevocably waives any objection it may now have or hereafter have as to the jurisdiction or venue of any such suit, action or proceeding brought in such court or that such court is an inconvenient forum. Host acknowledges that it possesses the requisite minimum contacts with the State of California sufficient to establish jurisdiction over Host in State and Federal Courts in California.

p. Further Assurances. The Parties agree to execute and deliver, or cause to be executed and delivered, such instruments and documents as either Party may reasonably request or require to carry out more effectively the purpose and intent of this Agreement.

q. Intentionally Omitted.

r. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

s. No Third Party Beneficiaries. It is expressly understood that there are no third party beneficiaries to this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement on their respective behalf, all as of the day and year first above written.

AEG CYCLING:

AEG CYCLING, LLC

By: _____

Name: _____

Title: _____

HOST:

CITY OF KING CITY

By: _____

Name: Steve Adams

Title: City Manager

EXHIBITS

- A** **Host City 2018 Requirements**
- B** **Sponsorship**
- C** **Tour Marks**
- D** **Host Marks**

EXHIBIT A

Host City 2018 Requirements

HOST CITY REQUIREMENTS – STAGE START

As a Stage Start host, City is required to provide the following support and assume all related costs as part of their bid submission.

RACE OPERATIONS

POLICE SERVICES - Local (city and/or county and unincorporated areas if applicable) police services and related costs are the responsibility of the Host City. In coordination with California Highway Patrol (CHP), CalTrans, as well as the Tour's motor and road marshals and in conjunction with the LOC volunteer program, local police provide safe road closures, which may include fixed-post positions, traffic control, crowd control, enforcing no-parking zones and maintaining general public safety.

PUBLIC WORKS AND ROAD SERVICES - Local public works and road services are the responsibility of the Host City. The Host City will absorb the cost for all services for road closures and course preparation within the city/county (and unincorporated areas if applicable) limits. These services are necessary to support police efforts to ensure road closures and the safety of the course. These services include:

- Detours and traffic rated detour equipment (Tour will provide 3,000 feet of crowd control fencing at the start lines*)
- Barricades
- Cones
- Contracted traffic control services
- (2) Scissor lifts/(1) Fork Lift**
- Printing/posting of 'No Parking' signs
- Removal/restoration and street repair
- Distribution of notices to residents advising of road closures and providing a "hotline" available to residents and businesses to handle issues related to closures
- Access to non-potable water for truss water barrel supports

* Exact amount of fencing varies depending on the venue ** Scissor Lift and Fork Lift specs can be provided upon request. Fork Lift must be 5,000 lb. warehouse lifts

RACE ROUTE/CIRCUITS –The decision to incorporate either Start or Finish circuits into a Tour stage must be mutually agreed upon by AEG Cycling and Host City. The Host City will absorb the cost for all services and infrastructure necessary to conduct circuits even if it extends outside of the city limits, including traffic control, permits and requirements for all roadways not under city jurisdictions. There can be no parked vehicles on the circuit.

- Host City and AEG Cycling will agree on the race route that is within the city limits. Portions of the route may require "No Parking". The entire route must be closed to all traffic (unless the course will only be using one side of a divided road.
- The course must be ready no later than 30-minutes before the start of the first rider.
- The Tour must have a chance to review and comment on the operations plan that the Host City will use to secure the route and possible circuits.

If there are road knobs, curbs, speed-bumps, etc., which impact the course and the riders' safety, the city is financially responsible to have these elements temporarily removed and replaced.

PERMIT SERVICES - All fees associated with city/county/state (and unincorporated areas if applicable) permits and permit requirements for the operation of the event are to be procured by the Host City on behalf of the Tour. They may include, but are not limited to:

- City, county and state permits for stages, tents, electrical, health, alcohol, sound, and any road permit that may be required for any portion of the route that is within the city limits of the LOC
- Parking - both on and off the street
- Alcoholic beverages - consumption in public, if served at a start, from cups, bottles and cans, in a private VIP area
- Road closures and use – all permits required for the closure and use of roads for setup and racing that may be required for any portion of the route that is within the city limits of the LOC.
- Construction Permits – Includes permits for construction of staging, tents, wiring and electrical, portable generators, power equipment and a fork lift
- Special and ancillary events - pre-event and race day
- Banners and signs - hanging and display of pre-event, race day advertising and partner banners
- Concession sales - on-site merchandise and concession stands as requested by race organizers

The LOC is responsible to provide all necessary health department contact information that pertains to the Host City 90 days prior to the event. The LOC is to make best efforts to invite health department permitting person to one of the pre-tour site visits designated by the Tour.

* Please identify any special permitting/restrictions that the Tour should be aware of, including Merchandise Sales, Alcohol, Signage and Sound Amplification. This may affect the options for START LINE placement.

EMT/EMS SERVICES –Host City is financially responsible for providing EMT/EMS services for the general public on the day of the Stage Start. Medical plan must be submitted to the Tour's Technical Director. Please note that the Tour provides medical services for the athletes, team support and staff personnel, however the LOC must cover ambulance costs if the Tour contract ambulance provider is not licensed for the location.

RESIDENT/BUSINESS NOTIFICATIONS – Host City is responsible for notifying local residents and businesses within the city limits that impact the Tour; including road closures, traffic advisories, etc. In the case of a circuit or agreed upon route outside the city, notification must be made in these locations as well. Notifications should be bilingual, including an English and Spanish version.

HOTEL ACCOMMODATIONS - ROOM BLOCKS (Stage Start)

The needs described below reflect a Stage Start in which the race start for a stage takes place in the host city, with the race finish taking place in another city.

Please note: A "single" room is a room with 1 bed. A "double" room is a room with 2 beds. There will be a maximum of 2 people per room regardless of room type. The double/single ratios listed below are estimates.

While the number of room nights required will not change, dates may vary due to travel patterns and will be confirmed with the city no later than December 1, 2017

The Host City is financially responsible for all costs associated with the following room allocations:

NIGHT BEFORE THE STAGE START:

- 25 rooms

HOTEL REQUIREMENTS FOR THE NIGHT BEFORE THE STAGE START:

- Hotel rooms must be located at no more than (2) hotel properties within close proximity the Start Line area and to each other
- Hotel must offer breakfast or be close to full-service restaurants
- Hotel must be a minimum of a 3-star property and provide television viewing of the Tour's broadcast partner's network
- Complimentary self-parking – open air and spacious enough for large box trucks or semi-trucks
- Complimentary wireless Internet in public areas, meeting rooms, and guest rooms
- Individuals will be responsible for their own incidental charges; Hotels shall not require credit/debit card pre-authorizations in excess of \$50 per person or \$100 per team
- Hotel properties must be pre-approved by AEG Cycling

MEALS

While the number of room nights required will not change, dates may vary due to travel patterns and will be confirmed with the city no later than December 1, 2017

START CREW BREAKFAST – The Host City is financially obligated to provide breakfast (i.e. breakfast sandwiches/burritos, raw fruit, coffee) the day of the Stage Start for the start line construction crew and start advance staff (approximately 30 people). Breakfast should be served at the Start Line no later than 6:30AM.

PARKING REQUIREMENTS

The Host City is obligated to provide the following parking and suggested directions to each parking area:

TEAM PARKING AND STAGING AREA – Requires a sizable lot (approximately 160 parking spaces) in close proximity to the Start Line, to accommodate team vehicles. Each team travels with a motor coach, trailer and support vehicles.

VIP PARKING – Requires parking for approximately 100 vehicles adjacent to the Start Line location.

STAFF PARKING – Requires parking for approximately 75 vehicles adjacent to the Start Line location.

MEDIA PARKING – Requires parking for a minimum of 50 vehicles adjacent to the start line area. Additional parking for up to three (3) satellite news vans trucks to accommodate live shots at the start line.

CREW PARKING – Parking must be secured for the construction crew vehicles (10 box trucks) at the start location.

OTHER

The Host City is responsible for securing the following:

MEDIA WORKSPACE –A room to accommodate media check-in and working space for up to 50 journalists shall be provided adjacent to the start line.

RECYCLE PROGRAM

The Amgen Tour of California is committed to being a responsible and green event. As such, Host Cities should provide sufficient means of recycling for all areas of the event. Clearly marked recycling bins should be placed at every trash can to encourage participants to recycle. Host Cities should provide dumpsters for recyclables only and make all staff aware of the location of these dumpsters to ensure proper disposal of recyclables. These must be provided within the entire footprint. (ex: hospitality, festival, etc.)

VOLUNTEER PROGRAM

The Host City is responsible for securing and organizing local volunteers for the Tour. Volunteers will assist the Tour and the LOC with coordinating activities on the day of the event. The total number of volunteers is typically 200 to 300 for a Stage Start Host City.

If the LOC decides that volunteer check-in is at a location other than the start line location, then the LOC is responsible for its own infrastructure (tents, tables, chairs, generators). The Tour will not provide these items to satellite locations.

* Please note you may be asked to extend the volunteers a short distance beyond the city limits

EXHIBIT B

NATIONAL SPONSORSHIP CATEGORIES

Please note that there are policies regarding the local sponsorship sales in a variety of product categories. In some cases, certain categories have already been "exclusively" sold, some categories are currently unavailable and others may potentially become available at a particular calendar date. AEG Cycling will inform all Host Cities regarding any additions/deletions made to sponsorship categories. Please contact the Tour representatives before making any commitments or have questions about any potential local sponsorship sales.

*subject to change

EXCLUSIVITY

Biotechnology (Amgen)

Apparel

Tech Apparel

Footwear

Automobile (Lexus)

Auto Rental

Beer (Michelob Ultra)

Beverages (Soda, Water, Juice, Milk, etc.)

Tourism (Visit CA)

Financial/Bank

Coffee

Health Insurance

Insurance (Auto/Home/Life/Bike)

Nutrition (Bars, Gels, Bloks, Supplements; Recovery Drinks, Tablets, etc.)

Neutral Support

Jersey

Technology (case-by-case)

Tires

Watch/Timepiece

CATEGORY HOLD

Action Camera

Airline

Bike Manufacturer (case-by-case basis, please review with Sheri before pursuing)

Consumer Electronics (personal electronics, wireless hardware, etc.)

Consumer Product Goods (case-by-case basis, please review with Sheri before pursuing)

Consumer Personal Care

Credit Card

Data Storage/Security

Electronics Retailer

Gas/Convenience

Hospital (case-by-case basis, please review with Sheri before pursuing)

Home Improvement

Motorcycle/Dealer

Online Retailer

Recreational Vehicle/RV

Solar

Suncare

Wireless Carrier

PROHIBITED CATEGORIES

Firearms

Gaming/Gambling

Pornography

Spirits/Hard alcohol

Tobacco

EXHIBIT C

Tour Marks

Amgen Tour of California | Logo Guide



PRIMARY



HORIZONTAL SECONDARY



SUPER STACK



PRIMARY



HORIZONTAL SECONDARY



SUPER STACK



PRIMARY



HORIZONTAL SECONDARY



SUPER STACK

Amgen Tour of California | Font

ARS MAQUETTE – Bold
ABCDEFGHIJKLMN**OP**QRSTUVWXYZ
abcdefghijklmnopq**rstuv**wxyz
1234567890

ARS MAQUETTE – Regular
ABCDEFGHIJKLMN**OP**QRSTUVWXYZ
abcdefghijklmnopq**rstuv**wxyz
1234567890

Amgen Tour of California | Color

 PMS 285
AMGEN BLUE

 RGB
0, 114, 206

 HEX
0072CE

 CMYK
91, 43, 0, 0



VERTICAL PRIMARY



HORIZONTAL SECONDARY



SUPER STACK



VERTICAL ON DARK BACKGROUND - RED SRAM



HORIZONTAL ON DARK BACKGROUND - RED SRAM



SUPER STACK ON DARK BACKGROUND - RED SRAM



VERTICAL ON DARK BACKGROUND - WHITE SRAM



HORIZONTAL ON DARK BACKGROUND - WHITE SRAM



SUPER STACK ON DARK BACKGROUND - WHITE SRAM



VERTICAL BLACK & WHITE



HORIZONTAL BLACK & WHITE



SUPERSTACK BLACK & WHITE

AMGEN TOUR OF CALIFORNIA WOMEN'S RACE | FONT

ARS Maquette – Bold
 ABCDEFGHIJKLMNOPQRSTUVWXYZ
 abcdefghijklmnopqrstuvwxyz

ARS Maquette – Regular
 ABCDEFGHIJKLMNOPQRSTUVWXYZ
 abcdefghijklmnopqrstuvwxyz

AMGEN TOUR OF CALIFORNIA WOMEN'S RACE | COLOR

 PMS 285
 AMGEN BLUE

 RGB 0,114,206

 HEX 0072CE

 CMYK 91,43,0,0

SRAM RED
 CMYK 91,43,0,0
 PMS 186

EXHIBIT D

Host Marks

(To Be Inserted)



Item No. 9(G)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 2018

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF FY 2018-19 SB 1 FUNDED STREET IMPROVEMENTS AND 5-YEAR STREET AND SIDEWALK IMPROVEMENT CAPITAL IMPROVEMENT PROJECT

RECOMMENDATION:

It is recommended the City Council: 1) adopt a Resolution designating street projects and appropriating revenues from SB 1 - The Road Repair and Accountability Act of 2017 for FY 2018-19; and 2) amend the 5-Year Street and Sidewalk Improvement Capital Improvement Project (CIP).

BACKGROUND:

With the passage of Measure X and SB 1, funding for street improvements has increased, which has enabled the City to develop a more comprehensive street improvement program. In the FY 2017-18/ FY 2018-19 Biennial Budget, the City Council approved an overall City CIP, which included funding and expenditure projections for street improvements, but not specific projects. In September 2017, the City Council adopted a 5-Year Capital Improvement Project with specific street improvements to submit to the Transportation Agency of Monterey County (TAMC) in compliance with Measure X and to the State of California in compliance with SB 1 for FY 2017-18 expenditures.

The deadline for submitting proposed SB 1 expenditures for FY 2018-19 is May 1, 2018. Updated Measure X and SB 1 revenue figures have been received for both FY 2017-18 and FY 2018-19. In addition, street and sidewalk improvement priorities have been re-evaluated. Therefore, staff has prepared a revised 5-Year CIP for street and sidewalk improvements to reflect changes that are recommended and so staff can submit the required documentation for compliance with SB 1.

**CITY COUNCIL
CONSIDERATION OF FY 2018-19 SB 1 FUNDED STREET IMPROVEMENTS
AND 5-YEAR STREET AND SIDEWALK IMPROVEMENT CAPITAL
IMPROVEMENT PROJECT
APRIL 24, 2018
PAGE 2 OF 3**

DISCUSSION:

Exhibit 1 of the Resolution includes the updated CIP table with projections for both revenues and expenditures for street improvements for the last, current and future four fiscal years. The proposed improvements involved three categories of projects: 1) slurry seal program; 2) resurfacing or overlay projects; and 3) sidewalk improvements.

An ongoing slurry seal program is important to maintain streets properly. Ultimately, the City's goal should be to improve all streets to a condition satisfactory to be maintained by the slurry seal program and then to apply a slurry seal to each street on a five to seven year cycle. The overall objective is to gradually upgrade streets in the worst condition while at the same time maintaining streets in good or fair condition. If the City was to focus only on the worst streets, the better streets would deteriorate to poor condition and no progress would be made in the condition of the overall street system.

Staff has recommended roughly \$150,000 be dedicated for the slurry seal program on annual basis. Consistent with the CIP approved last year, staff continues to recommend the slurry seal funding for this year be budgeted for the Rio Vista neighborhoods and Mildred Avenue north of Broadway Street. The slurry seal funds for FY 2018-19 are recommended to be allocated for the streets in the Royal Coach neighborhood, Orchard Street, and Copley Street. Orchard Street and Copley Street are recommended to be added to coordinate with a project at the intersection Cal Water has scheduled. Work budgeted in FY 2017-18 and FY 2018-19 will be combined in one bid and all constructed in late summer 2018.

Priority grind and overlay projects proposed include the following:

FY 2017-18	Bishop Street
FY 2018-19	Bitterwater Road (east of Industrial Way to east of Airport Drive)
FY 2018-19	7 th Street/Monte Vista Area

Bishop Street and Bitterwater Road is proposed to be completed in summer 2018. The 7th Street/Monte Vista Area will be scheduled in summer 2019 because funding from FY 2018-19 will need to be combined with funding from FY 2019-20 in order to complete the project. The Bishop Street project originally included Queen Street and a portion of Vanderhurst Avenue, but those are recommended to be postponed given funding availability since they are in better condition than Bishop Street and Bitterwater Road. FY 2018-19 SB 1 funds are proposed to be used for the Bitterwater Road and 7th Street/Monte Vista .

**CITY COUNCIL
CONSIDERATION OF FY 2018-19 SB 1 FUNDED STREET IMPROVEMENTS
AND 5-YEAR STREET AND SIDEWALK IMPROVEMENT CAPITAL
IMPROVEMENT PROJECT
APRIL 24, 2018
PAGE 3 OF 3**

A portion of the FY 2017-18 Measure X funds are proposed to be used for sidewalk improvements on Broadway Street east of Mildred Avenue. The sidewalk is deteriorated at that location and this project will enable the City to coordinate improvements with the new Sun Street Centers Recovery Center project.

COST ANALYSIS:

The proposed FY 2018-19 recommended allocation for street improvements is FY \$671,443. It will be funded entirely by a combination of Measure X, SB 1, and RSTP funds.

ENVIRONMENTAL REVIEW:

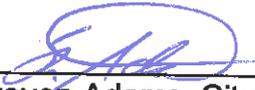
The CIP financial projections are not considered a "project" for the purposes of the California Environmental Quality Act (CEQA). Therefore, it does not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. An environmental review and determination will be made on each project when they are proposed.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Adopt the Resolution;
2. Modify and adopt the Resolution;
3. Modify the approved projects;
4. Do not adopt the Resolution; or
5. Provide staff other direction.

Prepared and Approved by: _____


Steven Adams, City Manager

RESOLUTION NO. _____

A RESOLUTION OF CITY COUNCIL OF CITY OF KING, CALIFORNIA ALLOCATING AND INCORPORATING SB 1 FUNDED STREET IMPROVEMENTS AND THE 5-YEAR STREET AND SIDEWALK IMPROVEMENT CAPITAL IMPROVEMENT PROJECT IN THE CITY OF KING FY 2017-18/ FY 2018-19 BIENNIAL BUDGET

WHEREAS, no City of King General Fund revenues have been expended on street improvements during the past four year period due to financial constraints; and

WHEREAS, many of the City's streets are in disrepair and in need of upgrades, which negatively impacts safety, mobility, appearance and the financial future of the City; and

WHEREAS, the City Council of the City of King has established improving the City's infrastructure as one of the City's top budget priorities; and

WHEREAS, the City is working on maximizing resources dedicated to an ongoing annual street improvement program; and

WHEREAS, the City Council of the City of King has adopted a 5-Year Capital Improvement Program; and

WHEREAS, the City Council of the City of King has approved designated street improvements for the 5-Year Street Improvements Capital Improvement Project; and

WHEREAS, one of the primary funding sources of street improvements is State of California Gas Tax Funds allocated from the Road Repair and Accountability Act of 2017 ("SB 1"); and

WHEREAS, in an effort to increase transparency and accountability, detailed information on the planned expenditure of SB 1 funds is required by the Transportation Agency of Monterey County ("TAMC") and the California Transportation Commission ("CTC"); and

WHEREAS, the City has prepared the required information on the proposed projects for FY 2018-19 planned SB 1 expenditures consistent with the 5-Year Street and Sidewalk Improvement Capital Improvement Project approved by the City Council.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of King, California that the 5-Year Street and Sidewalk Improvement Capital Improvement Project attached herewith as Exhibit 1 and the Proposed FY 2018-19 SB 1 Street Improvement Expenditures attached herewith as Exhibit 2 are approved and appropriated; and

BE IT FURTHER RESOLVED by the City Council of the City of King that the FY 2017-18/ FY 2018-19 Biennial Budget is hereby amended to incorporate these appropriations.

PASSED AND ADOPTED at a regular meeting of the City Council on the 24th day of April, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Mike LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

**KING CITY
STREET AND SIDEWALK IMPROVEMENTS CIP**

Revenue	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Measure X							
SB 1	\$58,000	\$331,098	\$331,098	\$350,000	\$360,000	\$370,000	\$1,800,196
RSTP	\$0	\$82,582	\$256,917	\$260,000	\$270,000	\$280,000	\$1,149,499
General Fund	\$83,427	\$0	\$83,427	\$0	\$0	\$90,000	\$256,854
Total	\$141,427	\$413,680	\$671,442	\$710,000	\$730,000	\$990,000	\$3,656,549
Expenditures							
Slurry Seal Program*	\$0	\$91,107	\$170,000	\$150,000	\$150,000	\$150,000	\$711,107
Pavement Management Program	\$0	\$10,000	\$5,000	\$0	\$0	\$0	\$15,000
Haven/Carlson/Vivien Resurface	\$141,427	\$97,573	\$0	\$0	\$0	\$0	\$239,000
Bishop	\$0	\$165,000	\$0	\$0	\$0	\$0	\$165,000
Broadway Sidewalk Improvements	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Bitterwater Road Resurface (Industrial to Airport)	\$0	\$0	\$330,000	\$0	\$0	\$0	\$330,000
7th Street/Monte Vista Area Resurface	\$0	\$0	\$166,442	\$277,893	\$0	\$0	\$444,335
First Street (Pearl to Division) Resurface	\$0	\$0	\$0	\$90,000	\$0	\$0	\$90,000
Broadway Circle Resurface	\$0	\$0	\$0	\$192,107	\$60,000	\$0	\$252,107
Broadway Resurface	\$0	\$0	\$0	\$0	\$520,000	\$80,000	\$600,000
Vanderhurst and Adjacent Area Resurface	\$0	\$0	\$0	\$0	\$0	\$760,000	\$760,000
Total	\$141,427	\$413,680	\$671,442	\$710,000	\$730,000	\$990,000	\$3,656,549

* FY 2017-18 Slurry Seal Project: Rio Vista area and Mildred Avenue east of Broadway Street

FY 2018-19 Slurry Seal Project: Royal Coach neighborhood streets, Orchard Street and Copley Street

Future Years Slurry Seal Projects: Streets to be determined by pavement management program

KING CITY
SB1 FUNDING FY 2018-19 STREET IMPROVEMENTS CAPITAL IMPROVEMENT PROJECT

Funding Source	Revenue		
SB 1	\$256,917		
Total	\$256,917		

Expenditures	SB 1 Costs	Estimated Useful Life	Scheduled Completion
Crack Seal and Slurry Seal	\$170,000		
Amherst Drive		10 Years	August 2018
Bedford Avenue		10 Years	August 2018
Bedford Circle		10 Years	August 2018
Bluff Avenue		10 Years	August 2018
Brighton Avenue		10 Years	August 2018
Cambridge Avenue		10 Years	August 2018
Keats Avenue		10 Years	August 2018
Leeds Avenue		10 Years	August 2018
Nantucket Way		10 Years	August 2018
Oxford Avenue		10 Years	August 2018
Sussex Circle		10 Years	August 2018
Sussex Court		10 Years	August 2018
Sussex Way		10 Years	August 2018
Wellington Avenue		10 Years	August 2018
Orchard Street		10 Years	August 2018
Copley Street		10 Years	August 2018
Design, Grind and Overlay			
*Total cost with other revenue = \$330,000			
Bitterwater Road - East of Industrial to East of Airport	\$86,917	25 Years	August 2018
Total	\$256,917		



Item No. 9(H)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: DOREEN LIBERTO, AICP, COMMUNITY DEVELOPMENT DIRECTOR

RE: CONSIDERATION OF 10-DAY REPORT ON INTERIM ORDINANCE ESTABLISHING MORATORIUM ON SEASONAL EMPLOYEE HOUSING APPROVALS IN C-2 AND FSC ZONES

RECOMMENDATION:

It is recommended that the Council review and accept the 10-Day Report for issuance.

BACKGROUND:

On March 27, 2018, the City adopted an Interim Urgency Ordinance establishing a 45-day moratorium on approval and issuance of permits for the establishment of or conversion to seasonal employee housing in the FSC or C-2 Zoning Districts of the City.

The purpose of the moratorium is to protect public health and safety by providing the City with time to study and consider zoning proposals, such as a seasonal employee housing ordinance, that are designed to protect against the current and immediate threats to health and safety posed by the substandard conditions that currently affect much of the seasonal employee housing in the City. The moratorium prevents displacement of existing residents while the City identifies and implements solutions to permanently address this issue. The moratorium also avoids the permitting of seasonal employee housing uses that may conflict with the results of the City's efforts, thereby allowing the City time to more effectively design the proposed seasonal employee housing ordinance and any other necessary zoning proposal to properly address all needs identified.

Under Government Code Section 65858, the moratorium is valid for 45 days from the date of its approval, and therefore is currently scheduled to expire on May 11, 2018. Prior to that date, the City, after conducting a public hearing, may extend the validity of the moratorium for an additional 10 months and 15 days, and subsequently for one year.

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CONSIDERATION OF 10-DAY REPORT ON INTERIM ORDINANCE ESTABLISHING
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DISCUSSION:

Government Code Section 65858(d) provides that, ten days prior to the expiration of the moratorium, the City Council shall issue a written report describing the measures taken to alleviate the condition which led to the adoption of the moratorium. Because the moratorium expires on May 11, 2018, the Council must issue the report no later than May 1, 2018.

The attached 10-Day Report describes the measures that City staff has taken since adoption of the moratorium in order to address the issues associated with seasonal employee housing in the City, including: (1) seeking and receiving initial feedback from parties and businesses interested in or affected by the moratorium; (2) preparing a draft amendment to the City's General Plan to provide for policies and an objective regarding promotion of safe seasonal employee housing; and (3) preparing a draft seasonal employee housing ordinance to regulate the creation of new, or transition of existing, seasonal employee housing uses.

By accepting the attached 10-day report for issuance, the City Council would comply with this requirement of Government Code Section 65858(d).

COST ANALYSIS:

Acceptance of the 10-Day Report will have no impact on costs.

ENVIRONMENTAL REVIEW:

There is no environmental review necessary or required for acceptance of the 10-Day Report. The 10-Day Report is not a "project" within the meaning of CEQA. The Moratorium is exempt from Environmental review pursuant to CEQA Guidelines 15061(b)(3). Environmental review will be completed at the planning level before approval of each seasonal housing project once the moratorium is lifted.

ALTERNATIVES:

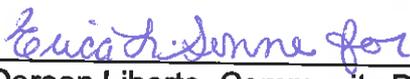
The Council has the following alternatives to consider:

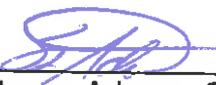
1. Decline to accept the 10-Day Report.
2. Accept the 10-Day Report, subject to specified revisions to be made by staff.
3. Provide other direction to staff.

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CONSIDERATION OF 10-DAY REPORT ON INTERIM ORDINANCE ESTABLISHING
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Exhibits:

1. 10-Day Report

Prepared by: 
Doreen Liberto, Community Development Director

Approved by: 
Steven Adams, City Manager

CITY OF KING

10-Day Report on Interim Ordinance Establishing Moratorium on Approval of Seasonal Employee Housing Projects in FSC and C-2 Zones

April 24, 2018

On March 27, 2018, the City Council of the City of King ("City") adopted Interim Urgency Ordinance establishing a temporary moratorium on approving seasonal employee housing projects in the FSC and C-2 zoning districts of the City (the "Moratorium" or the "Ordinance"). The Ordinance is attached hereto as Exhibit A.

The potential of new development and expansion or modification of seasonal employee housing creates and exacerbates the problems the City is experiencing with regards to health and safety-related conditions of employee housing, and also exacerbates the housing shortage the City is experiencing.

The Moratorium was enacted to protect public health and safety by allowing the City time to consider and study zoning proposals and other possible actions, including general and specific plan updates, for the purposes of: (1) promoting the availability of seasonal and permanent housing and the orderly transition from one use to another; (2) establishing standards and conditions applicable to permitting and approval of seasonal employee housing to restore sufficient regulatory control to the City and thereby ensure that all such housing is safe and in compliance with applicable law; and (3) providing the City with sufficient means to administer and enforce such standards and conditions as necessary to protect the public health, safety or welfare of the seasonal employees, permanent residents, or transient occupants (such as hotel guests) of the City against the current and immediate threats posed by substandard or inadequate housing.

The Moratorium was enacted pursuant to Section 65858 of the California Government Code, took effect immediately, and will expire on May 11, 2018, unless extended by the Council.

Subdivision (d) of Section 65858 of the Government Code provides that "[t]en days prior to the expiration of that interim ordinance or any extension, the legislative body shall issue a written report describing the measures taken to alleviate the condition which led to the adoption of the ordinance."

This report complies with the requirements of Government Code section 65858(d). During the period the moratorium has been in place, the City has taken the following measures to alleviate the conditions which led to adoption of the Moratorium:

- Seeking^[BRJ1] and receiving initial feedback from parties and businesses interested in or affected by the moratorium;
- Preparing a draft amendment to the City's General Plan to provide for policies and an objective regarding promotion of safe seasonal employee housing; and
- Preparing a draft seasonal employee housing ordinance to regulate the creation of new, or transition of existing, seasonal employee housing uses.

City staff have distributed the draft ordinance and resolution referenced above, and are currently allowing sufficient time for meaningful review by interested parties in order to receive feedback.

The potential impacts of development, expansion and modification of the uses subject to this Moratorium necessitate further time and analysis to achieve the purposes of the Moratorium.

Proper completion of the measures outlined above will necessitate extending the Moratorium past the May 11, 2018 expiration date for another 10 months and 15 days. The initial 45-day moratorium period enacted by the Ordinance provides an insufficient amount of time to fully study and consider all the above.

During the period of the extension of the moratorium City staff will continue^[BRJ2] to perform the tasks outlined above to completion in order for the City to establish a comprehensive regulatory system that will protect and promote the health, safety and welfare of the occupants of seasonal employee housing and residents of surrounding communities, while protecting the supply of affordable permanent housing available to City residents.



Item No. 9(1)

STAFF REPORT

DATE: APRIL 24, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: OCTAVIO HURTADO, CITY ENGINEER

RE: CONSIDERTATION OF CONTRACT CHANGE ORDER TO ALFREDO'S CONCRETE TO MAKE SIDEWALK IMPROVEMENTS TO BROADWAY STREET AT 637 & 641 BROADWAY STREET

RECOMMENDATION:

It is recommended City Council authorize the City Manager to approve a change order to Alfredo's Concrete in the proposed amount of \$49,724.

BACKGROUND:

Improvement Plans and Specifications were put out to bid for the Installation of a new concrete floor in the existing maintenance building at the Wastewater Treatment Plant. Alfredo's Concrete was the low bidder and was awarded the project and an Agreement between the City of King and Alfredo's Concrete has been executed.

DISCUSSION:

Sun Street Centers is in the process of making improvements to the property at 637 & 641 Broadway Street. There is significant damage to the sidewalk area in front of the facility that does not meet ADA guidelines. Sun Street Centers is paying for work to the sidewalks along Mildred Street to bring their driveways into compliance. The City agreed to make improvements to the damaged sidewalk along Broadway Street. Work on South Mildred Street is to begin during the week beginning April 23, 2018.

To do this in the most cost effective manner, the work can be added to the contract already awarded for concrete work at the Wastewater Treatment Plant. It will also expedite the project and take advantage of having South Mildred Street and Broadway Street frontage improvements completed concurrently. Therefore, a change order has been requested and received. The work involves

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removal of existing curb, gutter, sidewalk and handicap ramp; replacement with new curb, gutter, and sidewalk and handicap ramp; and saw cut, remove and replace 2 feet of asphalt concrete to conform.

COST ANALYSIS:

The total bid received for the work is \$49,724. The City is proposing to allocate \$50,000 to Broadway Street sidewalk improvements in FY 2017-18 under the King City Street and Sidewalk Improvements Capital Improvement Project (CIP). The change order amount received is under the proposed allocation. The total proposed appropriation will be paid from King City Measure X revenues.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Authorize City Manager to approve Change Order in the amount of \$49,724.00 to Alfredo's Concrete Company;
2. Reject change order and solicit new bids;
3. Do not authorize the City Manager to approve the Change Order and direct staff to only make the minimal repairs necessary to that area of sidewalk; or
4. Provide other direction to staff.

Exhibits:

1. CCO Proposal

Submitted by: _____


Octavio Hurtado, City Engineer

Approved by: _____


Steven Adams, City Manager

**ALFREDO'S CONCRETE
690 OLD STAGE RD
SALINAS, CA 93908
LIC#1028329
831-905-7205**

PROPOSAL

**King city CA
Broadway st
4/17/2017**

city sidewalk

- aprox 2,070 sqf of 4-inch-thick concrete sidewalk
- set forms
- grade and compact subgrade
- import 2 inches of sand grade and compact
- dowel into existing concrete
- install #4 dowels
- pour and finish concrete
- joint lay out will be 5 foot on center
- expansion joint every 20 ft.

type c curb and gutter

- aprox 207 lmf of type c curb and gutter
- dig and haul off aprox 8 yds. of dirt, grade and compact subgrade
- import 15 tons of baserock grade and compact
- set forms
- pour and finish concrete

demo

- demo and haul off aprox 2,070 sqf of 4 inch thick concrete
- saw cut 207 lmf of 3-inch-thick asphalt
- demo and haul off aprox 621 sqf of 3 thick asphalt

Ramp

- handicap ramp
- aprox 117 sqf
- demo existing concrete ramp and curb and gutter
- set forms
- install 1 3x4 dome
- replace 20 lbf of curb and gutter
- pour and finish concrete
- total \$2,200

Asphalt

- demo and haul off aprox 420 sqf of 4-inch-thick asphalt
- pave aprox 210 lbf x 2 foot wide
- pave 2 two inch lifts
- apply tack oil to vertical edges

Exclusions

- plans, permits fees and assessments

clean-up

- clean up and dispose of all construction related debris

Total construction cost, labor and material \$49,724



Item No. 10(A)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 2018

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION AND INTRODUCTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AMENDING SECTION 9.08.010 OF CHAPTER 9.08 OF TITLE 9 OF THE KING CITY MUNICIPAL CODE GOVERNING DOGS RUNNING AT LARGE WITHIN THE BOUNDARIES OF THE CITY OF KING

RECOMMENDATION:

It is recommended the City Council introduce an Ordinance amending Municipal Code Section 9.08.010 to require all dogs on public property to be on leash to be read by title only, open the hearing, allow for public testimony, close the hearing, waive first reading of the Ordinance, and approve the introduction of the Ordinance.

BACKGROUND:

The City experiences a significant problem and receives ongoing complaints regarding loose dogs. It results in safety concerns for citizens, as well as the dogs. It also causes significant staff work responding to calls for service.

Currently, Section 9.08.010 prohibits dogs from running at large unless: 1) restrained by a chain, strap or cord attached to its collar or harness, actually held by some person or made fast to some stationary object, or confined within a cage or other dog-tight enclosure; or 2) accompanied by a person, and is sufficiently trained to be reliably responsive to the voice command and control of such person.

The second exception makes enforcement difficult because it is subjective for staff to make judgement decisions regarding whether an individual sufficiently controls an animal through voice commands. If a dog is not adequately trained, it will not be evident until it is too late, and it is not feasible for the Code

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Enforcement/Animal Control Officer to test someone's voice commands every time a dog is found off leash.

Therefore, the Code Enforcement/ Animal Control Officer proposed to amend the restrictions to remove this exception. The issues were discussed by the Code Enforcement Committee, who recommends the changes.

DISCUSSION:

Staff recommends the Municipal Code provisions be changed to allow only the following exceptions:

1. The dog is restrained by a leash held by some person or made fast to some stationary object; or confined within a cage or other dog-tight enclosure; or
2. On the private property of its owner, excluding all roads, streets, alleys or any public sidewalk, park or other public property, and restrained by a fence or other barrier from leaving said private property; or
3. In a City owned facility designated as a dog park where dogs are permitted to run at large within a designated fenced area.

The third item was added in anticipation that the City may add a dog park at some time in the future.

In order to improve enforcement capabilities, it is also recommended to change violations to be a misdemeanor rather than an infraction. The City would maintain the ability to downgrade a violation to an infraction depending upon the severity and response of the problem.

COST ANALYSIS:

There is no cost associated with this change, but will aid in increasing effectiveness and efficiency of the Code Enforcement/ Animal Control Officer's responsibilities.

ENVIRONMENTAL REVIEW:

The proposed change in regulations is not considered a "project" for the purposes of the California Environmental Quality Act (CEQA). Therefore, it does

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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.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Introduce the Ordinance;
2. Modify and introduce the Ordinance;
3. Request additional analysis;
4. Do not introduce the Ordinance; or
5. Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AMENDING
TITLE 9 OF CHAPTER 9.08 OF THE KING CITY MUNICIPAL CODE PERTAINING
TO DOGS - PROHIBITED ACTS**

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

WHEREAS, the City has the authority to regulate stray animals, including dogs, under its police powers; and

WHEREAS, Chapter 9.08 of the Municipal Code sets forth prohibited acts regarding dog ownership and handling; and

WHEREAS, the City Council has determined that dogs running at large pose a risk to the public's health, safety and well being; and

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

WHEREAS, it is the intent of the City to regulate and prohibit dogs from running at large within the boundaries of the City.

NOW THEREFORE, the people of the chartered City of King do ordain as follows:

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

SECTION 2. The Ordinance is exempt from the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that there is no possibility that it will have a significant effect on the environment. (CEQA Guidelines § 15061(b)(3).) It is also exempt from CEQA because it is not a “project” as established within CEQA Guidelines section 15378.

SECTION 3. Chapter 9.08, of Title 9, of the King City Municipal Code is hereby amended and adopted to read as follows:

Section 9.08.010 Running At Large Is Prohibited.

(a) It is unlawful for any person owning or having charge, care or control of any dog, whether licensed or not, to allow or permit any such dog to run at large, within the City. A dog shall be deemed to be running at large unless the following applies:

(1) The dog is restrained by a leash held by some person or made fast to some stationary object; or confined within a cage or other dog-tight enclosure; or

(2) On the private property of its owner, excluding all roads, streets, alleys or any public sidewalk, park or other public property, and restrained by a fence or other barrier from leaving said private property; or

(3) In a City owned facility designated as a dog park where dogs are permitted to run at large within a designated fenced area.

(b) Violations of the provisions of this Section shall be considered misdemeanors and are punishable in accordance with Chapter 1.04.010 of the King City Municipal Code. Each and every day, or portion thereof, a violation exists is a new and separate offense. The City may also pursue all applicable civil and administrative remedies, including, but not limited to, injunctive relief and administrative citations.

Should a court of competent jurisdiction subsequently determine that the criminal penalty provision renders the provisions of this Section, or the provisions of any chapter adopted by reference within the King City Municipal Code unlawful, the city intends that the misdemeanor provision be severable from the remaining penalty provisions and the City will only pursue non-criminal remedies for violations of this Section.

(c) Administrative Citations.

The administrative citation penalty for all violations of this chapter, within a rolling twelve-month period, deemed misdemeanors under the King City Municipal Code shall be as follows:

- (1) First administrative citation: two hundred fifty dollars per violation;
- (2) Second administrative citation: five hundred dollars per violation;
- (3) Third administrative citation: one thousand dollars per violation; and
- (4) One thousand dollars per violation for each subsequent administrative citation.

The administrative citation penalty for all violations of this chapter, within a rolling twelve-month period, deemed infractions under the King City Municipal Code shall be as follows:

- (1) First administrative citation: one hundred dollars per violation;
- (2) Second administrative citation: two hundred dollars per violation;
- (3) Third administrative citation: five hundred dollars per violation; and
- (4) Five hundred dollars per violation for each subsequent administrative citation.

(d) Appeals. The appeals procedures as established within Sections 7.51.604, 7.51.608, 7.51.609, 7.51.610 and 7.51.611 shall govern any appeal of an administrative citation issued pursuant to the requirements of this Section.

(e) Cost Recovery and Penalties. The person responsible and/or the property owner shall be responsible for all costs incurred by the City to enforce the requirements of this Section, including all costs relating to the appeal of an administrative citation. The enforcement costs and penalties shall either be a special assessment and lien on the subject property or the personal obligation of the owner of the subject property and/or the person responsible for violating this Section. The special assessment and lien provisions as established within Section 7.51.709 shall govern violations of this Section. If there is more than one responsible party, each responsible party shall be jointly and severally liable for the enforcement cost incurred by the City. Enforcement costs and penalties shall be recoverable even if the violation of this Section is corrected by the property owner or other responsible party.

SECTION 4: EFFECTIVE DATE.

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

I HEREBY CERTIFY that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the ____ day of _____ 2018, and adopted the Ordinance after the second reading at a regular meeting held on the ____ day of _____ 2018, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

STEVEN ADAMS, City Clerk

CITY OF KING

By: _____
MIKE LEBARRE, Mayor

APPROVED AS TO FORM:

By: _____
SHANNON L. CHAFFIN, City Attorney
Aleshire & Wynder, LLP

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



Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: APRIL 24, 2018
TO: CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
RE: CONSIDERATION OF ANALYSIS OF LOCAL SALES TAX INCREASE AND LONG RANGE FINANCIAL STABILITY EFFORTS

RECOMMENDATION:

It is recommended the City Council: 1) consider staff's analysis of a potential ½ cent increase to the local sales tax; 2) receive public input; 3) direct staff whether to proceed with preparation of a ballot measure for the November 6, 2018 election; and 4) direct staff whether to provide for an advisory measure, sunset clause, advisory committee, or other special provisions.

BACKGROUND:

At the November 4, 2014 General Election, King City voters approved establishing a 1/2 cent local sales tax by 63.15%, which took effect April 1, 2015. It included a 7 year sunset clause, which means it will need to be placed on the ballot again by 2020 to be extended or will expire March 30, 2022. The measure included formation of a sales tax advisory committee, which has been meeting annually to review budget recommendations prior to presenting them to the City Council. An advisory measure was also placed on the ballot and approved, which specified that if the measure passed, voters supported the funds be used as follows:

- 50% - Public Safety (Police, Fire, Recreation)
- 30% - Money Management (Debt Reduction & Reserves)
- 10% - Communication
- 10% -Appearance

These funding allocations are recommended by the advisory measure, but not legally required.

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The City has been making significant progress with regard to its financial issues, but also continues to face many challenges. On the positive side, the City has adopted two balanced budgets in a row and has reduced its negative fund balance in the General Fund from almost \$5 million to \$2.5 million in just two years. The City Council also recently adopted a Long Range Financial Plan that calls for reducing the negative fund balance by an additional \$500,000 each year to reach a positive balance in 5 years and a goal of establishing a 20% reserve in 10 years. At the same time, the City has been able to fund a number of new efforts to address important needs in the community.

However, it is also important to consider that most of this progress has been made primarily with one-time revenue sources. Even though the City has been able to balance its budgets, if these one-time revenues and expenditures were eliminated, the City continues to experience what is referred to as a structural budget deficit. This means the City is identifying ways to make progress in funding operational and project needs, but the underlying foundation of the budget remains out of balance.

In addition, the Long Range Financial Plan relies heavily on projected funding from the cannabis tax. While staff continues to be confident the cannabis tax will be instrumental in funding important community needs, there are also a number of uncertainties associated with it. For example, there will likely be a surplus on the market so it is unknown how successful local businesses will be. It is unclear how local cultivators and manufacturers will be impacted by State and Federal regulations. In addition, electric power constraints are delaying projects so the timeline for receiving this revenue is still unknown.

While the City's immediate goal is to eliminate the General Fund debt and to address urgent needs in the community, it is recommended the ultimate goal should be to establish long-term financial stability. The objective is to reach a point where the City can withstand fluctuations in the economy and unanticipated expenses without it creating a financial crisis as it has in the past. As a result, staff believes it is in the City's best interest to avoid becoming overly dependent on this single revenue source. Given the uncertainties, it is recommended the City establish the ability to fund a minimal level of service without it. Therefore, if for some reason these revenues are not received as projected or were to ever be eliminated, the City could reduce the budget enough to get by temporarily without further increasing the debt.

To accomplish this, staff has been studying the potential of adding an additional ½ cent sales tax at the next November election. Information has been presented to the public at the State of the City presentations, in the City's monthly Rustler article, and in a City newsletter article distributed to every household. The public

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was encouraged to attend and provide input at a public hearing at the April 24, 2018 meeting. The purpose of the agenda item is for staff to present the results of their analysis, to receive public input, and then for Council to direct staff whether to proceed to prepare a ballot measure for the November 6, 2018 election.

DISCUSSION:

The review has shown that every other city in Monterey County except for one currently has a local sales tax that is at least twice the amount of King City and many are three times or more. The only city with the same rate as King City is Gonzales, who is also in the process of proposing a 1/2 cent increase. A list of current local sales tax amounts are as follows:

Greenfield	1 ¾ cents
Del Rey Oaks	1 ½ cents
Salinas	1 ½ cents
Seaside	1 ½ cents
Carmel	1 cent
Marina	1 cent
Monterey	1 cent
Pacific Grove	1 cent
Sand City	1 cent
Soledad	1 cent
Gonzales	½ cent
King City	½ cent

Therefore, the City could increase its sales tax by ½ cent and likely remain equal to the lowest in the County. Given the City's significant needs and limited sales tax base, the current discrepancy creates an additional challenge for King City to fund the same types of services provided by these other communities.

It has been determined that a 1/2 cent increase would generate roughly the amount of revenue needed to address the structural budget deficit. Sales tax is generally considered a preferable alternative for funding local services because a large portion is paid by people from outside King City. This is because the gas stations and other businesses along the freeway are the City's highest sales tax producers.

In addition to increasing the local sales tax by 1/2 cent, it is proposed to extend the existing 1/2 cent local sales tax at the same time. The advantage of proposing the extension in 2018 is that if the voters were to reject the increase, the City would still have two more years to seek voter approval for maintaining

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the existing tax. It would also be preferable to incorporate both taxes into one measure in order to establish common provisions.

The following schedule is proposed for the ballot measure based on deadlines established by the County Elections Office:

- Council consideration of placing measure(s) on the ballot - June 26, 2018
- Consideration of argument in favor of measure - July 10, 2018

Under current State law, the measure will require a simple majority vote. However, a potential statewide ballot measure is being circulated for signatures that if approved would change the requirement to a two-thirds vote. If it qualifies for the ballot, the City will need to assume a two-thirds vote is necessary in case it passes because it is drafted to be retroactive. The measure also impacts requirements for language of local tax measures. Therefore, staff will need to draft the tax measure so that it is compliant to make sure it is not challenged if the statewide measure is approved.

If the City Council directs staff to proceed, input is needed on a number of alternative provisions that can be included in the measure. Most of the provisions are designed to establish accountability measures.

The first is whether to include an additional sunset clause, and if so, how long of a period. The advantage of a sunset clause is that experts typically believe they help increase voter support. The disadvantages are that they leave future revenue projections uncertain, make it difficult to issue long-term financing for capital improvements, and increase staff work and costs to periodically place measures on the ballot to extend the tax. If a sunset clause is desired, it is recommended it be established at no less than 10 years. If the Council wants to put in place some alternate measure to enhance accountability and community oversight, it can require a public hearing take place every five years that is advertised to the public to determine if the tax is still necessary and should be continued.

Second, the Council will need to decide whether to continue to require a sales tax advisory committee. The committee has been very helpful after the original measure was adopted by providing increased community oversight. However, it becomes less necessary over time because most of the expenditures are ongoing and there are few changes for the committee to review. Since the increase is proposed primarily to fund existing expenditures, there won't be many decisions for the committee to make on how to allocate the new revenue. As a result, it is recommended the committee either be eliminated or that it be in place for only the first budget cycle after the tax increase takes effect.

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Third, staff requests direction on whether to place another advisory measure on the ballot. The advantage of advisory measures is they help communicate to voters what the tax funds are intended to be used for without legally restricting them. The disadvantages are that they sometimes create confusion and false expectations since the measures are legally non-binding. In addition, a specific advisory measure which appears to direct the expenditure of the funds to a specific area (e.g. public safety) could provide for a legally untested argument that it turns a "general tax" into a "special tax". This raises a concern that it could raise the threshold needed to a 2/3 voter approval rather than a majority vote. A true general tax should provide leeway for the City to expend the funds for any General Fund purpose, and assuming the statewide initiative is not passed, should only require a 50% vote. Staff recommends that any advisory measure not include specific percentages for use of the funds because funding needs and City priorities change over time. If the Council would like to include an advisory measure, the following draft wording is proposed for consideration, which accurately identifies the intended use of the revenue while maintaining flexibility (subject to further legal review and comment):

If the City's General Sales Tax Measure passes, the City should utilize the revenues to balance the budget in order to maintain existing operations and services; pay off existing General Fund debt and establish a financial reserve; fund public safety staffing, services and projects designed to eliminate youth violence; fund improvements to streets and sidewalk infrastructure; and finance downtown improvements and other economic development efforts designed to increase businesses, jobs and visitors to King City.

COST ANALYSIS:

Based on staff's assessment of current operations, it is believed current staffing levels are at a minimum for the City's existing operations, facilities and responsibilities. As the City has experienced in the past, any further reductions in staff only results in a lack of maintenance and accountability that increases costs through claims, litigation and a rise in violence and crime.

While reducing the debt and increasing capital projects is an important financial need in the City on an ongoing basis, these are also costs that can be temporarily deferred during a recession if necessary. Since the goal is to be able to withstand economic downturns without increasing debt, staff prepared an analysis of the ability of the budget to withstand a recession at this time by removing all one-time revenue sources, projected cannabis tax revenues, and all expenses for capital projects and repayment of debt. This would result in a

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deficit of approximately \$889,000 in FY 2017-18 and \$630,000 in FY 2018-19. Meanwhile, the 1/2 cent sales tax increase is projected to generate about \$800,000 in annual revenue.

Therefore, revenues from the cannabis tax are still necessary to address the City's projected needs on an ongoing basis. However, the local sales tax revenue increase is critical in order to ensure the City can continue to function in a fiscally solvent matter when necessary without these revenues.

The additional election cost of including the measure is estimated to be approximately \$2,500 to \$5,000. It is also recommended the City budget \$2,500 for public education materials and there will be legal costs associated with drafting and reviewing the measure.

ENVIRONMENTAL REVIEW:

Since this is only a discussion item at this time, it is not considered a project for the purposes of CEQA and has no potential for resulting in either a direct or indirect impact to the environment.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Direct staff to proceed in preparing a local sales tax increase ballot measure for consideration as recommended;
2. Direct staff to proceed to prepare a local sales tax increase ballot measure for consideration with a sunset clause, and/or advisory committee requirement, and/or advisory measure;
3. Direct staff to proceed to prepare a local sales tax increase ballot measure for consideration with a requirement for a public hearing every 5 years;
4. Direct staff not to proceed with a local sales increase ballot measure;
5. Direct staff to prepare an analysis and provide more information only at this time; or
6. Provide staff other direction.

Prepared and Approved by: _____


Steven Adams, City Manager