AGENDA

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

TUESDAY NOVEMBER 26, 2019
6:00 P.M.

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

Spanish interpretation services will be available at meeting

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

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

1. CALL TO ORDER

2. ROLL CALL: Council Members Darlene Acosta, Robert Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, and Mayor Mike LeBarre

3. FLAG SALUTE

4. CLOSED SESSION ANNOUNCEMENTS

5. SPECIAL PRESENTATIONS

None

6. PUBLIC COMMENT

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

7. COUNCIL COMMUNICATIONS & COMMITTEE REPORTS

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

8. STAFF COMMUNICATIONS

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

9. CONSENT AGENDA

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 Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion.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 Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

A. Meeting Minutes of November 12, 2019 Council Meeting
Recommendation: approve and file.

B. City of King November 2 thru November 18, 2019 Check Register
Recommendation: receive and file.

C. City of King Successor Agency November 18, 2019 Check Register
Recommendation: receive and file.

D. City of King KCCP Payments through October 2019
Recommendation: receive and file.

E. An Ordinance of the City Council of the City of King Amending Title 12, Chapters 12.04 and 12.08 of the King City Municipal Code Adopting the 2019 California Building and Fire Codes
Recommendation: conduct the second reading, by title only, and adopt an Ordinance adopting the 2019 California Title 24 Building and Fire Codes.

F. Consideration: Resolution of the City Council of the City of King Approving Angled Parking on Streets Adjacent to the Historic Downtown Area
Recommendation: adopt a Resolution approving angled parking on one side of every street that is within one block of Broadway Street from First Street to Russ Street, which includes Second Street, Third Street, Vanderhurst Avenue, and Russ Street from Lynn Street to Bassett Street; and Lynn Street and Bassett Street from First Street to Russ Street.

G. Consideration: Agreement with Hinderliter De Llamas Companies for Cannabis Permit Management Services
Recommendation: approve and authorize the City Manager to execute an Agreement with Hinderliter de Llamas Companies (HdL) for a medical marijuana management program.

H. Consideration: Independent Contractor Agreement for Services to Assist with Wind and Solar Projects
Recommendation: 1) approve and authorize the City Manager to execute an independent contractor agreement with Kelly Foley and Pilot Power Group, Inc. to assist the City in developing, issuing and administering a Request for Proposals ("RFP") for wind and solar projects for King City Community Power ("KCCP"); and 2) authorize the City Manager to make non-substantive changes as necessary in a form approved by the City Attorney.

I. Consideration: Resolution Authorizing the City Manager Submittal of an Application, Acceptance of Funds and Execution of Grant Agreement with the Federal Aviation Administration for Airport Improvement Program
Recommendation: adopt a Resolution to authorize the City Manager to submit, accept, and execute a grant agreement with the Federal Aviation Administration (FAA) for the Airport Improvement Program transmittal of Fiscal Year 2020.

10. PUBLIC HEARINGS

A. Consideration: Community Development Block Grant (CGBG) Process and Funding Goals
Recommendation: 1) receive public input; 2) direct staff to prepare for Council consideration a CDBG application requesting up to $3,500,000; and 3) schedule the second Public Hearing for the January 28, 2020 meeting.

11. REGULAR BUSINESS

A. Consideration: Park Naming Agreement for Creek Bridge Soccer Park
Recommendation: approve a park naming agreement with Aera Energy, LLC. for sponsorship of renovation of the Creek Bridge Soccer Park.

B. Consideration: Adjustment to Cannabis Tax Rates
Recommendation: 1) adopt a Resolution reducing the tax rate of cannabis cultivation to $9.75 per square foot; and 2) adopt a Resolution increasing the tax rate for cannabis manufacturing and testing by CPI (3.9%) effective January 1, 2020.

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.

None

13. ADJOURNMENT

City Council Meeting
November 12, 2019

1. CALL TO ORDER:

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

2. FLAG SALUTE:

The flag salute was led by Mayor LeBarre.

3. ROLL CALL:

City Manager Adams conducted roll call.

City Council: Mike LeBarre, Darlene Acosta, Rob Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria.

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

4. CLOSED SESSION ANNOUNCEMENTS:
None

5. PRESENTATIONS:

None

6. PUBLIC COMMUNICATIONS:
None

7. COUNCIL COMMUNICATIONS:

Council Member DeLeon stated nothing to report.

Council Member Acosta stated she had nothing to report.

Mayor Pro Tem Victoria stated has an AMBAG meeting tomorrow. A representative of the AMBAG was at the last School Board meeting to present the light project had been completed. He met with Supervisor Chris Lopez because he requested hearing from the City Council. The only thing he had mentioned to him is to watch more closely on what could be worked on the parks being one of them.

Council Member Cullen stated he has nothing to report.

Mayor LeBarre stated he attended the Monterey County Mayors Association meeting on November 1st in Marina where he was appointed to the Central Coast Housing Working Group representing the small City. He presented the City Manager with a letter that explains the timeline and what the funds will be used for. November 15th he will be attending the California Council of Governments fall meeting in Sacramento. He attended the Fort Hunter Liggett Ribbon Cutting, Systems Training Center. November 7th, he met with Hartnell Superintendent/President Dr. Patricia Hsieh. On November 21st he will be meeting with Assembly

member Rivas on update on City/Community issues, needs and upcoming grants. Western Cities Magazine came out with the article for King City winning the Helen Putnam Award.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Steven Adams stated staff has been meeting on a quarterly basis with the County Parks. They have been working on an access road to the WWTP. Work on slurry seal is going on this week, stripping work should start next week. Lastly notified by Union Pacific that they will be closing Lonoak Road from next Monday through noon on Tuesday. They are not putting out any public notification, but the City is taking it upon themselves to put out notification.

City Attorney Roy Santos introduced Michelle Sassano who will be filling in for him in his absence on November 26, 2019 City Council meeting.

9. CONSENT AGENDA

A. Meeting Minutes of October 22, 2019 Council Meeting
B. City of King October 12, thru November 1, 2019 Check Register
C. City of King Successor Agency October 18, 2019 Check Register
D. City of King Public Financing Authority October 23, 2019 Check Register
E. Consideration: Council Representation at the 2019 Marijuana Business Conference and Expo.

Action: Motion to approve consent agenda items A- E by Victoria and seconded by Cullen.

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

10. PUBLIC HEARINGS:

None

11. REGULAR BUSINESS:

A Consideration: An Ordinance of the City Council of the City of King Amending Title 12, Chapters 12.04 and 12.08 of the King City Municipal Code Adopting the 2019 California Building and Fire Codes

Mayor LeBarre read the title into the record.

City Manager Adams introduced this item.

Mark McClain contract Chief Building Official further introduced this item.

Mayor LeBarre opened the public hearing,

Marc Bloom asked about residential sprinklers and pools just as clarification.

Mayor LeBarre closed public hearing.

Action: Motion to conduct the first reading of an Ordinance Amending Title 12, Chapters 12.04 and 12.08

of the King City Municipal Code Adopting the 2019 California Building and Fire Codes, by title only, and set the second reading and adoption for the next regularly scheduled Council meeting of November 26, 2019 by DeLeon and seconded by Victoria.

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

12. CITY COUNCIL CLOSED SESSION

A. Government Code Section 54956.9(d)(1)
Conference with legal counsel – Existing Litigation
Name of Case: Mark Baker

ADJOURNMENT:

Mayor LeBarre adjourned the meeting to closed session reading in the title of closed session 6:24p.m.

Approved Signatures:

Mayor, Michael LeBarre
City of King

City Clerk, Steven Adams
City of King

KING CITY
CALIFORNIA

Item No. 9(B)

REPORT TO THE CITY COUNCIL

DATE: NOVEMBER 26, 2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MIKE HOWARD, FINANCE DIRECTOR

RE: CONSIDERATION OF CITY OF KING CHECK REGISTER NOVEMBER 2 THRU NOVEMBER 18, 2019

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 invoices paid for the previous month.

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.

Exhibits:
1. Check Register Report

Submitted by: Erica L. Sonne for
Mike Howard, Finance Director

Approved by:
Steven Adams, City Manager

Check Register Report

Date: 11/19/2019
Time: 1:50 pm
Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
62998	11/08/2019	GREENERENV	GREENER ENVIRONMENTS INC	42,592.00	42,592.00
		Printed	RIVERVIEW GARDENS IRR & LAND	0.00	

Ref#	GL Number	Gross	Discount	Amount
77556	36-465-541.120	42,592.00	0.00	42,592.00
			Check Amount	42,592.00

62999	11/18/2019	2NDNALLC	2ND NATURE LLC	1,967.50	1,967.50
		Printed	Trash Plan - Field Support	0.00	

Ref#	GL Number	Gross	Discount	Amount
77646	18-412-533.000	1,967.50	0.00	1,967.50
			Check Amount	1,967.50

63000	11/18/2019	A & G PUMP	A & G PUMPING, INC	812.50	812.50
		Printed	Cleaning Boxes	0.00	

Ref#	GL Number	Gross	Discount	Amount
77575	18-412-533.000	812.50	0.00	812.50
			Check Amount	812.50

63001	11/18/2019	AT&T-GA	A T & T	14.80	14.80
		Printed	Telephone - #051 932-4080 001	0.00	

Ref#	GL Number	Gross	Discount	Amount
77569	10-321-541.103	14.80	0.00	14.80
			Check Amount	14.80

63002	11/18/2019	ADAMS	ADAMS ASHBY GROUP, LLC	840.00	840.00
		Printed	CDBG Administration	0.00	

Ref#	GL Number	Gross	Discount	Amount
77574	59-000-538.101	840.00	0.00	840.00
			Check Amount	840.00

63003	11/18/2019	ADAMSS	STEVEN ADAMS	35.38	35.38
		Printed	Mileage - Disaster Training	0.00	

Ref#	GL Number	Gross	Discount	Amount
77570	10-121-551.000	35.38	0.00	35.38
			Check Amount	35.38

63004	11/18/2019	KCTVHARD	ALCANTAR HARDWARE INC	641.26	641.26
		Printed	Key Lock Range.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77557	22-423-522.000	6.51	0.00	6.51
77558	10-426-522.000	10.41	0.00	10.41
77559	10-426-522.118	380.61	0.00	380.61
77560	10-161-522.102	21.73	0.00	21.73
77561	10-422-543.200	156.34	0.00	156.34
77562	10-426-522.118	16.18	0.00	16.18
77563	10-426-522.000	17.38	0.00	17.38
77564	10-311-522.118	32.10	0.00	32.10
			Check Amount	641.26

63005	11/18/2019	A & W	ALESHIRE & WYNDER LLP	16,491.65	16,491.65
		Printed	Legal Services - General	0.00	

Check Register Report

KING CITY CITY HALL BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount

Ref#	GL Number	Gross	Discount	Amount
77571	15-440-531.000	209.00	0.00	209.00
77572	10-151-531.000	133.00	0.00	133.00
77573	10-151-531.000	16,149.65	0.00	16,149.65
			Check Amount	16,491.65

63006	11/18/2019	ALVAREZL	ALVAREZ TECHNOLOGY GROUP -	1,430.59	1,430.59
		Printed	Business Computers.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77565	10-311-533.000	1,430.59	0.00	1,430.59
			Check Amount	1,430.59

63007	11/18/2019	AM SUPPLY	AMERICAN SUPPLY CO.	924.61	924.61
		Printed	Janitorial Suppy	0.00	

Ref#	GL Number	Gross	Discount	Amount
77576	10-426-522.102	924.61	0.00	924.61
			Check Amount	924.61

63008	11/18/2019			0.00	0.00
	11/18/2019	Void	Void Check	0.00	

Ref#	GL Number	Gross	Discount	Amount
			Check Amount	0.00

63009	11/18/2019			0.00	0.00
	11/18/2019	Void	Void Check	0.00	

Ref#	GL Number	Gross	Discount	Amount
			Check Amount	0.00

63010	11/18/2019	HANNA	ASSOCIATED ENGINEERING-SURVEY	38,750.50	38,750.50
		Printed	King City Local Road	0.00	

Ref#	GL Number	Gross	Discount	Amount
77609	10-221-532.000	800.00	0.00	800.00
77610	10-221-532.000	160.00	0.00	160.00
77611	10-221-532.000	1,760.00	0.00	1,760.00
77612	10-000-204.335	800.00	0.00	800.00
77613	18-412-532.000	1,820.00	0.00	1,820.00
77613	10-221-533.000	3,380.00	0.00	3,380.00
77614	18-412-532.000	1,176.00	0.00	1,176.00
77614	10-221-533.000	2,184.00	0.00	2,184.00
77615	18-412-532.000	56.00	0.00	56.00
77615	10-221-533.000	104.00	0.00	104.00
77616	18-412-532.000	504.00	0.00	504.00
77616	10-221-533.000	936.00	0.00	936.00
77617	18-412-532.000	112.00	0.00	112.00
77617	10-221-533.000	208.00	0.00	208.00
77618	18-412-532.000	56.00	0.00	56.00
77618	10-221-533.000	104.00	0.00	104.00
77619	18-412-532.000	13,520.00	0.00	13,520.00
77620	18-412-532.000	160.00	0.00	160.00
77621	15-440-532.000	160.00	0.00	160.00
77622	15-440-532.000	320.00	0.00	320.00
77623	15-440-532.000	320.00	0.00	320.00
77624	18-412-532.000	1,120.00	0.00	1,120.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross	Discount	Amount
	77625	18-412-532.000		160.00	0.00	160.00
	77626	42-773-532.303		160.00	0.00	160.00
	77627	10-221-532.000		223.50	0.00	223.50
	77628	10-221-533.000		2,320.00	0.00	2,320.00
	77629	10-221-533.000		3,200.00	0.00	3,200.00
	77630	10-221-532.000		720.00	0.00	720.00
	77631	10-000-204.852		447.00	0.00	447.00
	77632	22-423-532.000		480.00	0.00	480.00
	77633	10-221-532.000		960.00	0.00	960.00
	77634	10-000-204.328		160.00	0.00	160.00
	77675	26-000-532.000		160.00	0.00	160.00
					Check Amount	38,750.50
63011	11/18/2019	AT & T	AT & T		262.82	262.82
		Printed	Telephone -		0.00	
	Ref#	GL Number		Gross	Discount	Amount
	77566	10-161-541.103		262.82	0.00	262.82
					Check Amount	262.82
63012	11/18/2019	AT&T - C	AT&T		41.82	41.82
		Printed	KCPD Line - #9391048339		0.00	
	Ref#	GL Number		Gross	Discount	Amount
	77568	10-311-536.301		41.82	0.00	41.82
					Check Amount	41.82
63013	11/18/2019	AT&T - C	AT&T		19.94	19.94
		Printed	911 Line - #9391036550		0.00	
	Ref#	GL Number		Gross	Discount	Amount
	77567	10-311-536.301		19.94	0.00	19.94
					Check Amount	19.94
63014	11/18/2019	BENSON	RICHARD A. BENSON PLUMBING		74.00	74.00
		Printed	Plugged Toilet - City Hall		0.00	
	Ref#	GL Number		Gross	Discount	Amount
	77577	10-161-533.000		74.00	0.00	74.00
					Check Amount	74.00
63015	11/18/2019	CAL-WESTL	CAL-WEST LIGHTING AND		685.61	685.61
		Printed	Repair Vehicle Sensor on		0.00	
	Ref#	GL Number		Gross	Discount	Amount
	77580	22-427-543.211		685.61	0.00	685.61
					Check Amount	685.61
63016	11/18/2019	CDTFADMIN	CALIFORNIA DEPT OF TAX AND		4,097.17	4,097.17
		Printed	Voter Approval		0.00	
	Ref#	GL Number		Gross	Discount	Amount
	77586	10-264-535.124		4,097.17	0.00	4,097.17
					Check Amount	4,097.17
63017	11/18/2019	CA POLICE	CALIFORNIA POLICE CHIEFS ASSOC		125.00	125.00
		Printed	Cpt Training.		0.00	
	Ref#	GL Number		Gross	Discount	Amount
	77581	10-311-554.000		125.00	0.00	125.00

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
			Check Amount	125.00	
63018	11/18/2019	CASEY PRIN	CASEY PRINTING, INC.	3,424.21	3,424.21
		Printed	Youth Violence Plan	0.00	

Ref#	GL Number	Gross	Discount	Amount
77583	10-121-554.000	1,329.00	0.00	1,329.00
77583	10-121-521.101	801.08	0.00	801.08
77584	10-111-535.107	1,294.13	0.00	1,294.13
			Check Amount	3,424.21

63019	11/18/2019	CHARTER CO	CHARTER COMMUNICATIONS	74.98	74.98
		Printed	Internet -	0.00	

Ref#	GL Number	Gross	Discount	Amount
77664	10-621-541.103	74.98	0.00	74.98
			Check Amount	74.98

63020	11/18/2019	GONZALES	CITY OF GONZALES	30,000.00	30,000.00
		Printed	Diversion Program	0.00	

Ref#	GL Number	Gross	Discount	Amount
77582	10-264-533.000	30,000.00	0.00	30,000.00
			Check Amount	30,000.00

63021	11/18/2019	COASTL	COASTLINE MARKETING GROUP INC	125.00	125.00
		Printed	Website Maint.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77579	10-264-543.202	125.00	0.00	125.00
			Check Amount	125.00

63022	11/18/2019	CONATSER	CONATSER WELDING & MACHINE,LLC	80.00	80.00
		Printed	Repairs on Edger.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77578	10-426-543.200	80.00	0.00	80.00
			Check Amount	80.00

63023	11/18/2019	COOFTULARE	COUNTY OF TULARE -	3,950.36	3,950.36
		Printed	New Comm for Patrol	0.00	

Ref#	GL Number	Gross	Discount	Amount
77669	10-311-522.110	3,950.36	0.00	3,950.36
			Check Amount	3,950.36

63024	11/18/2019	DEPT ACCNT	DEPARTMENT OF JUSTICE	270.00	270.00
		Printed	Fingerprints.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77585	10-264-558.311	270.00	0.00	270.00
			Check Amount	270.00

63025	11/18/2019			0.00	0.00
	11/18/2019	Void	Void Check	0.00	

Ref#	GL Number	Gross	Discount	Amount
			Check Amount	0.00

Check Register Report

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
63026	11/18/2019	EARTH DESI	EARTH DESIGN, INC.	31,710.23	31,710.23
		Printed	Sub Consultant - D Wood and	0.00	

Ref#	GL Number	Gross	Discount	Amount
77588	10-241-533.000	20,742.61	0.00	20,742.61
77589	10-241-533.000	1,282.96	0.00	1,282.96
77590	10-000-204.328	749.82	0.00	749.82
77591	00-000-000.000	563.59	0.00	563.59
77592	10-000-204.334	265.22	0.00	265.22
77593	10-000-204.334	198.92	0.00	198.92
77594	10-000-204.337	165.76	0.00	165.76
77595	10-000-204.805	1,127.19	0.00	1,127.19
77596	10-000-204.807	165.76	0.00	165.76
77597	10-000-204.807	132.61	0.00	132.61
77598	10-000-204.848	99.46	0.00	99.46
77599	10-000-204.849	232.07	0.00	232.07
77600	10-000-204.851	364.68	0.00	364.68
77601	10-000-204.852	68.17	0.00	68.17
77602	10-000-204.853	1,535.30	0.00	1,535.30
77603	67-000-533.000	1,580.25	0.00	1,580.25
77604	13-000-462.104	210.70	0.00	210.70
77605	13-000-462.104	155.16	0.00	155.16
77606	10-241-533.000	2,070.00	0.00	2,070.00
			Check Amount	31,710.23

63027	11/18/2019	EIKHOF	EIKHOF DESIGN GROUP INC	4,500.00	4,500.00
		Printed	P W Special Project	0.00	

Ref#	GL Number	Gross	Discount	Amount
77587	18-412-533.000	3,150.00	0.00	3,150.00
77587	10-422-533.000	1,350.00	0.00	1,350.00
			Check Amount	4,500.00

63028	11/18/2019	FASHION	YSAURO GONZALES	44.40	44.40
		Printed	Table Cloths Dry Cleaning.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77607	10-311-522.000	44.40	0.00	44.40
			Check Amount	44.40

63029	11/18/2019	GREEN'S	GREEN'S ACCOUNTING	26,472.45	26,472.45
		Printed	Financial and Accounting	0.00	

Ref#	GL Number	Gross	Discount	Amount
77608	22-422-534.102	2,635.00	0.00	2,635.00
77608	18-412-534.102	7,905.00	0.00	7,905.00
77608	10-161-521.101	122.45	0.00	122.45
77608	10-131-534.102	15,810.00	0.00	15,810.00
			Check Amount	26,472.45

63030	11/18/2019	HDLCO	HDL COREN & CONE	1,250.00	1,250.00
		Printed	Property Tax Admin	0.00	

Ref#	GL Number	Gross	Discount	Amount
77636	10-264-538.000	1,250.00	0.00	1,250.00
			Check Amount	1,250.00

Check Register Report

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
63031	11/18/2019	HINDERLITE	HINDERLITER, DELLAMAS & ASSOC	300.00	300.00
		Printed	Cannabis Background Checks.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77635	10-000-204.153	300.00	0.00	300.00
			Check Amount	300.00

63032	11/18/2019	KIMLEY-HOR	KIMLEY-HORN & ASSOCIATES, INC.	6,192.00	6,192.00
		Printed	AIP 2018 Lighting Const.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77638	15-440-533.000	6,192.00	0.00	6,192.00
			Check Amount	6,192.00

63033	11/18/2019	KC IND	KING CITY INDUSTRIAL SUPPLY	886.89	886.89
		Printed	PPE Supply	0.00	

Ref#	GL Number	Gross	Discount	Amount
77639	10-426-522.000	27.84	0.00	27.84
77640	10-426-522.102	40.29	0.00	40.29
77641	10-426-522.000	19.58	0.00	19.58
77642	18-412-522.118	48.71	0.00	48.71
77643	18-412-522.118	126.03	0.00	126.03
77644	10-422-543.200	624.44	0.00	624.44
			Check Amount	886.89

63034	11/18/2019	KSSTATE	KS STATEBANK	9,649.12	9,649.12
		Printed	Street Sweeper Pmt.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77637	10-424-581.413	7,148.20	0.00	7,148.20
77637	10-424-582.400	2,500.92	0.00	2,500.92
			Check Amount	9,649.12

63035	11/18/2019	MO BAY SYS	MONTEREY BAY OFFICE PRODUCTS	897.64	897.64
		Printed	Copy Machine Contract	0.00	

Ref#	GL Number	Gross	Discount	Amount
77645	10-161-543.201	897.64	0.00	897.64
			Check Amount	897.64

63036	11/18/2019	OFFICE DEP	OFFICE DEPOT	400.32	400.32
		Printed	Office Supply	0.00	

Ref#	GL Number	Gross	Discount	Amount
77647	10-311-521.000	159.00	0.00	159.00
77648	10-131-521.000	10.54	0.00	10.54
77649	10-161-521.000	127.28	0.00	127.28
77650	10-161-521.000	103.50	0.00	103.50
			Check Amount	400.32

63037	11/18/2019	PURE WATER	PENINSULA PURE WATER INC.	82.20	82.20
		Printed	Water - City Hall	0.00	

Ref#	GL Number	Gross	Discount	Amount
77651	10-311-541.101	37.75	0.00	37.75
77654	10-161-541.101	44.45	0.00	44.45
			Check Amount	82.20

Check Register Report

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
63038	11/18/2019	PAC	PG&E	180.66	180.66
		Printed	Electricity - #2351260399-6	0.00	

Ref#	GL Number	Gross	Discount	Amount
77652	18-412-541.102	94.09	0.00	94.09
77653	18-412-541.102	86.57	0.00	86.57
			Check Amount	180.66

63039	11/18/2019	PBGFS	PITNEY BOWES GLOBAL	441.57	441.57
		Printed	Postage Machine Lease.	0.00	

Ref#	GL Number	Gross	Discount	Amount
77674	10-161-521.101	441.57	0.00	441.57
			Check Amount	441.57

63040	11/18/2019	PRINTING	PRINTING SYSTEMS INC.	318.41	318.41
		Printed	A/P checks - General	0.00	

Ref#	GL Number	Gross	Discount	Amount
77676	10-131-522.000	318.41	0.00	318.41
			Check Amount	318.41

63041	11/18/2019	QUALIFICAT	QUALIFICATION TARGETS INC	213.19	213.19
		Printed	Full Size Silhouette	0.00	

Ref#	GL Number	Gross	Discount	Amount
77657	10-311-522.108	213.19	0.00	213.19
			Check Amount	213.19

63042	11/18/2019	RED SHIFT	RED SHIFT INTERNET SERVICES	30.90	30.90
		Printed	Internet Services	0.00	

Ref#	GL Number	Gross	Discount	Amount
77658	10-264-543.202	20.95	0.00	20.95
77659	10-264-543.202	9.95	0.00	9.95
			Check Amount	30.90

63043	11/18/2019	OFFICETEAM	ROBERT HALF INTERNATIONAL INC.	6,642.00	6,642.00
		Printed	HR Manager Services	0.00	

Ref#	GL Number	Gross	Discount	Amount
77660	10-121-553.000	2,898.00	0.00	2,898.00
77661	10-121-553.000	3,744.00	0.00	3,744.00
			Check Amount	6,642.00

63044	11/18/2019	WADSW	ROD WADSWORTH CONSRUCTION	2,100.00	2,100.00
		Printed	325 Broadway Facade Grant	0.00	

Ref#	GL Number	Gross	Discount	Amount
77671	10-241-538.100	2,100.00	0.00	2,100.00
			Check Amount	2,100.00

63045	11/18/2019	SAN BENITO	SAN BENITO SUPPLY INC.	685.74	685.74
		Printed	Concret Mix for City Park	0.00	

Ref#	GL Number	Gross	Discount	Amount
77665	22-423-522.121	402.14	0.00	402.14
77666	10-426-543.000	283.60	0.00	283.60
			Check Amount	685.74

Check Register Report

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
63046	11/18/2019	TORRESSE	SANTA ELIZABETH TORRES	65.00	65.00
		Printed	Translating - City Council	0.00	

Ref#	GL Number	Gross	Discount	Amount
77662	10-161-533.000	65.00	0.00	65.00
			Check Amount	65.00

63047	11/18/2019	AMERDOOR	TIMOTHY G. SCARPA	548.12	548.12
		Printed	Electric Gate - Airport - Rep	0.00	

Ref#	GL Number	Gross	Discount	Amount
77672	15-440-543.200	187.50	0.00	187.50
77673	15-440-543.000	360.62	0.00	360.62
			Check Amount	548.12

63048	11/18/2019	SPEAK	SPEAKWRITE BILLING DEPT	1,501.58	1,501.58
		Printed	Transciption	0.00	

Ref#	GL Number	Gross	Discount	Amount
77663	10-311-533.000	1,501.58	0.00	1,501.58
			Check Amount	1,501.58

63049	11/18/2019	TEMP UNIF	TEMPLETON UNIFORMS	324.32	324.32
		Printed	Uniforms	0.00	

Ref#	GL Number	Gross	Discount	Amount
77668	10-311-522.109	324.32	0.00	324.32
			Check Amount	324.32

63050	11/18/2019	TORO	TORO PETROLEUM CORP.	1,231.98	1,231.98
		Printed	Fuel Acct #1679	0.00	

Ref#	GL Number	Gross	Discount	Amount
77670	22-424-543.302	162.34	0.00	162.34
77670	22-423-543.302	661.50	0.00	661.50
77670	10-426-543.302	60.72	0.00	60.72
77670	10-422-543.302	145.22	0.00	145.22
77670	10-321-543.302	202.20	0.00	202.20
			Check Amount	1,231.98

63051	11/18/2019	TRANSU	TRANSUNION RISK AND ALTERNATIV	100.00	100.00
		Printed	TLO - Acct #412260	0.00	

Ref#	GL Number	Gross	Discount	Amount
77667	10-311-533.000	100.00	0.00	100.00
			Check Amount	100.00

Total Checks:	**54**	**Bank Total(excluding void checks):**	**244,500.42**
Total Checks:	**54**	**Grand Total(excluding void checks):**	**244,500.42**

KING CITY
CALIFORNIA

Item No. 9(C)

REPORT TO THE SUCCESSOR AGENCY TO THE FORMER KING CITY CDA

DATE: NOVEMBER 12, 2019

TO: HONORABLE CHAIR AND MEMBERS OF THE BOARD

FROM: MIKE HOWARD, FINANCE DIRECTOR

RE: CONSIDERATION OF SUCCESSOR AGENCY CHECK REGISTER NOVEMBER 18, 2019

RECOMMENDATION:

It is recommended the City Council acting as the Successor Agency Board receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the Successor Agency Board, a copy of the invoices paid for the previous month.

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.

Exhibits:
1. Check Register Report

Submitted by: Erica L. Sonne for
Mike Howard, Finance Director

Approved by:
Steven Adams, City Manager

Check Register Report

Date: 11/19/2019
Time: 2:01 pm
Page: 1

KING CITY CITY HALL

BANK: SUCCESSOR AGENCY OF

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
269	11/18/2019	GREEN'S	GREEN'S ACCOUNTING	2,100.00	2,100.00
		Printed	Financial And Accounting -	0.00	

Ref#	GL Number	Gross	Discount	Amount
77677	61-000-534.102	2,100.00	0.00	2,100.00
			Check Amount	2,100.00

Total Checks:	1	**Bank Total(excluding void checks):**	**2,100.00**
Total Checks:	1	**Grand Total(excluding void checks):**	**2,100.00**

KING CITY
CALIFORNIA

Item No. 9(D)

REPORT TO THE CITY COUNCIL

DATE: NOVEMBER 26, 2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MIKE HOWARD, FINANCE DIRECTOR

RE: CONSIDERATION OF CITY OF KING KCCP PAYMENTS FOR THE MONTH OF OCTOBER 2019

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 invoices paid for the previous month.

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.

Exhibits:
1. Listing of ACH payments

Submitted by: Erica L. Sonne for
Mike Howard, Finance Director

Approved by:
Steven Adams, City Manager

City of King

King City Community Power

ACH Payments through Pilot Power For Month of October 2019

Date	Vendor	Description	Amount
10/1/2019	California ISO	Purchase Power from Grid	$ 5,466.36
10/1/2019	PG&E	Purchase Power	$ 25,470.00
10/8/2019	California ISO	Purchase Power from Grid	$ 5,624.27
10/22/2019	California ISO	Purchase Power from Grid	$ 3,361.79
10/22/2019	California ISO	Purchase Power from Grid	$ 3,533.33
10/22/2019	Grid Alternatives	Solar Installations	$ 8,112.50
10/22/2019	Pilot Power Group	Administrative Fees & Loan Repayment	$ 68,444.83
10/22/2019	Shell	Purchase Power	$ 105,730.08
10/24/2019	Pilot Power Group	Q3 ERS Liability Payment	$ 3,079.00
			$ 228,822.16

KING CITY
CALIFORNIA

Item No. 9(E)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

FROM: **MARK McCLAIN, BUILDING OFFICIAL**

RE: **CONSIDERATION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AMENDING TITLE 12, CHAPTERS 12.04 AND 12.08 OF THE KING CITY MUNICIPAL CODE ADOPTING THE 2019 CALIFORNIA BUILDING AND FIRE CODES**

RECOMMENDATION:

It is recommended the City Council conduct the second reading, by title only, and adopt an Ordinance adopting the 2019 California Title 24 Building and Fire Codes.

BACKGROUND:

The California Building Standards Commission (CBSC) has published the latest (2019) editions of the Building and Fire codes for the State of California. They will become effective for every state agency and local municipality as of January 1, 2020. Cities and counties are mandated to adopt the State's new construction codes every three years with or without local amendments. Amendments are permitted provided that they are not less restrictive than the State code. Amendments to these codes must be supported by findings demonstrating that they are reasonably necessary to protect the health, welfare and safety of the citizens of King City due to local climatic, geological and topographical conditions.

City Council conducted the first reading of the proposed ordinance and held a public hearing on November 12, 2019 in which no public comment was received.

DISCUSSION:

There are relatively few changes to the 2019 CA Building & Fire Codes. The largest impact by code change is the requirement for new homes constructed after January 1, 2020 to have solar panels included in their design. Fire sprinkler

thresholds have remained unchanged in the 2019 edition of the Fire Code in comparison to the 2016 edition, but local changes are proposed.

Due to local climatic, geologic and topographic conditions in and around King City, staff is recommending some amendments to the CA Building and Fire Codes. These include two types of changes. First, the State provides supplemental appendix chapters that are not mandated but are available as tools for Building and Fire Departments to utilize with special types of construction such as grading, small structures, swimming pools. There are also appendix regulations available for graywater systems and specific plumbing installation standards. Second are recommended customized provisions that are more restrictive than the State Code, such as fire sprinkler thresholds, pallet storage and plant extraction facilities.

Supplemental provisions recommended include the following:

1. California Building Code (CBC) Appendix Chapters H-Signs, I-Patio Covers & J-Grading have been adopted.
2. California Residential Code (CRC) Appendix Chapters G-Swimming Pools and Hot Tubs & H-Patio Covers have been adopted.
3. California Plumbing Code (CPC) Appendix Chapters G-Graywater Systems and I-Installation Standards have been adopted.
4. California Green Building Standards Code (CalGreen) adopted with amendments to reflect King City's C & D recycling ordinance.
5. California Fire Code (CFC) adopted with all Appendix Chapters and amendments to technical provisions in:
    a. Chapter 3 (pallet storage added)
    b. Chapter 9 (fire sprinkler requirements)
    c. Chapter 12 (Energy Systems; signage requirements for photovoltaic systems)

Amendments are proposed to the Fire Code by the Fire Marshall that will increase the thresholds that trigger fire sprinkler installations beyond what is required by State law. The disadvantage of these amendments is they may in some instances discourage economic development and tenant improvements by increasing costs of construction. The advantage is they will help reduce long-term fire risks, which is important due to the City's limited resources and the increase in hazardous conditions throughout California.

Changes recommended by the Fire Marshall are consistent with the County's Fire Code and the City of Greenfield. Staff's understanding is that Gonzales and

Soledad are proposing to adopt the State requirements with no modifications. Staff has worked together to agree on recommendations that are more stringent than the State Fire Code, but at the same time remove requirements that staff believe would be most detrimental to economic development. Therefore, the final recommendations fall between those used by the Greenfield/County unincorporated area and Soledad/Gonzales. Staff believes these recommendations balance the goals of fire prevention and economic development. The primary way this is accomplished is by lowering the threshold for requiring fire sprinklers for new construction for most uses, but not for additions and renovations.

Below is a table showing the proposed amendments to fire sprinkler thresholds for new construction in comparison to the 2019 CA Fire Code.

Fire Sprinkler Thresholds- CA Fire Code Section 903.2

Occupancy Classification	2019 CA Fire Code Threshold	Proposed Amendment Threshold
A-1	12,000 sq/ft	500 sq/ft
A-2	5,000 sq/ft	500 sq/ft
A-3	12,000 sq/ft	500 sq/ft
A-4	12,000 sq/ft	500 sq/ft
A-5	1,000 sq/ft	500 sq/ft
B	Not Required	500 sq/ft
E	12,000 sq/ft	500 sq/ft
F-1	12,000 sq/ft	500 sq/ft
F-1 (wood working)	2,500 sq/ft	500 sq/ft
M, item 1	12,000 sq/ft	500 sq/ft
M, item 3	24,000 sq/ft	500 sq/ft
M, item 4	5,000 sq/ft	500 sq/ft
S-1	12,000 sq/ft	500 sq/ft
S-1 (repair garages)	12,000 sq/ft (single story)	500 sq/ft
U (private garages)	Not Required	500 sq/ft

COST ANALYSIS:

Cost of the new code books were $1,362.53 and were identified in the current budget.

ENVIRONMENTAL REVIEW:

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

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Conduct second reading and adoption of the ordinance as proposed;
2. Postpone consideration and request additional information;
3. Direct staff to delete amendments and introduce an ordinance that limits changes to only those required by the State; or
4. Provide staff other direction.

Exhibits:

1. Proposed Ordinance

Submitted by: _____
Mark McClain, Building Official

Approved by: _____
Steven Adams, City Manager

ORDINANCE No. 2019-___

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING CALIFORNIA, AMENDING PORTIONS OF CHAPTER 12.04, CONSTRUCTION CODES ADOPTED AND REPEALING CHAPTER 12.08, FIRE PREVENTION REQURIEMENTS OF TITLE 12 OF THE KING CITY MUNICIPAL CODE

WHEREAS, the State of California every three years adopts certain model codes with State Amendments known as the California Code of Regulations, Title 24, Parts 1 through 12, also known as the California Building Standards Code, as defined in the California Building Standards Law commencing with Section 18901 of the Health and Safety Code, and;

WHEREAS, the 2019 California Building Codes adopted by the California Build Standards Commission will become effective on January 1, 2020, and;

WHEREAS, a city may establish more restrictive building standards reasonably necessary due to local climatic, geological or topographical conditions, and;

WHEREAS, the City Council of the City of King City desires to amend Chapters 12.04 and 12.08 in Title 12 (Building and Construction) of the City of King Municipal Code, and;

WHEREAS, the City Council of the City of King further wishes to amend those portions of the California Code of Regulations Title 24 as identified herein;

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

SECTION 1. King City Municipal code is hereby amended by deleting sections 12.04.005, 12.04.010, 12.04.020, 12.04.040, 12.04.050 and 12.04.080 of Chapter 12.04 in its entirety and replace it with the following:

Chapter 12.04 Construction Codes Adopted:

12.04.005 Purpose and Authority- The purpose of this ordinance is to adopt by reference the 2019 edition of the California Building Standards Code Title 24 identified herein, and the 2018 edition of the International Property Maintenance Code subject to the definitions, clarifications, and the amendments set forth in this Ordinance. The purpose of this Ordinance is also to provide minimum requirements and standards for the protection of the public safety, health, property, and general welfare of the City of King City. This ordinance is adopted under the authority of Government Code Subsection 50022.2 and Health and Safety Code Section 18941.5

California Building Standards Title 24
PART 1---California Administrative Code
PART 2---California Building Code Volume 1 & 2 including listed Appendix chapters.
PART 2.5-California Residential Code including listed Appendix chapters.
PART 3---California Electrical Code including listed Appendix chapters.
PART 4---California Mechanical Code including the Appendix chapters.
PART 5---California Plumbing Code including listed Appendix chapters.
PART 6---California Energy Code including the listed Appendix chapters.
PART 8---California Historical Building Code including listed Appendix chapters.
PART 9---California Fire Code including the listed Appendix chapters.
PART 10- California Existing Building Code including listed Appendix Chapters
PART 11-California Green Building Standards Code.
PART 12-California Referenced Standards Code including listed Appendix chapter.

12.04.10 EXEMPTIONS FOR PENDING APPLICATIONS:

This Chapter shall be known as the City of King City Building Code, and may be cited as such, and will be referred to herein as "this Code"

(a) The provisions of the codes as adopted and amended herein, shall not apply to any building or structure for which application for a building permit was made prior to January 1, 2020. Such buildings or structure shall be erected, constructed, enlarged, altered or repaired in accordance with the provisions of this chapter in effect at the date of said application.
(b) All permit applications made after January 1, 2020 shall be processed in accordance with the provisions of the codes as adopted and amended herein.

12.04.020 DEFINITIONS:

"Building Code" means the California Building Code, or CBC 2019 edition, promulgated by the International Code Council including the appendix thereto, together with those omissions, exceptions and additions thereto as amended in Title 24 of the California Code of Regulations and this title.

"Residential Code" means the California Residential Code, or CRC 2019 edition based on the International Residential Code, including the appendix thereto, together with those omissions, amendments, exceptions and additions thereto as amended in Title 24 of the California Code of Regulations and this title.

"Building Official" means the Chief Building Official, or a regularly authorized deputy.

"Existing Building" is a building legally erected prior to January 1, 2020.

"Fire Code" means the California Fire Code, or CFC as adopted and amended by the Monterey County Fire Department.

"Mechanical Code" is the California Mechanical Code or CMC 2019 based on the 2018 Uniform Mechanical Code including the appendix thereto, together with those omissions, amendments, exceptions and additions thereto as amended in Title 24 of the California Code of Regulations and this title.

"Occupancy" is the purpose for which a building, or part thereof, is used or intended to be used.

"Permit" is an official document or certificate issued by the Building Official authorizing performance of a specified building, plumbing, mechanical, or electrical activity or any combination of such permits issued jointly by the Building Official.

"Plumbing Code" is the California Plumbing Code or 2019 CPC based on the 2018 Uniform Plumbing Code including the appendix thereto, together with those omissions, amendments, exceptions and additions thereto as amended in Title 24 of the California Code of Regulations and this title.

"Structure" is that which is built or constructed, an edifice or building of any kind, or any work artificially built up or composed of parts joined together in some definite manner.

"Green Building Code" is the California Green Building Standards Code 2019 promulgated by the International Code Council and as adopted in Title 24 of the California Code of Regulations and this title.

"Technical Codes" refer to those codes adopted by this Chapter containing the provisions for design and maintenance of buildings and structures and building service equipment as herein defined which include but are not limited to the California Building Code, California Plumbing Code, California Mechanical Code, California Electrical Code, California Administrative Code, California Fire Code, California Historical Building Code the International Property Maintenance Code 2018.

12.04.040-HISTORIC BUILDINGS

Repairs, alterations and additions necessary for the preservation, restoration, rehabilitation or continued use of a building, structure or its building service equipment may be made without conforming to the requirements of the technical codes and in accordance with the provisions of the 2019 California Historical Building Code when authorized by the building official, provided.

(1) The building or structure has been designated by official action of the legally constituted authority of the city as having special historical or architectural significance.
(2) Unsafe conditions as described in this title are corrected.
(3) The restored building or structure and its building service equipment will be no more hazardous based on life safety, fire safety, and sanitation than the existing building. (Ord.636 (2), (2002)

12.04.050-ADOPTION OF INTERNATIONAL AND UNIFORM CODES

The following publications are hereby adopted by reference and incorporated in this Code, except as expressly amended or superseded the provisions of this Chapter.

(a) California Administrative Code, 2019 Edition- specific to administrative regulations of/for the California Building Standards Commission (BSC), the Department of Housing and Community Development (HCD-2), the Office of the State Fire Marshal (SFM), the Division of the State Architect (DSA), the Office of Statewide Planning and Development (OSHPD), the Department of Health Services (DHS), the Occupational Safety and Health Standards Board (OSHA), the California Energy Commission (CEC) the Department of Food and Agriculture (AGR), the Department of Youth Authority (AU), et al.
(b) California Building Code, 2019 Edition- based on the 2018 International Building Code including, among the Appendices- Appendix Chapter C; (Group U- Agricultural Buildings), Appendix Chapter I; (Patio Covers), Appendix Chapter H; (signs) and Appendix Chapter J; (Grading) as modified, as published by the International Code Council (ICC) as adopted and amended by the California Building Standards Commission in the California Building Standards Code, Title 24 of the California Code of Regulations.
(c) California Residential Code, 2019 Edition- based on the 2018 International Residential Code including, among the Appendices- Appendix Chapter H; (Patio Covers) and Appendix Chapter V; (Swimming Pool Safety Act) as published by the International Code Council (ICC) as adopted and amended by the California Building Standards Commission in the California Building Standards Code, Title 24 of the California Code of Regulations.

(d) California Electrical Code, 2019 Edition- based on the 2017 National Electrical Code as published by the National Fire Protection Association, as adopted by the California Building Standards Commission in Title 24 of the California Code of Regulations.
(e) California Mechanical Code, 2019 Edition- based on the 2018 Uniform Mechanical Code as published by the International Association of Plumbing and Mechanical Officials, and as amended and adopted by the California Building Standards Commission in Title 24 of the California Code of Regulations.
(f) California Plumbing Code, 2019 Edition- based on the 2018 Uniform Plumbing Code including among the appendices- Appendix Chapter A (Recommended Rules for Sizing the Water Supply System; Appendix Chapter B (Explanatory Notes on Combination Waste and Vent Systems); Appendix Chapter D (Sizing Storm Water Drainage Systems); Appendix Chapter I (Installation Standards); Appendix Chapter L (Alternative Plumbing Systems); as published by the International Association of Plumbing and Mechanical Officials, and as adopted by the California Building Standards Commission in Title 24 of the California Code of Regulations.
(g) California Energy Code 2019 Edition including Appendices as adopted by the California Building Standards Commission in Title 24 of the California Code of Regulations.
(h) California Historical Building Code 2019 Edition as adopted by the California Building Standards Commission in Title 24 of the California Code of Regulations.
(i) California Fire Code, 2019 Edition- based on the 2018 International Fire Code as published by the International Code Council (ICC) and as adopted and amended by the California Building Standards Commission in the California Building Standards Code, Title 24 of the California Code of Regulations, with local amendments.
(j) California Existing Building Code, 2019 Edition- based on the 2018 International Existing Building Code published by the International Code Council (ICC) as adopted and amended by the California Building Standards Commission in the California Building Standards Code, Title 24 of the California Code of Regulations.
(k) California Green Code, 2019 Edition as adopted by the California Standards Commission in Title 24 of the California Code of Regulations.
(l) California Referenced Standards Code 2019 Edition including Appendices as adopted by the California Building Standards Commission in Title 24 of the California Code of Regulations.
(m) International Property Maintenance Code, 2018 Edition published by the International Code Council.

12.040.080-AMENDMENTS TO THE 2019 CALIFORNIA BUILDING CODES:

<u>California Building Code part 2, 2016 Edition:</u>

(a) Administration Chapter 1 volume 1 of the 2016 California Building Code, is hereby adopted and amended as follows:

(b) Subsection 103.1 Creation of enforcement agency, is amended to read as follows:

Subsection 103.1- The Building and Safety Department is hereby created and the official in charge thereof shall be known as the Building Official.

(c) Section 105 Permits is amended to read as follows:

Subsection 105.5 Expiration. Every Grading, Building, Fire, Plumbing, Mechanical, and electrical permit issued by the city under this code shall expire by limitation and become null and void two (2) years after the date of issuance (The maximum allowable length for all permits is 2 years (2), unless otherwise noted. Extensions will not normally be considered. Applicants with extenuating circumstances may submit written request and a filing fee to the Building Official. Such requests are required to outline extenuating circumstances that did not allow for the completion of the work as permitted). Or if the building or work authorized by such permit is not commenced within 180 days from the date of issuance, or if the building or work authorized by such permit is suspended or abandoned at any time after the work is commenced.

(d) Suspension and /or abandonment shall be determined by lack of progress inspections for a period of more than 180 days since a previous documented inspection. If a permit has expired, no work can recommence until a new permit is obtained.

Section 105.5.1- The cost of a new permit, the purpose of which is to facilitate completion of work for which a permit has expired, will be based on a quantitative estimation of inspections deemed necessary for completion. If costs for providing services to the project exceed the estimated fees collected at permit issuance, additional fees will apply. Said fees will be in accordance with the City's Building Department Fee Schedule established by resolution of the City Council. It is the responsibility of the permittee to schedule all inspections necessary for a permit to remain current and valid. All inspections for this purpose must verify progress.

Section 105.5.2- Permits may be issued for a limited period of time when deemed necessary by the Building Official to abate dangerous, substandard, and/or illegal conditions. In such cases, the Building Official will establish the expiration at 30, 60, 90, or 180 days depending on the health and/or safety hazards. Such permit team limitations may be shorter if deemed appropriate and/or necessary by the Building Official.

Section 109.2 Fees- Is hereby amended to read as follows:

Section 109.2.1 Building permit fees- All permit fees to include Building, Electrical, Mechanical, Plumbing, and Grading permit fees shall be in accordance with the

schedule of fees adopted by resolution of the City Council of the City of King City from time to time.

Section 109.2.2 –Plan Review Fee- When a plan or other data are required to be submitted, a plan review fee shall be paid at the time of submitting plans and specifications for review. Plan review fees will be in addition to building permit fees for building, electrical, mechanical and plumbing work and shall be established by the City's Building Department Fee Schedule established by resolution of the City Council. The plan review fee for grading shall be in accordance with the schedule established by the City Council. Where plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged in accordance with the schedule established by the City Council for such fee.

Section 113- Board of Appeals – Is amended to read as follows:

The board of appeals established by Section 113 shall be the city council. Whenever any code adopted by reference establishes a board of appeals, that board shall be the City Council and the provisions of Sections 12.06.040 and 12.06.050 shall supersede the provisions of the adopted code.

Grading Appendix J Volume 11 of the 2016 California Building Code is hereby adopted and amended as follows:

Section J110 Erosion Control- is hereby amended to read as follows:

General—Building and access envelopes shall be delineated on the development plans when necessary to keep disturbance out of particularly erodible areas. Exposed soil shall be protected from erosion by temporary and/or permanent measures. Such protection may consist of mulching, plastic sheeting, and/or vegetation.

Runoff Control—where concentrated runoff will occur, it will be carried in pipe or culvert conduits or over a non-erodible surface (paved, rocked, or vegetated) to catchment basins clearly shown on the development plan. All conduits must have proper energy dissipaters at the point of discharge when necessary to prevent erosion.

Building Site Runoff—Runoff from the building site shall be controlled by berms, swales, ditches, structures, vegetative filter strips and/or catch-basins to prevent the escape of sediment from the site. At least one percent (1%) grade will be required toward an improved storm drainage or catch-basin facility, either existing or planned.

Runoff Retention—Permanent holding of runoff on the site through percolation to the ground shall be required during and after construction, by the use of catch-basin, retention grading, pavement collection and recharge systems, and/or individual systems for housing units such as drywells or cisterns.

Topsoil—to promote regrowth of vegetation, the topsoil shall be stockpiled and reapplied upon completion of grading on slopes of less than 5:1 (20%)

Soil Placement and Disposal—The placing or disposal of soil, silt or other organic and earthen materials from construction and other soil-disturbance activities at locations above the anticipated high water line of any stream in the basin where they may be washed into said waters by rainfall or runoff in quantities deleterious to fish, wildlife and other beneficial uses, is prohibited.

Temporary Vegetation—Temporary vegetation sufficient to stabilize the soil as permanent vegetation cover is maturing shall be established on all disturbed areas as needed and as each stage of grading is completed.

Winter Operation— (October 15 to April 15

(1) Land disturbance or development operations may be restricted or temporarily halted between October 15 and April 15 (the normal rainy season) and/or other times whenever the city Building inspector determines that the weather, soil, slope and general site conditions may cause serious accelerated erosion or sediment damage either on-site or downstream. When work is allowed, native ground cover shall not be cleared, destroyed, burned, or disturbed more than 15 days prior to grading or construction work unless approved in advance by the city building inspector.
(2) When land development work is allowed during the normal rainy season, adequate erosion and sediment control measures including sediment catch-basins must be in place and effective during any land disturbance.
(3) All cut and fill slopes without established vegetation between October 15 and April 15 shall be mulched. The mulching shall be anchored by punching or tacking into the soil or by the use of netting. A minimum of 1,000 pounds of straw, or equivalent, per each 10,000 square feet of slope surface will be required to be anchored. An additional amount may be required by the city building inspector.
(4) All erosion control plantings and mulching shall be closely monitored throughout the winter and runoff problems corrected promptly.

Dust—Dust from grading operations must be controlled. The permittee may be required to keep adequate equipment on the grading site to prevent dust problems.

Erosion Control Coordination with Project Installation.

(1) All vegetative and/or structural measures required to safely discharge any accelerated run-off generated by the project shall be installed during the first or initial construction phase of the project.
(2) Land shall be developed in increments of workable size which can be completed in a single construction season. Erosion and sediment control measures shall be coordinated with a sequence of grading, development

and construction operations and all necessary erosion control measures shall be put in effect to the commencement of the next work increment and/or winter rainy season.

(3) Prior to completion and final acceptance of the project, all erosion control measures must be in place and all exposed base soil shall be mulched, fertilized and otherwise prepared so that it is planted to a permanent vegetative cover. The city building inspector may require watering of planted areas to initiate and assure growth.

Existing major Developments—as part of an expansion or intensification of existing major developments, silt and grease traps or sediment catch-basins shall be required.

Maintenance—all on-site erosion control facilities shall be properly maintained by the owners for the life of the project so that they do not become nuisances with stagnant water, heavy algae growth, insect breeding, odors, discarded debris, and/or safety hazards. Vegetative maintenance required may include mowing, fertilization, irrigation and/or reseeding.

California Electrical Code, 2016 Edition

(a) Article 89 – General Code Provisions of the 2016 California Electrical Code is here-by amended as follows:

(1) Subsection 89.108.4.2.1-All permit fees to include Building, Electrical, Mechanical, Plumbing, and grading permit fees shall be in accordance with the schedule of fees adopted by resolution of the City Council of the city of King City from time to time.

Subsection 89.108.4.2.2 Plan Review Fee-When a plan or other data are required to be submitted, a plan review fee shall be paid at the time of submitting plans and specifications for review. Plan review fees will be in addition to building permit fees for building, electrical, mechanical and plumbing work and shall be established by the City's Building Department Fee Schedule established by resolution of the City Council. The plan review fee for grading shall be in accordance with the schedule established by the City Council. Where plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged in accordance with the schedule established by the City Council for such fee.

California Mechanical Code, 2016 Edition.

(a) Administration Chapter 1 of the 2016 California Mechanical Code, is here-by adopted and amended as follows:
(ii)Section 115.0 Fees- is hereby deleted and amended to read as follows:

(1) Subsection 115.1.0 Mechanical permit fee: All permit fees to include Building, Electrical, Mechanical, Plumbing, and Grading, permit fees shall

be in accordance with the schedule of fees adopted by resolution of the City Council of the City of King City from time to time.

(2) Subsection 115.2 Plan Review Fee- When a plan or other data are required to be submitted, a plan review fee shall be paid at the time of submitting plans and specifications for review. Plan review fees will be in addition to building permit fees for building, electrical, mechanical and plumbing work and shall be established by the City's Building Department Fee Schedule established by resolution of the City Council. Where plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged in accordance with the schedule established by the City Council for such fee.

California Plumbing Code, 2016 Edition

(a) Administration Chapter 1 of the 2016 California Plumbing Code, is here-by adopted and amended as follows:

(ii) Section 103.4 Fees- Is hereby deleted and amended to read as follows:

(1) Subsection 103.4.1: Plumbing Permit: All permit fees to include Building, Electrical, Mechanical, Plumbing and grading permit fees shall be in accordance with the schedule of fees adopted by resolution of the City Council of the City of King City from time to time.

(2) Subsection 103.4.2 Plan Review Fee- When a plan or other data are required to be submitted, a plan review fee shall be paid at the time of submitting plans and specification for review. Plan review fees will be in addition to building permit fees for Building, Electrical, Mechanical, Plumbing and Grading work and shall be established by the City's Building Department Fee Schedule established by resolution of the City Council. Where plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged in accordance with the schedule established by the City Council for such fee.

California Fire Code, 2016 Edition

Section 101.1 is amended to read as follows:

101.1 Title. These regulations shall be known as the King City Fire Code, hereinafter referred to as "Fire Code".

Section 101.2.1 is amended to read as follows:

101.2.1 Appendices. Provisions in all appendices to this code are hereby adopted in their entirety and shall apply.

Section 105.6.14.1 is added to read as follows:

105.6.14.1 Agricultural Explosive Devices. An operational permit is required for storage or use of any agricultural explosive device including "bird bombs".

Section 110.2 is amended to read as follows:

110.2 Owner/occupant responsibility. Correction and abatement of violations of this code shall be the responsibility of the owner. If the occupant creates, or allows to be created, hazardous conditions in violation of this code, the occupant shall be held responsible for the correction or abatement of such hazardous conditions.

Section 202 is amended to add the following definitions:

IDLE PALLET. A pallet or similar product storage and/or lifting device not currently in use and empty of product.

Section 321 is added to read as follows:

321 Storage of idle pallets

321.1 General. The requirements of this section apply to all pallets, whether wood or plastic.

321.2 Storage of idle pallets.
1. Idle pallets shall be stored outside, except as permitted by Section 321.2(2) of this code.
2. Idle pallets shall be permitted to be stored in a building if the building is sprinklered in accordance with NFPA 13.
3. Idle pallets stored outside shall be stored in accordance with Section 321.2 of this code.

321.3 Physical characteristics of outside storage shall be as follows:
1. Idle pallet stacks shall not exceed 20 feet in height.
2. Idle pallet stacks shall not cover an area of greater than 400 square feet, except as approved by the fire code official.
3. Idle pallet stacks shall be arranged to form stable piles.
4. A distance of not less than 25 feet shall separate stacks.
5. Stacks shall be no closer than 25 feet to any property line.
6. Stacks shall be no closer than 25 feet to any other yard storage.
7. Stacks shall be no closer than the distances shown on Table 321.3 to buildings.

Table 321.3 Required clearances between outside idle pallet storage and buildings.

Wall Construction	Under 50 Pallets	51-200 Pallets	Over 200 Pallets
Masonry with no openings	No restrictions	No restrictions	15 feet
Masonry with wired glass in openings, outside sprinklers and 1-hour doors	No restrictions	10 feet	20 feet
Masonry with wired or plain glass, outside sprinklers and ¾ hour doors	10 feet	20 feet	30 feet
Wood or metal with outside sprinklers	10 feet	20 feet	30 feet
Wood, metal or other	20 feet	30 feet	50 feet

Section 901.11 is added to read as follows:

901.11 Fire Protection Features for Plant Processing and Extraction Facilities

901.11.1 Scope. This section applies to occupancies regulated by Chapter 38 of this Code.

901.11.2 Definitions.

901.11.2.1 Plant processing shall include all plant post-harvest operations, excluding retail sales of plant and related products.

901.112.2 Indoor cultivation shall be defined as all nursery or cultivation conducted in other than Group U occupancies (greenhouses).

901.11.3 Fire Protection Systems. All buildings or portions thereof housing plant post-harvest or indoor cultivation operations shall be protected as defined in this section.

901.11.3.1 Fire Sprinklers. Fire sprinklers shall be installed in all buildings or portions thereof; such fire sprinkler systems shall be designed to Ordinary Group II design standards in the latest adopted edition of NFPA 13 and Section 903 of this code.

EXCEPTION: If the occupancy is classified as a Group H Occupancy the fire sprinkler system may be required to be designed and installed as an Extra Hazard fire sprinkler system.

901.11.3.2 Fire Alarm Systems. Fire alarm systems shall be installed in all buildings or portions thereof; such fire alarm systems shall include both fire sprinkler system monitoring and complete occupant notification as specified in the latest adopted edition of NFPA 72 and Section 907 of this code.

901.11.3.3 Special Hazard Systems. Where specified by appropriate UL listings for extraction booths utilizing volatile solvents, dry chemical fire protection systems shall be installed according to the latest adopted edition of NFPA 17. If there is no UL listing for the extraction booth, a dry chemical fire protection system shall be installed.

901.11.3.4 Portable Fire Extinguishers. Portable fire extinguishers shall be installed in accordance with NFPA 10 and Section 906 of this code.

Section 903.2 is amended to read as follows:

903.2 Where required. Approved automatic sprinkler systems shall be provided in all new buildings and structures constructed, moved into or relocated within the jurisdiction.

Exceptions:
(1) Structures not classified as Group R occupancies and not more than 500 square feet in total floor area.
(2) Detached agricultural buildings, as defined by this code, located at least one hundred feet (100') from any other structure or the property line, whichever is closer.
(3) Accessory structures associated with existing non-sprinklered occupancies less than 1500 square feet in total fire area, and not classified as Occupancy Group R.
(4) Where an insufficient water supply exists to provide for an automatic fire sprinkler system and where the fire code official permits alternate protection or other factors.

(5) An accessory dwelling unit constructed in accordance with California state law and exempted by California state law.

The following sections are amended by changing requirements to 500 square feet for fire sprinkler installation, as follows (the complete text of the section is not provided):

903.2.1.1 Group A-1. Change 12,000 square feet to 500 square feet.
903.2.1.2 Group A-2. Change 5,000 square feet to 500 square feet.
903.2.1.3 Group A-3. Change 12,000 square feet to 500 square feet.
903.2.1.4 Group A-4. Change 12,000 square feet to 500 square feet.
903.2.1.5 Group A-5. Change 1,000 square feet to 500 square feet.
903.2.3 Group E. Change 12,000 square feet to 500 square feet.
903.2.4 Group F-1. Change 12,000 square feet to 500 square feet.
903.2.4.1 Group F-1. Change 2,500 square feet for woodworking operations to 500 square feet.
903.2.7 Item 1 Group M. Change 12,000 square feet to 500 square feet.
903.2.7 Item 3 Group M. Change 24,000 square feet to 500 square feet.
903.2.7 Item 4 Group M. Change 5,000 square feet to 500 square feet.
903.2.9 Group S-1. Change 12,000 square feet to 500 square feet.
903.2.9.1 Repair Garages. Change 10,000 square feet (2 story buildings) and 12,000 square feet (1 story buildings) to 500 square feet.
903.2.9.2 Bulk storage of tires. Change 20,000 cubic feet to 500 square feet.

Section 903.2.8 is amended to read as follows:

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided in all buildings with a Group R fire area, including, but not limited to, one- and two-family dwellings, townhomes, and manufactured homes and mobile homes located outside of licensed mobile home parks hereafter constructed, moved into or relocated within the jurisdiction, including all additions to buildings already equipped with automatic fire sprinkler systems.

Section 903.3.1.1.1 #8 is added to read as follows:

8. Passenger elevator shafts or associated passenger elevator mechanical rooms, where elevator shafts are constructed with a 2-hour fire resistive method.

Section 903.3.1.1.2 is deleted.
Section 903.3.1.2 is amended to read as follows:

903.3.1.2 NFPA 13R sprinkler systems. Automatic sprinkler systems in Group R occupancies up to and including four stories in height shall be permitted to be installed throughout in accordance with NFPA 13R as amended in Chapter 47.

903.3.1.2.1 Attics. Where NFPA 13R sprinkler systems are installed, all attic areas shall be provided with sprinkler protection in accordance with NFPA 13.

903.3.1.2.2 Sprinkler control valves. Where NFPA 13R sprinkler systems are installed, sprinkler system control valves shall be installed in accordance with NFPA 13.

903.3.1.2.3 Bathrooms. Automatic sprinklers shall be installed in all bathrooms, regardless of square footage, where an electrical receptacle is installed.

903.3.1.2.4 Accessible storage areas. Automatic sprinklers shall be installed in all accessible storage areas.

903.3.1.2.5 Under-stair spaces. Automatic sprinklers shall be installed in all under-stair spaces including all under-stair closets.

Section 903.3.1.3 is amended to read as follows:

903.3.1.3 NFPA 13D sprinkler systems. Automatic fire sprinkler systems installed in one and two-family dwellings, Group R-3-Occupancies and townhouses shall be permitted to be installed throughout in accordance with NFPA 13D as amended in Chapter 80. The requirements of this section supersede the requirements of the California Residential Code.

903.3.1.3.1 All fire sprinkler systems installed in one- and two-family dwellings shall be tested for leakage by undergoing a hydrostatic test made at 200 psi for a two-hour duration.

903.3.1.3.2 Each water system supplying both domestic and fire protection systems shall have a single indicating-type control valve, arranged to shut off both the domestic and sprinkler systems. A separate shut-off valve for the domestic system only shall be permitted to be installed. The location of the control valve shall be approved by the fire code official.

903.3.1.3.3 Automatic sprinklers shall be installed in all bathrooms, regardless of square footage, where an electrical receptacle is installed.

903.3.1.3.4 Automatic sprinklers shall be installed in all attached garages and other accessory structures and in all garages and other accessory structures located within 20 feet of the main residence.

903.3.1.3.5 Automatic sprinklers shall be installed in all accessible storage areas.

903.3.1.3.5.1 Automatic sprinklers shall be installed in all under-stair spaces including all closets.

903.3.1.3.6 Automatic fire sprinklers shall be installed to protect all furnaces and heating system appliances.

903.3.1.3.7 Local water flow alarms shall be provided on all sprinkler systems. Local water flow alarms shall be powered from the main kitchen refrigerator circuit. The local water flow alarm shall be clearly audible from within the master bedroom at an audibility level of not less than 75 dBa. Where no kitchen exists in the building, the water flow alarm shall be powered from the bathroom lighting circuit.

Section 903.4.1 is amended to read as follows:

903.4.1 Monitoring. Alarm, supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved central station, remote supervising station or proprietary supervising station as defined in NFPA 72, or, when approved by the fire code official, shall sound an audible signal at a constantly attended location. The fire alarm system installed to transmit such signals shall be considered a building fire alarm system.

(exceptions remain unchanged)

Section 903.4.2 is amended to read as follows:

903.4.2 Alarms. One exterior approved audible appliance shall be connected to every automatic sprinkler system in an approved location. Sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a building fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system. Interior alarm notification appliances shall be installed as required by Section 903.4.2.1.

Section 903.4.2.1 is added to read as follows:

903.4.2.1 Where an automatic fire sprinkler system is installed in a building with more than one tenant or with over 100 sprinkler heads, audible and visible notification appliances shall be installed throughout the building as follows:

a. Audible notification appliances shall be installed so as to be audible at 15 dBa above average sound pressure level throughout the building.

b. Visible notification appliances shall be installed in all public and common use areas, restrooms and corridors in accordance with the spacing requirements of NFPA 72.

c. Visible notification appliances can be eliminated in normally unoccupied portions of buildings where permitted by the fire code official.

EXCEPTION: The requirements of this section do not apply to Group R-3 Occupancies.

Section 903.4.3 is amended to read as follows:

903.4.3 Floor control valves. Approved indicating control valves and water flow switches shall be provided at the point of connection to the riser on each floor in all buildings over one story in height and shall be individually annunciated as approved by the fire code official.

Section 904.12.2 is amended to read as follows:

904.12.2 System interconnection. The actuation of the fire extinguishing system shall automatically shut down all fuel and electrical power located under the hood, except for the electrical power to the exhaust air supply. The fuel and electrical supply reset shall be manual.

Section 904.12.5.2 is amended to read as follows:

904.12.5.2 Extinguishing system service. Automatic fire extinguishing systems shall be serviced by a CSLB licensed C-16 contractor or a CSFM licensed "A" licensee at least every six months and after activation of the system. Inspection shall be performed by the owner at least monthly in accordance with the currently adopted edition of NFPA 17-A. The service contractor shall review the records of monthly inspections every six months, and deficiencies shall be reported to the fire code official. A service report shall be forwarded to the fire code official by the licensed service contractor within 21 days after every service on the appropriate AES form.

Section 907.1.6 is added to read as follows:

907.1.6 Multiple Fire Alarm Systems. Multiple fire alarm systems within a single protected premise are not permitted, unless specifically authorized by the fire code official.

Section 907.2 is amended to read as follows:

907.2 Exception 1. The manual fire alarm box is not required for fire alarm control units dedicated to elevator recall control.

Section 907.6.5 is amended to read as follows:

907.6.5 Access. Access shall be provided to each fire alarm system component for periodic inspection, maintenance and testing.

Section 907.6.6 is amended to read as follows:

907.6.6 Monitoring. Fire alarm systems, whether required by this chapter or the California Building Code or voluntarily installed, shall be monitored by an approved supervising station in accordance with NFPA 72 and this section.

Section 907.6.6.4 is added to read as follows:

907.6.6.4 Means of communication. The use of either POTS or cable telephone lines with a digital alarm communicator transmitter shall not be permitted. EXCEPTION. Where no other communications methods are available, the use of telephone lines shall be permitted to be used on a temporary basis not to exceed one year from the date of final acceptance test or until permitted alternate means of communications are available.

Section 907.7.2 is amended to read as follows:

907.7.2 Completion documents. The following documentation shall be provided at the time of acceptance testing for all fire alarm system installations:

1. A record of completion in accordance with NFPA 72.
2. A record of testing and inspection in accordance with NFPA 72.
3. A contractor's statement verifying that the system has been installed in accordance with the approved plans and specifications and has been 100% tested in accordance with NFPA 72.
4. A contractor's affidavit of personnel qualifications, indicating that all personnel involved with the installation of the fire alarm system meet the qualification requirements of the fire code official.

Section 1204.1.1 is added to read as follows:

1204.1.1 Signing and Marking. In addition to signing and marking requirements of the California Building Code and the California Residential Code, the following signing and marking is required:

1204.1.1.1 Main Panel Exterior Marking. A placard is required to be permanently affixed to the main service disconnect panel. The placard shall be red in color with white capital letters at least 3/4" in height and in a non-serif font, to read "SOLAR DISCONNECT INSIDE PANEL." The placard shall be constructed of weather-resistant, durable plastic with engraved letters, or other approved material.

1204.1.1.2 Circuit Disconnecting Means Marking. A permanent label is to be affixed adjacent to the circuit breaker controlling the inverter or other photovoltaic system electrical controller. The label shall have contrasting color capital letters at least 3/8" in height and in a non—serif font, to read "SOLAR DISCONNECT."

The label shall be constructed of durable adhesive material or other approved material.

1204.1.1.3 Secondary Power Sources. Where photovoltaic systems are interconnected to battery systems, generator backup systems, or other secondary power systems, additional signage acceptable to the fire code official shall be required indicating the location of the secondary power source shutoff switch.

1204.1.1.4 Installer Information. Signage acceptable to the fire code official indicating the name and emergency telephone number of the installing contractor shall be required to be installed adjacent to the man disconnect.

Section 1204.2.1 is amended as follows:

Eliminate Exceptions 1 and 2.

Section 1204.2.1.4 is added to read as follows:

Section 1204.2.1.4 Hip and Valley Layout. Hip and Valley Layouts. Modules shall be located no closer than one and one-half feet (1-1/2') to a hip or valley if modules are to be placed on both sides of a hip or valley. Where modules are located on only one side of a hip or valley that is of equal length, the modules shall be permitted to be placed directly adjacent to the hip or valley.

Section 1204.4.1 is added to read as follows:

1204.4.1 Non-Combustible Base. A gravel base or base acceptable to the fire code official shall be installed and maintained under and around the installation.

Section 3905.3 is added to read as follows:

3905.3. Fire Protection Systems. Fire protection systems in occupancies regulated by this chapter shall be in accordance with Section 901.11 of this Code.

International Property Maintenance Code, 2018 Edition

(A) Administration Chapter 1 Subsection 101.1 to read as follows:

Subsection 101.1 Title: These regulations shall be known as the International Property Maintenance Code of the City of King City, hereinafter referred to as "this code"

(B) Subsection 102.3 to read as follows:

Subsection 102.3 Application of other codes. Repairs, additions or alterations to a structure, or changes of occupancy, shall be done in accordance with the procedures and provisions of the California Building Standards Code and other applicable laws and ordinances.

(C) Subsection 103.5 to read as follows:

Subsection 103.5 Fees. The fees for activities and services performed by the code official under this code shall be in accordance with the Schedule of Fees adopted by resolution of the City Council of the City of King City from time to time.

(D) Subsection 111.2 to read as follows and delete Sections 111.2.1 through 111.2.5.

Subsection 111.2 Membership of board of appeals. The board of appeals shall be the City Council and shall be in accordance with Sections 12.06.040 and 12.06.050 of this code. (12.06.040 and 12.06.050 of this code)

(E) Subsection 112.4 to read as follows:

Subsection 112.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than $100 dollars or more than $1,000 dollars.

SECTION 2. King City Municipal code is hereby amended by deleting Chapter 12.08 in its entirety.

SECTION 3. The City Council hereby finds and determines all the amendments, deletions, and additions to the California Building Standards Code and other codes are necessary due to the following:

Climatic - The City of King experiences periods of high temperatures accompanied by low humidity and high winds each year. The City also experiences periods of intense rainfall, which creates the need for special drainage precautions.

Local Geological Conditions – City of King is located in the Salinas Valley in southern Monterey County, which is in a populated area having buildings constructed near a vast array of fault systems capable of producing major earthquakes. A severe seismic event could cause wide-spread damage, disrupt communications, damage gas mains, cause extensive electrical hazards, and place extreme demands on the limited and widely dispersed resources of rescue

and fire-fighting resources resulting in failure to meet the fire and life safety needs of the community.

Local Topographical Conditions – The City of King being located adjacent to open vegetated areas subject to consistently high winds and potential fires, necessitates the amendments hereby adopted to address and clarify special needs to reduce fire hazard at the time of any disaster, natural or manmade, and to reduce hazards resulting from landslides, excessive erosion, and/or flooding.

SECTION 4. It is the intent of this ordinance to amend the King City Municipal Code. If the above amendment did not fully effectuate that intent, Council herby directs the City clerk to make any other such changes to the language in the King City Municipal Code as necessary to effectuate the intent of this Ordinance. Such changes shall be considered clerical.

SECTION 5. All ordinance and parts in conflict herewith are hereby repealed. This ordinance will become effective on January 1st, 2020.

SECTION 6. If any provision(s) of this Ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction; such invalidity or unconstitutionality shall not affect any other provision or application, and to this end the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, parts or portions thereof be declared invalid or unconstitutional.

SECTION 7. This Ordinance shall take effect on January 1, 2020 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 12th day of November, 2019, and adopted the Ordinance after the second reading at a regular meeting held on the 26th day of November, 2019, 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: _____
ROY C. SANTOS, 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.

KING CITY
CALIFORNIA

Item No. 9(F)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **CITY COUNCIL**

FROM: **STEVEN ADAMS, CITY MANAGER**

RE: **CONSIDERATION OF RESOLUTION APPROVING ANGLED PARKING ON STREETS ADJACENT TO THE HISTORIC DOWNTOWN AREA**

RECOMMENDATION:

It is recommended the City Council adopt a Resolution approving angled parking on one side of every street that is within one block of Broadway Street from First Street to Russ Street, which includes Second Street, Third Street, Vanderhurst Avenue, and Russ Street from Lynn Street to Bassett Street; and Lynn Street and Bassett Street from First Street to Russ Street.

BACKGROUND:

At the September 10th meeting, the City Council approved recommended strategies to address existing and future downtown parking needs. One of the primary immediate strategies was a Downtown Diagonal Parking Plan. Implementation of the plan was incorporated into the Annual Slurry Seal Project and Striping Project. However, it was subsequently determined that the Municipal Code requires Council adoption of a Resolution for installation of diagonal, also referred to as angled, parking. Therefore, staff recommends the Council adopt a Resolution approving the parking improvements to ensure the City is maintaining compliance with Municipal Code provisions.

DISCUSSION:

The Downtown Diagonal Parking Plan includes adding diagonal parking on one side of every street that is within one block of Broadway Street from First Street to Russ Street. This includes the following:

- Second Street, Third Street, Vanderhurst Avenue, and Russ Street from Lynn Street to Bassett Street; and
- Lynn Street and Bassett Street from First Street to Russ Street.

It is estimated that the diagonal parking plan will increase available parking by approximately 35 spaces. Staff projects that this will be sufficient to meet medium to long-term demand.

Staff apologizes for the oversight of not including the Resolution when the project was originally approved. Municipal Code Section 10.20.040 was identified, which includes the following provisions:

The City Council is authorized to determine by resolution upon what streets angle parking shall be permitted and to indicate such places by the painting of white lines upon the surface of the roadway to indicate the proper angle for parking, provided that such lines shall not be placed upon, nor shall angle parking be permitted upon, any street where such parking would diminish the width of the roadway available for travel to less than twenty feet, nor upon any street which is a continuation of or part of a county truck line highway or a state highway unless a clear width of forty feet is left for the movement of vehicles when angle parking is permitted.

The approved project complies with the other Municipal Code provisions.

COST ANALYSIS:

The total costs of this project is projected to $75,000, which will be paid by Hartnell College through an agreement that has been executed.

ENVIRONMENTAL REVIEW:

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in Section 15301, which exempts minor alterations to existing structures and facilities because this is a minor change to parking that will not expand existing uses. 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 staff's recommendations;
2. Modify the proposed parking plan and direct staff to make changes to the improvements;
3. Do not approve the proposed parking plan and direct staff to remove the improvements; or
4. Provide other direction to staff.

Prepared and Approved by: _____
Steven Adams, City Manager

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING APPROVING STRIPING OF ANGLE PARKING

WHEREAS, the City of King has identified the need to increase parking in the historic downtown area to accommodate economic development goals and accessibility to local businesses; and

WHEREAS, the City Council of the City of King has approved a Downtown Diagonal Parking Plan ("Plan") to address immediate downtown parking needs in a cost-efficient manner; and

WHEREAS, the Plan is designed to add angle parking on streets adjacent to and around the perimeter of the Broadway Street historic downtown area; and

WHEREAS, Section 10.20.040 of the King City Municipal Code authorizes the City Council to determine by resolution upon what streets angle parking shall be permitted and to indicate such places by painting of white lines upon the surface of the roadway to indicate the proper angle for parking; and

WHEREAS, the proposed striping in the Plan is consistent with requirements set forth in the Municipal Code.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of King approves angle parking at the following locations:

1. Second Street, Third Street, Vanderhurst Avenue, and Russ Street from Lynn Street to Bassett Street; and

2. Lynn Street and Bassett Street from First Street to Russ Street.

This resolution was passed and adopted this **26th** day of **November, 2019** by the following vote:

AYES, Council Members:
NAYS, Council Members:
ABSENT, Council Members:
ABSTAIN, Council Members:

APPROVED:

_____
Mike LeBarre, Mayor

ATTEST:

_____
Steven Adams, City Clerk

APPROVED AS TO FORM:

_____
Roy Santos, City Attorney

KING CITY
CALIFORNIA

Item No. 9(G)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

FROM: **STEVEN ADAMS, CITY MANAGER**

RE: **CONSIDERATION OF AGREEEMENT WITH HINDERLITER DE LLAMAS COMPANIES FOR CANNABIS PERMIT MANAGEMENT SERVICES**

RECOMMENDATION:

It is recommended the City Council approve and authorize the City Manager to execute an Agreement with Hinderliter de Llamas Companies (HdL) for a medical marijuana management program.

BACKGROUND:

In January 2016, the City Council first adopted an ordinance allowing cultivation of medical cannabis in the M-1 and M-2 zoning districts and the East Ranch Business Park Specific Plan area. In September 2016, the Ordinance was amended to include nurseries, testing and manufacturing. At that time, the Council also adopted a regulatory ordinance, which included requirements for an annual medical cannabis license. Since then, a number of additional amendments have been approved to allow and address non-storefront dispensaries, distribution, and recreational cannabis uses.

In March 2016, the City Council approved a contract with HdL to provide assistance to the City in drafting the cannabis tax measure, which was approved at the November 8, 2016 election. An additional agreement was approved by the Council in December 2016 to assist the City in administering cannabis permits, including inspections, audits and background checks. That agreement has expired. As a result, they have submitted a new proposal to King City to continue to assist in the development and implementation of the City's cannabis regulatory process.

DISCUSSION:

HdL is the leading firm at this time providing technical expertise in cannabis regulations in California. They have been contracted by numerous jurisdictions in the State, including several in Monterey County.

A copy of the proposed agreement is attached. Under the agreement, the consultant will continue existing services, which includes providing inspections prior to issuance of permits, annual compliance inspections prior to issuing permit renewals, annual financial audits, ongoing technical assistance, and background checks for owners, managers, and employees. The Council has approved a plan to transition background checks in-house when a full-time Code Enforcement Officer position can be funded. At that time, the City would discontinue background checks provided by HdL. The City has not been performing financial audits, but the City has the ability to require them per the City's ordinance. Therefore, this component of the contract would only be used when needed.

COST ANALYSIS:

The total cost for most permits would be $500 for inspections for new permits and $1,250 for inspections prior to permit renewals. This represents a significant reduction when compared to the original contract. The cost for background checks is $150 for owners and managers and $100 for other employees. All costs will be reimbursed to the City from fees charged to the applicants.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

1. Approve staff's recommendations;
2. Request modifications to the Scope of Work;
3. Request staff to solicit other proposals; or
4. Provide staff other direction.

Exhibits:

1. Consultant Services Agreement

Prepared and Approved by: _____
Steven Adams, City Manager

CITY OF KING
CONTRACT SERVICES AGREEMENT FOR

_____

THIS PROFESSIONAL SERVICES AGREEMENT (herein "Agreement") is made and entered into this ____ day of _____, 2019, by and between the CITY OF KING, a California municipal corporation ("City") and HdL Companies, Inc. (herein "Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.4 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of One Hundred and Fifty Thousand Dollars ($150,000.00) ("Contract Sum").

2.2 Invoices. Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, City will use its best efforts to cause Consultant to be paid within forty five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by the City of any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars ($5,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for

any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding three (3) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

4. COORDINATION OF WORK

4.1 Representative of Consultant. David McPherson is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep City informed of any changes.

4.2 Contract Officer. Steven Adams, City Manager, [or such person as may be designated by the City Manager] is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer").

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Consultant. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Commercial General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than $1,000,000.00 per occurrence or if a general aggregate limit is used,

either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than either (i) bodily injury liability limits of $250,000.00 per person and $500,000.00 per occurrence and property damage liability limits of $500,000.00 per occurrence or (ii) combined single limit liability of $1,000,000.00. Said policy shall include coverage for owned, non-owned, leased, hired cars, and any other automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 5-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

(f) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under

this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsement to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or other designee of the City due to unique circumstances.

5.3 Indemnification. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, except claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

6.3 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the

public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the Contract Officer.

(b) Consultant shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives the City notice of such court order or subpoena.

(c) If Consultant provides any information or work product in violation of this Agreement, then the City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify the City should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. The City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the "documents and materials") prepared by Consultant in the performance of this Agreement shall be the property of the City and shall be delivered to the City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Monterey, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in

default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue any legal action under this Agreement.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.5 Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

8.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of King 212 S. Vanderhurst Avenue, King City, CA 93930 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this

Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.9 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

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

Consultant's Authorized Initials _____

8.11 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[Signatures on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF KING, a municipal corporation

_____

Steven Adams, City Manager

ATTEST:

_____

Erica Sonne, Deputy City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

_____

Roy Santos, City Attorney

CONSULTANT:

_____

_____

By:_____
Name:
Title:

By:_____
Name:
Title:

Address:_____

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF MONTEREY

On _____, 2017 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

_____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER_____

_____

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
TITLE OR TYPE OF DOCUMENT

_____
NUMBER OF PAGES

_____
DATE OF DOCUMENT

_____
SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF MONTEREY

On _____, 2017 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

_____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER_____

_____

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
TITLE OR TYPE OF DOCUMENT

_____
NUMBER OF PAGES

_____
DATE OF DOCUMENT

_____
SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"

SCOPE OF SERVICES

The specific tasks contained within this scope of services are as follows, which will be performed at the request of the City:

Task 1: Conduct Pre-Permit Inspections

Consultant shall conduct a pre-permit inspection of each cannabis business prior to issuance of a certificate of occupancy. Inspections shall verify all physical site security requirements have been addressed in accordance with the application and all State and local requirements. Inspections shall examine all entrances and exits, limited access areas, locks and alarm systems, access controls, surveillance camera locations, safes and cash management, point-of-sale systems, signage, operational protocols and other requirements as necessary.

Task 2: Background Checks (Optional)

Consultant may provide supplemental background checks for owners, managers and employees of each permitted cannabis business at the City's discretion. The cost to provide this service is $150 per person for owners, principals or management staff and $100 per person for line staff. These prices include an employee identification card designed by Consultant with the City's logo which meets all State requirements.

Task 3: Conduct Annual Compliance Inspections

Consultant shall conduct one regulatory compliance inspection for each cannabis business annually at mid-year to ensure ongoing compliance with State and local regulations and industry best practices. If Consultant identifies any incidences of non-compliance, we will provide the City with a recommended appropriate action to address the deficiency and to ensure future compliance by the permittee.

The cost for these services includes all of the following:

- Notifying permittee of pending inspection
- 2-hour on-site inspection to ensure that each business complies with all State and local laws and regulatory protocols for the following:
    - Inventory management
    - Cash handling procedures
    - Access control
    - Video surveillance
    - Product safety

- Alarm system maintenance and safety
- Lock standards
- Packaging and labeling
- Waste management
- Transportation documentation
- Surveillance equipment maintenance
- Occupational badges
- Business records
- Other items as necessary to ensure compliance with laws

- Preparation of a draft report detailing the findings of the inspection and providing recommendations for improvement where needed. If the inspection identifies any violations of law or other non-compliance issues, then Consultant will prepare a notice to comply as an included part of the report.

- All travel costs associated with the inspections

- All phone, email and other communications involved in preparing for, scheduling and coordinating the inspections and providing the report.

Task 4: Conduct Annual Financial Audits (Optional)

Consultant will upon request from the City conduct an annual financial audit of each permitted cannabis business to verify the accuracy of the revenue reported to the City during the review period and will recommend a tax/fee assessment should the audit reveal any unreported revenue. As part of the process, Consultant will conduct an analytical review of the business using the proprietary Cannabis Analytical Tracking Solution (CATS™) program to ensure there is no diversion of product or cash. Our unique audit approach allows us to identify if a cannabis operator is under-reporting its taxes/fees or diverting product from its facility. Consultant audit staff will also use information gathered as a part of compliance inspections to assist with the financial audit.

Consultant will help the City prepare a notification letter to send to the business to start the audit. The letter will contain pertinent information about the audit, including a list of the records requested and a request for access to the business' point of sale system. Consultant recommends the notification letter be sent by the City to encourage cooperation from the business and communicate Consultant's authority to conduct the audit. The audit shall include:

- Field visit
- Gross receipts verification
- CATS™ Analytic Review
- Inventory review (subject to access to the track and trace system)
- POS data entry requirements review

- Preparation and issuance of report
- Exit conference with the City

Consultant will provide a draft audit report to the commercial cannabis business. The business will be given the appropriate time to respond or appeal the report in accordance with the City ordinance. Consultant will review any documentation provided by the business to dispute the findings and will adjust the tax/fee assessment as necessary prior to issuing the final report to the City.

Task 5: Technical Assistance and Subject Matter Expertise

Consultant will provide up to 20 hours of additional general consulting in the form of technical assistance or subject matter expertise to be used on an as-needed basis at the City's request. Such assistance may include monitoring of changes to State laws and regulations, understanding of the industry, participation in conference calls, responding to staff inquiries via phone and email, reviewing staff reports to the City Council, assisting with responses to inquiries from the public, or other issues yet to be determined as requested by the City.

EXHIBIT "B"

SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

Not Applicable

EXHIBIT "C"

SCHEDULE OF COMPENSATION

The proposed services are shown in the cost table below. Consultant's fees are based on time, materials and travel-related expenses associated with the execution of the services. Task 1 will be billed at Consultant's hourly rate, with an estimate of 2 hours for each pre-permit inspection. Task 2 will be billed per background check, with the cost per-business varying depending upon the number and type of employees. Tasks 3 and 4 will be billed at a flat rate per business. Task 5 will be billed to the City based upon actual hours used.

Scope of Service Tasks	Estimated Cost
Task 1: Conduct one pre-permit site inspection of each cannabis business prior to issuance of a certificate of occupancy[1].	$250 per hour (Estimate 2 hours per inspection)
Task 2: (Optional) Conduct background checks of owners, managers and employees of cannabis businesses[1]. Optional service provided at the City's discretion.	$150 per owner or manager; $100 per line staff
Task 3: Conduct one regulatory compliance inspection annually for each cannabis business to ensure ongoing compliance with State and City regulations[1].	$1,250 per business
Task 4: (Optional) Conduct annual financial audits of all licensed cannabis businesses[1]. Optional services provided at the City's discretion.	$6,000 per business
Task 5: Provide up to 20 hours of subject matter expertise and technical assistance, to be used as needed	$6,000
TOTALS **Compliance inspections (Tasks 3)** **All other costs may vary for each business**	**$1,250 per business**
[1]*Costs to be borne by each cannabis business.*	

Additional Services

The costs shown in this proposal do not include any follow-up re-inspection or review of any supplemental documents provided to address or contest any findings of non-compliance, nor do they include any assistance with the appeal of any enforcement action taken by the City. Any costs associated with such additional services would be billed at Consultant's hourly rate.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

The work must be completed within 30 days of request or a mutually agreed upon time between the City and the Consultant.

KING CITY
CALIFORNIA

Item No. 9(H)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **CITY COUNCIL**

FROM: **STEVEN ADAMS, CITY MANAGER**

RE: **CONSIDERATION OF INDEPENDENT CONTRACTOR AGREEMENT FOR SERVICES TO ASSIST WITH WIND AND SOLAR PROJECTS**

RECOMMENDATION:

It is recommended the City Council: 1) approve and authorize the City Manager to execute an independent contractor agreement with Kelly Foley and Pilot Power Group, Inc. to assist the City in developing, issuing and administering a Request for Proposals ("RFP") for wind and solar projects for King City Community Power ("KCCP"); and 2) authorize the City Manager to make non-substantive changes as necessary in a form approved by the City Attorney.

BACKGROUND:

One of the goals of the KCCP program is to develop local wind and solar projects. It is proposed to accomplish this by partnering with a firm to finance and construct a project. However, neither the City or Pilot Power Group, Inc. have the in-house expertise to coordinate a process to effectively select the best partner. Therefore, when the City Council approved the FY 2019-20 KCCP budget at the August 13th meeting, $50,000 was included to hire a consultant to represent KCCP in taking this first important step.

DISCUSSION:

It is recommended to contract with Kelly Foley to provide the desired services. Staff believes she is the best person to assist the City with this effort. She formerly worked for Pilot Power Group, Inc. and was their lead staff person in forming KCCP. Therefore, she has extensive knowledge in RFP processes, power project planning, the goals and needs of KCCP, and initial planning efforts associated with potential wind and solar projects in King City. She resigned from Pilot Power Group, Inc. due to relocation out of state. However, this project can

be conducted offsite primarily through phone and computer communications. In addition, she will be onsite during critical steps and will only charge travel costs from her prior office location in California.

COST ANALYSIS:

The not-to-exceed amount of the contract is $50,000, which is within the KCCP budget. All costs will be paid from revenues from KCCP.

ENVIRONMENTAL REVIEW:

The RFP process is not considered a "project" for the purposes of the California Environmental Quality Act (CEQA). Therefore, this item does not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action. Additional environmental review will be conducted if a project is proposed at that time.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve staff's recommendations;
2. Modify the Agreement and approve staff's recommendations;
3. Direct staff to request additional proposals
4. Do not approve a contract to pursue wind and solar projects; or
5. Provide staff other direction.

Exhibits:

1. Independent Contractor Agreement

Prepared and Approved by: _____
Steven Adams, City Manager

EXHIBIT 1

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the "Agreement") is made as of November 1, 2019 by and between City of King dba King City Community Power, a California municipal corporation ("City"), Kelly Foley, an individual/sole proprietor ("Consultant"), and Pilot Power Group, Inc., a California corporation ("Pilot"). The City, Consultant, and Pilot shall hereafter be referred to individually as a "Party" and, collectively, as the "Parties."

WHEREAS, City oversees King City Community Power, a community choice aggregation program formed and operated under the laws of the State of California ("KCCP");

WHEREAS, City has contracted with Pilot to facilitate and operate KCCP on behalf of the City;

WHEREAS, Consultant has technical expertise to assist the City in the activities described in Exhibit 1 to this Agreement, is in the business services of providing services in connection with such activity, and is willing to provide such services to the City;

WHEREAS, City desires to retain Consultant as an independent contractor of the City to provide certain services related to the development of KCCP local solar and wind projects, as described more fully herein; and Consultant desires to provide City said services related to the development of KCCP local solar and wind projects, all in accordance with terms of this Agreement.

NOW, THEREFORE, in consideration of covenants and agreements contained herein, the Parties agree as follows:

1. **Consulting Services**

Consultant shall, as an independent contractor, carry out all services described in the scope of work in Exhibit 1 (the "Scope of Work"), which is attached hereto and incorporated by reference, together with any and all other services as may be agreed upon by the City and the Consultant from time to time during the Term (as such term is defined herein) (collectively, the "Services")

Consultant shall provide the deliverables described in Exhibit 1 (the "Deliverables") and perform the Services pursuant to the schedule provided in Exhibit 1 (the "Schedule").

In the event the Parties desire for the Consultant to provide the City with services that are outside the Scope of Work, the Parties shall agree to such additional services in writing prior to the Consultant commencing work to provide such additional services. Any such additional services agreed to by the Parties shall be compensated at the rate and in the manner set forth in Section 2 herein.

2. **Compensation**

(a) **Amount**. Cumulative payment to Consultant, including hourly fees, travel and other reasonable, pre-approved expenses, is capped at $50,000 for the entirety of the Term of this Agreement. All work performed by Consultant shall be performed at the rate set forth below:

Hourly fee: $250.00

Travel Hourly fee: $50.00

(b) **Invoices/Payment**. The Consultant shall, within fifteen (15) days after the end of each month during the Term of this Agreement, submit to Pilot an invoice specifying the Consultant's fee, and Consultant's expenses incurred during such month, which invoice shall (i) provide, in reasonable detail for each day on which Services are performed, the number of hours worked by Consultant on each project or matter and a description of the Services rendered in connection therewith (and, if requested by Pilot and/or the City, separate sub-invoices detailing the time and Services spent on each project or matter) as well as total hours of Services performed during the month, and (ii) attach receipts supporting all such Consultant's expenses.

Invoices shall be sent by Consultant to Pilot as follows:

Hard Copy via Mail:	Pilot Power Group, Inc. Attn: Matt Lacy, Controller mlacy@edms-llc.com
With an email copy to:	City of King Attn: Steven Adams sadams@kingcity.com

Pilot shall pay each such invoice on behalf of the City within thirty (30) days of receipt of such invoice (provided that any expenses included by Consultant in any such invoice shall be reimbursed only if required receipts have been provided).

(c) **Taxes**. Neither City nor Pilot shall be responsible for federal, state and local taxes derived from the Consultant's net income or for the withholding and/or payment of any federal, state and local income and other payroll taxes, workers' compensation, disability benefits or other legal requirements applicable to Consultant.

3. **Expenses**

(a) **Payment**. Upon City's authorization, Pilot will facilitate payment to Consultant in the amounts invoiced and consistent with the terms and conditions of this Agreement. Pilot, on behalf of City, shall reimburse Consultant for all pre-approved, reasonable and necessary expenses, including, without limitation, domestic travel, lodging and meal expenses incurred in connection with the Services.

(b) **Substantiation**. The Consultant shall provide Pilot/City with documentation supporting all expenses.

4. **Independent Contractor Status**

(a) **Status**. Consultant is an independent contractor of City. Nothing contained in this Agreement shall be construed to create the relationship of employer and employee, principal and agent, partnership or joint venture, or any other fiduciary relationship.

(b) **No Authority**. Consultant shall have no authority to act as agent for, or on behalf of, City, or to represent City, or bind City in any manner.

(c) **No Employee Benefits**. Consultant shall not be entitled to worker's compensation, retirement, insurance or other benefits afforded to employees of City.

5. **Representations and Warranties**. The Parties respectively represent and warrant to each other that each respectively is fully authorized and empowered to enter into the Agreement and that their entering into the Agreement, and to each Party's knowledge, the performance of their respective obligations under the Agreement, will not violate any agreement between the City or the Consultant respectively ,any other person, firm or organization and any applicable law, rule or regulation.

6. **Confidential Information**

(a) The Consultant acknowledges that while rendering services to the City, the Consultant may or will produce and may or will have access to proprietary and confidential memoranda, notes, information, records, maps, research results, business projections, business and research notebooks, data, formulae, specifications, trade secrets, customer lists, inventions and processes of the City, and other information of a proprietary or confidential nature (collectively, "Confidential Information"). Confidential Information shall not, however, include: (1) information that is in the public domain at the time of disclosure; (2) information that becomes publicly known through no wrongful act of the Consultant or its representatives or other third parties; (3) information that is or becomes known to the Consultant from a third party without a similar confidentiality obligation and without breach of this Agreement; provided that the Consultant shall be under no obligation to determine the status of the third party from whom it receives such information; (4) information that the Consultant or its representatives develop independently without use of or reference to Confidential Information provided by the City or its representatives under this Agreement, or (5) information that is approved for release in writing by the City.

(b) The Consultant agrees to hold all Confidential Information in confidence, and not to disclose, and not directly or indirectly to use, copy, digest or summarize, any Confidential Information, except to the extent necessary to carry out the Consultant's responsibilities as directed or authorized by the City and (after termination of this Agreement) as specifically authorized in writing by the City.

(c) All records in whatsoever form and in whatsoever medium recorded, and any and all copies thereof relating to the City's business that the Consultant shall prepare, or use, or come into contact with in the course of the Consultant's relationship with the City, shall be and remain the sole property of the City and shall not be removed from the City's premises except as necessary to carry out the Consultant's responsibilities as directed and authorized by the City; and the same shall be returned promptly to the City upon the City's request. Upon the City's request, the Consultant will mark all such Confidential Information "Confidential" or in such other manner as directed by the City.

7. **Ownership of Materials and Work Deliverables.**

The Consultant agrees that (a) all specific materials developed by the Consultant on behalf of the City and (b) all models, designs, formulas, methods, documents, tangible items or other work product or deliverables prepared by the Consultant or submitted to the City by the Consultant in connection with the Services rendered under this Agreement (collectively, the "Consulting Materials") shall be deemed to be works made for hire, and in each case are and shall remain the exclusive property of the City. The Consultant retains the ownership (outside of the Consulting Materials or the work performed under this Agreement) of certain proprietary technical data, knowledge, details, exhibits, computer programs and the like owned or licensed by the Consultant and used in the performance of the Services under this Agreement. Promptly upon the expiration or termination of this Agreement, or upon the request of the City, the Consultant shall return to the City all documents and tangible items provided to the Consultant or created by the Consultant for use in connection with the Services, including without limitation all Confidential Information, together with all copies and abstracts thereof. The City shall at all times have the option, at its sole and absolute discretion and without consent or permission from Consultant, to share all Consulting Materials, Confidential Information and all other documents or intangible items described in the immediately preceding sentence with any of the City's employees, agents, legal counsel, accountants, , lenders, hedge providers, other professionals and consultants or the like in connection with the development or financing of any project of the City. Reuse of the Consulting Materials by the Consultant on projects other than with the City is prohibited without the City's prior written permission.

8. **Term**

This Agreement shall commence on the date first above written and shall continue in full force and affect for a period of eighteen (18) months, unless modified by the mutual written agreement of the Parties or terminated earlier by either Party pursuant to the terms of this Agreement.

9. **Termination**

(a) **Notice of Termination**. This Agreement may be terminated by either the City or the Consultant at any time for any reason, with or without cause, by giving the other Party thirty (30) days written notice of termination.

(b) **Payment Upon Termination**. Outstanding payments due to Consultant through the date of termination shall be paid consistent with Sections 2 and 3 of this Agreement.

10. **Insurance**

The Consultant shall maintain insurance with the following required coverage and limits and upon request, will provide evidence of such insurance to the City:

Worker's Compensation	Statutory
Employer's Liability	U.S. $500,000 per occurrence $500,000 in the aggregate
Commercial General Liability	U.S. $1,000,000 per occurrence U.S. $1,000,000 aggregate
Auto	U.S. $1,000,000 per occurrence

The Consultant shall furnish the City, if requested, with certificates reflecting the above insurance which name the City as an additional insured and include a provision that such insurance may not be canceled without at least 30 days' prior written notice to the City.

11. **Indemnification.**

Each Party hereby indemnifies and agrees to hold harmless the other Party from and against any and all claims, demands and actions, and any liabilities, damages or expenses resulting from or arising out of or relating to any negligent acts or omission, or breach by such Party under this Agreement or the representations and warranties made pursuant to this Agreement. Each Party agrees to give the other Party prompt notice of any such claim, demand or action and shall, to the extent not adversely affected, cooperate fully with the other Party in the defenses and settlement thereof.

12. **General Provisions**

(a) **Entire Agreement**. This Agreement embodies the entire understanding and agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior oral or written agreements and understandings relating to such subject matter. No statement, representation, warranty, covenant or agreement of any kind not set forth in this Agreement will affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement. The following (together with all exhibits, schedules and attachments) are hereby incorporated into this Agreement by reference:

a. Exhibit 1: Scope of Services

(b) **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

(c) **Amendment**. This Agreement may be amended only by written agreement of all of the Parties.

(d) **Notices**. All notices permitted or required under this Agreement shall be in writing and shall be delivered in person or mailed by first class, registered or certified mail, postage prepaid, to the address of the Party specified in this Agreement or such other address as either Party may specify in writing. Such notice shall be deemed to have been given upon receipt. Notice shall be provided as follows:

If to City :	Steven Adams, City Manager City of King 212 South Vanderhurt Avenue King City, CA 93930 Phone: (831) 385-3281 Email: sadams@kingcity.com
If to Consultant:	Kelly Foley 1879 Cannon Drive Walnut Creek, CA 94597 Phone: (707) 486-5411 Email: kmf171536@yahoo.com
If to Pilot	Pilot Power Group, Inc. 8910 University Center Lane, Suite 520 San Diego, CA 92122 Attn: President Phone: (858) 678-0118 Email: dvermette@pilotpowergroup.com

(e) **Assignment**. This Agreement shall not be assigned by either Party without the consent of the other Parties.

(f) **Governing Law and Venue**. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws rules. Venue for any and all claims, causes of action and/or disputes arising out of this Agreement shall be the Superior Court of the County of Monterey.

(g) **Attorney's Fees**. Should either Party resort to litigation to enforce this Agreement, the Party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to recover its reasonable attorneys' fees and costs in such litigation from the Party against whom enforcement was sought.

(h) **Severability.** If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this

Agreement and such term, provision, covenant or condition as applied to other persons, places and circumstances shall remain in full force and effect.

(i) **Rights Cumulative**. The rights and remedies provided by this Agreement are cumulative, and the exercise of any right or remedy by either Party, whether pursuant to this Agreement or any other agreement, or pursuant to law, shall not preclude or waive its right to exercise any or all other rights and remedies.

(j) **Remedy for Breach of Certain Covenants.** The Parties agree that, in the event of breach or threatened breach of any of the covenants or provisions of Section 6 of this Agreement, the damage or imminent damage to the value and the goodwill of the City's business will be inestimable, and that therefore any remedy at law or in damages would be inadequate. Accordingly, the Parties agree that the City shall be entitled to injunctive relief against the Consultant in the event of any breach or threatened breach of any of such provisions by the Consultant, in addition to any other relief (including damages) available to the City under this Agreement or by law.

(k) **Agreement to Perform Necessary Acts.** The Consultant agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

(l) **Compliance with Law.** The Consultant agrees to abide by all federal, state, and local laws, ordinances and regulations.

(m) **Account Records and Retention.** All records necessary to support approved payments or expenses under Sections 2 and 3 of this Agreement shall be maintained by the Consultant on a current basis. All such records shall be maintained for three (3) years after the completion of the Services. Upon reasonable notice such records shall be available for review by the City.

(n) **Taxes.** The Consultant agrees to pay all taxes arising in connection with the performance of the Services by Consultant and any and all payments made by the City pursuant to this Agreement.

(o) **No Third-Party Beneficiaries.** The Parties do not intend to confer any right or remedy on any third-party.

(p) **No Waiver of Rights**. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

[Signatures on the following page]

IN WITNESS WHEREOF, the Parties hereto have each executed and delivered this Agreement as of the Effective Date.

CITY

City of King, a municipal corporation

_____
Steven Adams, City Manager

ATTEST

_____
Eric Sonne, Deputy City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

_____
Roy C. Santos, City Attorney

CONSULTANT

_____
Kelly Foley

PILOT

By:_____
Name: Denis Vermette
Title: President and CFO

By:_____
Name: Ian Middleton
Title: Chief Operations Officer
8910 University Center Lane, Ste 520
San Diego, CA 92122

EXHIBIT "A"

SCOPE OF SERVICES

DELIVERABLES:

1) Working with the City, establish City's goals regarding the development of KCCP local solar and wind projects;

2) Collect and compile data, information and materials from City and Pilot needed to produce a request for offers and/or proposals for the development of KCCP local solar and wind projects;

3) Produce a request for offers and/or proposals for the development of KCCP local solar and wind projects ("RFP");

4) Conduct outreach to potential RFP respondents;

5) Manage the RFP process, including review of RFPs, conducting diligence and assisting the City in selecting, if any, an RFP or RFPs for further development; and

6) Assist City in securing a final agreement or agreements, if any, for the development of KCCP local solar and wind projects.

SCHEDULE:

[All project milestones as well as the scheduling of meetings requiring Consultant travel shall be mutually determined by the City and Consultant.]

KING CITY
CALIFORNIA

Item No. 9(I)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

FROM: **STEVEN ADAMS, CITY MANAGER**

BY: **OCTAVIO HURTADO, CITY ENGINEER**

RE: **CONSIDERATION OF RESOLUTION AUTHORIZING THE CITY MANAGER SUBMITTAL OF AN APPLICATION, ACCEPTANCE OF FUNDS AND EXECUTION OF GRANT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION FOR AIRPORT IMPROVEMENT PROGRAM**

RECOMMENDATION:

It is recommended City Council adopt a Resolution to authorize the City Manager to submit, accept, and execute a grant agreement with the Federal Aviation Administration (FAA) for the Airport Improvement Program transmittal of Fiscal Year 2020.

BACKGROUND:

The asphalt at the airport taxiways has reached a point in its useful life where maintenance is required. The City has been actively trying to keep up with maintenance of the asphalt at the airport taxiways by removing weeds from cracks and sealing cracks in the asphalt. Design for the Reconstruction and Rehabilitation of the Taxiway has been on the Airport Capital Improvement Plan (ACIP) and is scheduled to start design in 2020. ***(Reference Exhibit 2.)*** Therefore, staff is proposing to request funding from FAA and Caltrans.

DISCUSSION:

The total estimated project cost for the design is $105,000.00. FAA provides grants of up to 90% of the cost from the Airports federal fund yearly allocation of $150,000.00. The remaining 10% is to be covered by local share. However, the City/Sponsor may apply for the State Matching Grant for FAA Airport Improvement Program ("Caltrans 5% Matching Funds"), which would help offset the local share amount. The City would be applying for a total of $5,250.00 matching funds. After the City receives a grant

agreement from Caltrans for the 5% matching funds then the selected consultants will be able to commence work on the project.

ENVIRONMENTAL DETERMINATION:

Staff recommends approving filing of a CEQA Notice of Exemption. The project is a Class 1 Categorical Exemption under CEQA as it involves no expansion and consists of rehabilitating the existing asphalt at the airport taxiway. Further, the City will submit a Documented Categorical Exclusion form to the FAA for consideration of this project pursuant to FAA Order 1050.1F as it relates to the National Environmental Protection Act ("NEPA").

COST ANALYSIS:

The total project estimate is $105,000.00. The Federal Grant amount is proposed to be $94,500.00, and the City's responsibility will be $10,500.00. The City plans to apply for a Caltrans grant of $5,250.00 to cover 5% of the FAA grant. If approved by Caltrans, the City will fund the remaining $5,250.00 from Fund 15 Airport to cover the local match requirement. The local match can be provided as in-kind, staff time and Contract City Engineer time for project management. The City also has $10,000 CAAP funds that can be used to assist in the local match contribution. Therefore, no additional appropriations will be necessary.

ALTERNATIVES:

The following alternatives are provided for Council consideration:
1. Adopt the Resolution;
2. Modify and adopt the Resolution;
3. Do not approve submittal of the application; or
4. Provide staff other direction.

Exhibits:

1. Resolution
2. Airport Capital Improvement Plan

Submitted by: _____
Octavio Hurtado, City Engineer

Approved by: _____
Steven Adams, City Manager

EXHIBIT 1

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING AUTHORIZING THE SUBMITTAL OF AN APPLICATION, ACCEPTANCE OF AN ALLOCATION OF FUNDS AND EXECUTION OF A GRANT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION, FOR AIRPORT IMPROVEMENT PROGRAM TRANSMITTAL OF FISCAL YEAR 2020

WHEREAS, the City completed the Airport Capital Improvement Plan (ACIP) for fiscal years 2020-2027; and

WHEREAS, the City has completed an application for federal funding Fiscal Year 2020 for Taxiway Reconstruction and Rehabilitation (Design Phase); and

WHEREAS, the City Council authorizes the City Manager to submit the FAA Grant Application for Fiscal Year 2020; and

NOW, THEREFORE, BE IT RESOLVED, that at acceptance of the Federal Assistance for Fiscal Year 2020, the City Manager of the City of King City is authorized to enter into and sign the grant agreement and any subsequent amendments with the Federal Aviation Administration for the purpose of this grant.

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

PASSED AND ADOPTED at a regular meeting of the City Council of the City of King City held on November 26, 2019, by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

Michael LeBarre, Mayor

Steven Adams, City Clerk

APPROVED AS TO FORM:

Roy Santos
City Attorney

Mesa Del Rey Airport

Airport Capital Improvement Plan (ACIP) 2020-2027

Airport: Mesa Del Rey Airport
Associated City: City of King, California
Sponsor: City of King, California
Date Submitted to: **FAA on**

Federal Fiscal Year	Project Explanation	Requested Federal Funding	Proposed Local Funding	Estimated Total Project Costs
2020	**Airport Land Use Compatibility Plan (ALUCP) update**	$ 140,000	$ 15,556	$ 155,555
2020	**Taxiway Reconstruction & Rehabilitation (Design Only)**	$ 94,500	$ 10,500	$ 105,000
	Subtotal 2020	**$ 234,500**	**$ 26,056**	**$ 260,555**
2021	**Taxiway Reconstruction & Rehabilitation Construction & Construction Administration**	$ 801,000	$ 89,000	$ 890,000
2021	**Electrical Improvements (Re-package, Advertise & Construction)**	$ 328,500	$ 36,500	$ 365,000
	Subtotal 2021	**$ 1,129,500**	**$ 125,500**	**$ 1,255,000**
2022	**Apron Rehabilitation (Design)**	$ 112,500	$ 12,500	$ 125,000
2022	**Fuel Pump Reconstruction & Rehabilitation (Design)**	$ 22,500	$ 2,500	$ 25,000
2022	**Instrument Approach Feasibility Study & AWOS Design**	$ 72,000	$ 8,000	$ 80,000
	Subtotal 2022	**$ 207,000**	**$ 23,000**	**$ 230,000**
2023	**Apron Rehabilitation (Construction)**	$ 630,000	$ 70,000	$ 700,000
2023	**AWOS Construction**	$ 135,000	$ 15,000	$ 150,000
	Subtotal 2023	**$ 765,000**	**$ 85,000**	**$ 850,000**
2024	**Fuel Pump Reconstruction & Rehabilitation (Construction)**	$ 180,000	$ 20,000	$ 200,000
	Subtotal 2024	**$ 180,000**	**$ 20,000**	**$ 200,000**
2025	**Wildlife Hazardous Environmental Assessment**	$ 108,000	$ 12,000	$ 120,000
	Subtotal 2025	**$ 108,000**	**$ 12,000**	**$ 120,000**
2026	**Drainage Improvements with Environmental Assessment (Biologist & Cultural Resources) Design Only**	$ 170,000	$ 18,889	$ 188,889
	Subtotal 2026	**$ 170,000**	**$ 18,889**	**$ 188,889**
2027	**Drainage Improvements (Construction & Construction Administration)**	$ 500,000	$ 55,556	$ 555,556
	Subtotal 2027	**$ 500,000**	**$ 55,556**	**$ 555,556**

EXHIBIT 2

KING CITY
CALIFORNIA

Item No. 10(A)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **CITY COUNCIL**

FROM: **STEVEN ADAMS, CITY MANAGER**

RE: **CONSIDERATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION PROCESS AND FUNDING GOALS FOR ACTIVITIES AND PROJECTS**

RECOMMENDATION:

It is recommended the City Council: 1) open the public hearing and receive public comment regarding the Community Development Block Grant (CDBG) program and possible activities and projects to be considered for funding under the upcoming Notice of Funding Availability (NOFA) process; 2) direct staff to prepare for Council consideration a CDBG application requesting up to $3,500,000; and 3) schedule the second Public Hearing for the January 28, 2020 meeting.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program authorizes the use of funds to assist low- and moderate-income families or aid in the prevention or elimination of slums or blight. There are two types of CDBG programs: "entitlement" and "non-entitlement". Metropolitan cities and urban counties are entitled to receive annual grants under the "entitlement" program – direct from HUD. Metropolitan cities are principal cities or Metropolitan Areas (MAs) or other cities within MAs that have populations of at least 50,000. Urban Counties are within MAs that have a population of 200,000 or more, excluding the population of metropolitan cities within their boundaries. The "non-entitlement" program is administered by the State Department of Housing and Community Development (HCD), and the City can apply for funding under a competitive application process.

The City has applied for CDBG funds each of the last three years for the after-school program and for sidewalk improvements. Approximately $500,000 was approved two years ago for the after-school program. However, the sidewalk

improvements have failed to be awarded funds three consecutive times. Changes are being implemented to the program and the funding criteria this year that staff believes will make the project more competitive. Therefore, it is recommended to submit another application this year. The City Council approved a contract with Adams Ashby Group for preparation of the applications and administration of the grant, which is still in effect.

HCD and CDBG staff, along with a redesign committee, has worked over the past two years redesigning the CDBG program as required by HUD direction due to the fact the State of California program expenditure rate of CDBG funds is at the bottom of the national expenditure list. Due to this major concern, many changes have occurred and will be implemented under the 2020 Notice of Funding Availability (NOFA) process. Additionally, the CDBG program is now operating under a Guideline structure and the State CDBG Program Guidelines are attached to this memo for review.

At this Public Hearing and as a key component of accessing CDBG funding, the City is required to conduct public outreach to the community regarding potential CDBG projects/activities that should be considered for the next and future applications. The Council must later hold one additional public hearing to discuss the potential application(s) and allow for public input.

DISCUSSION:

In order to be considered eligible, a suggested project/activity must meet one or more of the three National Objectives listed in CDBG Federal Statutes:

- Benefit to low- and moderate-income persons;
- Prevention or elimination of slums and blight; or
- Meeting an urgent community need which pose an immediate threat to the health and welfare of the community (State designates when the "urgent need" objective is allowed for a NOFA).

The benefit to low- and moderate-income persons is the most predominately used national objective. In order to benefit low- or moderate-income persons, the project/activity must either benefit an area that is comprised of at least 51% low- or moderate-income households, or the program must benefit individually qualified households (i.e., each participating household is income certified). King City meets the first of these criteria.

The project/activity must also fall under one of the following categories. The 2020 State NOFA has not been released yet, but based on discussion with HCD

staff by the City's consultant, the total application is expected to not exceed $3,500,000 for Community Development Applications and $5,000,000 for Economic Development Over the Counter (OTC) applications. The City may apply for a maximum of three categories as outlined below, but may not exceed $3,500,000 in total application request, with the exception of the Economic Development OTC program that has a maximum of $5,000,000.

- OTC Public Improvements (maximum grant of $3,500,000). Project must be located in and serve a predominantly residential area. Examples include water and sewer facilities, flood and drainage facilities, accessibility related street improvements (i.e., curb ramps), and utilities.

- OTC Public Facility (maximum grant of $3,500,000). Examples include acquisition, rehabilitation or new construction of buildings used for public purposes such as training, health services, education, recreation, nutrition, shelter, day care, temporary housing and fire protection.

- Public Service (maximum grant of $600,000), for up to **two** services. Examples include childcare, health care, recreation programs, fair housing counseling, drug and alcohol abuse counseling and testing, homeless services, senior services, and nutrition services benefitting low- and moderate-income persons.

- Planning and Technical Assistance (maximum grant of $200,000) for **one** study. The product must show a connection to assisting with an eligible CDBG activity that, if implemented, meets a National Objective. Product(s) are submitted to the State at the time of completion. The grants require a five percent cash match to be expended prior to expenditure of CDBG funds. Examples include studies, analysis, data gathering, preparation of plans, and identification of action that will implement plans, NEPA and environmental plans. A 25% Cash Match is required for this item.

- Housing Programs (maximum grant of $700,000):
  - Homeownership Assistance Program: assistance with down-payment or closing costs.
  - Housing Rehabilitation Program for Single Family Homes: include repairs and improvements of owner-occupied units
  - Housing Combo Program (Homeownership Assistance Program and Housing Rehabilitation Program for Single Family Homes)
  - Multi-Family (five or more units at a specific site) Housing Rental Rehabilitation Project (with or without acquisition): includes repairs and

improvements of renter-occupied units for sites where the majority of the tenants qualify as low- or moderate-income households.

- Business Assistance or Microenterprise Assistance (maximum grant of $500,000 for either Business Assistance or Microenterprise Assistance, or $500,000 for both). Examples of Business Assistance include financing of working capital, furniture, equipment, and property repairs/improvements. Examples of Microenterprise include business training, financing of working capital, furniture, equipment, and property repairs/improvements.

OTC: Over the Counter

The term OTC was noted above for the Public Improvement and Public Facilities projects as these have been moved from the standard program funding application to a special Over the Counter application process. The Over the Counter application process now provides three types of applications for funding consideration and is new to the CDBG program funding process. The goal of the OTC application is to expedite funding expenditures as the premise is the CDBG program will be funding projects that are ready to construct, require construction to begin based on milestones, and the result will be immediate expenditures to increase the expenditure rate to HUD.

The Over the Counter process will allow three categories of funding:

1. Project is ready to bid – all designs are completed, environmental review complete or ready to publish, bid documents complete.
2. Project is 30% designed, environmental review started and needs additional funding to complete the design process.
3. Needs full funding to design and develop project

50% Expenditure Rule/ Waiver

As enacted, Assembly Bill 723 (AB 723) allows applicants to request a waiver of the 50% Expenditure Rule ("Rule"). The Rule states an applicant shall be ineligible for any additional CDBG funds unless the applicant has expended at least 50 percent of CDBG funds awarded for any standard agreement executed in 2012 or later. AB 723 allows the director to waive the Rule, thus making an applicant eligible to apply for NOFA's, including General NOFA's, and receive CDBG funds. Currently, the State will implement this rule based on the current open contract and only for the program the City has been funded for. The Expenditure Rule Waiver would be required for King City since 50% of the funds for the after-school program have not yet been expended.

Staff Recommended Project: Sidewalk Improvement Project

Last year, the City Council approved a Citywide Sidewalk Improvement Plan prepared by the City Engineer. The purpose of the plan is to address serious deficiencies in the City's sidewalk system, including repairs and replacement of damaged areas, installation of sidewalk segments where gaps exist, installation of ADA curb ramps to increase accessibility, and redesign of existing segments where driveways and/or utility poles restrict access. The extent of this need is so substantial and costly, staff believes it is critical to obtain grant funding in order to make meaningful progress. It has been identified as a high priority because it would benefit everyone in the community, would particularly help those in need that are dependent on pedestrian access for shopping and other daily activities, and increasing pedestrian accessibility would support a number of other related goals, such as community wellness, public safety, support of alternative transportation, and community pride and interaction.

Therefore, this project continues to be identified as the top priority candidate for consideration of CDBG funding. Under the new CDBG process, it will require the City Engineer to proceed to finalize plans and bid specifications to be ready to proceed immediately upon award of the grant in order to be competitive. Staff does recommend any other activities be included in the grant application since they would reduce the amount of funding available to be dedicated to the sidewalk improvements. It is particularly important to apply this year because they will be awarding funds for a two-year period in this round.

COST ANALYSIS:

The City's grant consultant for CDBG, Adams Ashby Group, will be preparing the application. The application cost is an eligible expenditure under the City's open contract with general administration funds. It is believed that the grant will have enough funds to cover this cost with no additional funds being needed. If awarded, CDBG funds are a 100% grant with no matching fund requirements. Up front expenditures for preparation of the bids and specifications by the City Engineer will be required. However, staff believes this expenditure can be funded from the existing budget.

ENVIRONMENTAL REVIEW:

The application process is not considered a project for the purposes of CEQA and has no potential for resulting in either a direct or indirect impact to the environment. Environmental review for the updated sidewalk improvement plan will be prepared and presented to the City Council at the January 14th meeting.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

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

Exhibits:

1. CDBG Guidelines

Prepared and Approved by: _____
Steven Adams, City Manager

EXHIBIT 1

Community Development Block Grant Final Guidelines

State of California
Governor Gavin Newsom

Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency

Doug McCauley, Acting Director
California Department of Housing and Community Development

2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833

Telephone: (916) 263-2771
Website: http://www.hcd.ca.gov
CDBG email: CDBGRedesign@hcd.ca.gov

Effective October 15, 2019

Table of Contents

§ 100. General 3
§ 101. Primary Objectives 3
§ 102. Definitions 3
§ 103. Program and Administrative Requirements 7
§ 104. Nondiscrimination 8
Article 2. Method of Distribution 8
§ 200. Allocations 8
§ 201. Eligible Activities 9
§ 202. Eligible Applicants 10
§ 203. Funding Availability 11
§ 204. Special Disaster or Emergency Supplemental Assistance NOFAs 112
§ 205. Contents of the Application 13
§ 206. Evaluation Criteria 13
§ 207. Award of Funds 14
§ 208. Administrative Cost Limitation 14
§ 209. Activity and Activity Delivery Costs 15
§ 210. Reimbursement of Pre-Agreement Costs 15
§ 211. Special Grant Amendments for Disasters or Emergencies 16
§ 212. Section 108 Loan Guarantee Pledges 16
Article 3. Grant Administration 17
§ 300. Standard Agreements 177
§ 301. Cash Depositories 17
§ 302. Bonding 17
§ 303. Retention and Custodial Requirements for Records 17
§ 304. Program Income 17
§ 305. Standards for Grantee Financial Management Systems 18
§ 306. Financial and Performance Reporting Requirements 18
§ 307. Monitoring of Program Performance, Real Property, and Subrecipient Activities 19
§ 308. Grant Payment Requirements 19
§ 309. Lump Sum Drawdown for Property Rehabilitation Financing 19
§ 310. Revision Procedures 19
§ 311. Closeout Procedures 20
§ 312. Property Management Standards 22
§ 313. Procurement Standards 22
§ 314. Audit Requirements 22
§ 315. Conflicts of Interest 22

Article I. General

§ 100. General

(a) The Federal Omnibus Budget Reconciliation Act of 1981 provides for state administration of the federal Small Cities Community Development Block Grant (CDBG) program. Pursuant to Health and Safety Code (H.S.C.), Section 50826.1, these guidelines, the Consolidated Plan, and Annual Action Plan, set forth the policies and procedures governing the state's management and use of these funds. In addition to these guidelines, program participants must comply with federal regulations contained in Title 24 of the Code of Federal Regulations (C.F:R.) Part 570, Subpart I; 24 C.F.R. Part 58; and 2 C.F.R Part 200. If Congress or the State Legislature add or amend any requirements concerning the use or management of these funds, grantees shall comply with such requirements upon receipt of notice from the California Department of Housing and Community Development (Department) of the additional requirements. See 24 C.F.R. Section 570.480 for additional general provisions.

(b) These guidelines are intended to be updated as necessary to address changes in state and federal statutes and federal regulations regarding the CDBG program.

§ 101. Primary Objectives

(a) The primary objectives of this program are to develop viable communities by the provision of decent affordable housing and a suitable living environment, and to expand economic opportunities, principally for the benefit of low- and moderate-income persons (individuals, families, and households).

(b) Pursuant to Section 104(a)(1) of the Housing and Community Development Act of 1974, as amended, the Department shall annually prepare a statement of community development objectives and projected uses of funds. This annual statement shall be made available to the public and the Department shall conduct no less than two public hearings at different locations on its contents. The statement shall be available for review for at least 30 days prior to the public hearings.

§ 102. Definitions

(a) "Act" means Title I of the Housing and Community Development Act of 1974, Title 42 United States Code (U.S.C.) Section 5301, *et seq.*, as amended.

(b) "Activity" means any single eligible undertaking carried out as part of an applicant's participation in the state CDBG program.

(c) "Annual Action Plan" or "AAP" means the annual plan required by the Act that describes the actions, activities, and resources to be used each year to address the priority needs and specific goals identified by the Consolidated Plan, including the method of distribution of program funds.

(d) "Applicant" means any eligible city or county that applies for funds pursuant to this subchapter as set forth in Section 202 of these guidelines.

(e) "Area Median Income" means the median family income for specific geographic areas, adjusted for household size, as calculated by U.S. Department of Housing and Urban Development (HUD), and published annually by the Department.

(f) "Award Letter" means the letter sent from the Department indicating that the application has been conditionally approved for funding.

(g) "Beneficiary" means the person, household, or neighborhood that directly benefits from the grant funded activity.

(h) "CDBG" means the Community Development Block Grant program as created by the Act.

(i) "C.F.R." is the acronym used for the Code of Federal Regulations.

(j) "City" means any unit of general local government which is classified as a municipality by the U.S. Bureau of the Census, or any other unit of general local government which is a town or township, and which possesses powers and performs functions comparable to these associated with municipalities as defined in 42 U.S.C. 5302(a)(5).

(k) "Colonia" means a rural community within the United States-Mexico border region that lacks adequate water, sewer, or decent housing, or a combination of all three, as defined by Section 916 of the National Affordable Housing Act of 1990.

(l) "Community Development" means all activities, other than Economic Development activities, eligible under 42 U.S.C. 5305 and 24 C.F.R. 570.482.

(m) "Community Development Block Grant Funds," "CDBG Funds," "Grant Funds," or "Program Funds," means any funds allocated by a Standard Agreement pursuant to these guidelines, or previously funded to nonentitlement jurisdictions by HUD pursuant to their authority under the Act and includes program income receipts and program income receipts dedicated to revolving loan funds.

(n) "Competitive NOFA" means the process in the Notice of Funding Availability (NOFA) in which applications must be received by a fixed deadline, and applications are rated and ranked competitively.

(o) "Consolidated Plan" means the five-year strategic plan that results from the process set by HUD that assesses affordable housing and community development needs and market conditions, allows the prioritization of development needs, and makes data-driven, place-based investment decisions for federal funding provided by HUD.

(p) "Department" means the California Department of Housing and Community Development.

(q) "Director" means the Director or acting Director of the Department.

(r) "Disability" means any disability, including mental or physical disability, that limits a major life activity, including a disability that falls within the definitions in Government Code (G.C.) Sections 11135, 12926, and 12926.1 or within the definition of disability used in the federal Americans with Disabilities Act of 1990, codified at 42 U.S.C. 12102.

(s) "Economic Development Allocation" means the funds set aside each year for Economic Development pursuant to H.S.C. Section 50827 and Section 200(c) of these guidelines.

(t) "Economic Development," and "ED", for these guidelines, means providing grants to non-entitlement jurisdictions to conduct CDBG-eligible Economic Development activities as defined in 42 U.S.C. 5305.

(u) "Entitlement Jurisdictions" are those cities and counties that receive CDBG program funding directly from HUD.

(v) "Federal Regulations" means the federal regulations governing the state administration of the CDBG non-entitlement funds set forth in the C.F.R.

(w) "Funding" means financial assistance provided in whole or in part for any eligible activity.

(x) "Funding Cycle" means the annual period during which HUD makes funds available to the state for distribution to local governments pursuant to the Act and includes the period during which the Department solicits applications and makes grant awards.

(y) "Grantee" means a unit of general local government which has been awarded funds pursuant to this subchapter to carry out a program (directly or through the services of contractors or nonprofits) and has signed a Standard Agreement.

(z) "Grant Management Manual" means the grant implementation instruction document(s) intended to help grantees manage and operate their CDBG grant(s) and activity(s).

(aa) "H.S.C." means the California Health and Safety Code.

(bb) "Household" means all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit.

A person living alone in a housing unit, or a group of unrelated people sharing a housing unit, such as partners or roomers, is also counted as a household as defined by HUD. The occupants may be a family, as defined in 24 C.F.R. 5.403.

(cc) "Housing Element" means the part of a city or county's General Plan as required by G.C. Title 7, Division 1, Chapter 3, Article 10.6 (commencing with Section 65580).

(dd) "HUD" means the U.S. Department of Housing and Urban Development.

(ee) "Infrastructure" means the physical systems, such as roads, sidewalks, streetlights, water, and sewer facilities, which are necessary to provide basic community services.

(ff) "Local Assistance" means the net amount of the HUD allocation less administrative funds retained by the Department.

(gg) "Low-income" persons means individuals, families, and households whose incomes are no more than 50 percent of the median income of the area involved, as set by HUD.

(hh) "Moderate-income" persons means individuals, families, and households whose incomes are no less than 50 percent and no more than 80 percent of the median income of the area involved, as set by HUD.

(ii) "NOFA" is the acronym used for Notice of Funding Availability. The NOFA is the document used by the Department to announce that CDBG funds are available, lists eligible applicants and activities, the parameters for applications to be submitted, and the specific criteria and schedules for how funds will be awarded according to specified criteria and schedules.

(jj) "Over-the-Counter," also referred to as "OTC," means the process in a NOFA of applying for funds for specific businesses, infrastructure in support of businesses, multifamily housing rehabilitation, and public facilities or improvement projects, including those in support of housing, that does not use a competitive rating and ranking process to determine awards. In the OTC process, the Department continuously accepts and evaluates applications until funds are exhausted.

(kk) "PIRA" means the Program Income Reuse Agreement.

(ll) "Program" means all the state CDBG activities funded in whole or in part under these guidelines.

(mm) "Program Income" or "PI" means gross income earned by the grantee from grant- and/or program income-funded activities as defined in 24 C.F.R. 570.489(e).

(nn) "Revolving Loan Funds" or "RLF" means CDBG PI funds that are held in a separate account to carry out CDBG-eligible activities and provided as loans to complete specific CDBG-eligible housing and Economic Development activities. Repaid loans are returned to the RLF for future activities.

(oo) "Standard Agreement" means the contractual arrangement between the state and the grantee which sets forth the terms and conditions by which state CDBG funds are utilized.

(pp) "Subrecipient" means a non-federal entity that receives a subaward of program funding from a grantee; "subrecipient" does not mean a beneficiary of the program.

(qq) "Timely distribution" means obligating funds received by the state as specified in 24 C.F.R. 570.494.

(rr) "U.S.C." means United States Code.

§ 103. Program and Administrative Requirements

All Department program administrators, applicants, and grantees must adhere to all federal program statutes, regulations, federal register notices, HUD guidance notices and policy memoranda, Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards, the Federal Uniform Relocation Assistance and Real Property Acquisition Act, California Relocation Assistance Law, and all state and federal nondiscrimination and fair housing requirements. Additionally, Department program administrators, applicants, and grantees must adhere to all California State Administrative Manual requirements, regulations, statutes, award letters, Standard Agreements, and these guidelines; and all state and federal requirements to affirmatively further fair housing, including compliance with G.C. Title 2, Division 1, Chapter 15, beginning with Section 8899.5 and G.C. Title 7, Division 1, Chapter 3, beginning with Section 65583.

§ 104. Nondiscrimination

No person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds made available pursuant to these guidelines.

All grantees shall comply with the requirements contained in 24 C.F.R. 570.487, 570.601, 570.602, 570.607, and 570.614; as well as the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, G.C. Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 C.F.R. 100, 24 C.F.R. 8, and 28 C.F.R. 35, in all of the grantee's activities.

Article 2. Method of Distribution

§ 200. Allocations

(a) At least 70 percent of all CDBG funds must be used for activities that benefit low- and moderate-income individuals, families, and households pursuant to 24 C.F.R. 570.484.

(b) At least 51 percent of all CDBG funding available, less the Department administrative funds, shall be made available for activities providing housing for low- and moderate-income individuals, families, and households pursuant to H.S.C. 50828, providing or improving housing opportunities for individuals, families, and households of low- or moderate-income, or for purposes directly related to the provision or improvement of housing opportunities for individuals, families, and households of low- or moderate-income, including, but not limited to, the construction of infrastructure.

(c) The Department shall set aside an amount equal to 30 percent of the total amount available, less Department administrative funds, for grants to eligible cities and counties for ED activities pursuant to H.S.C. 50827. Applications submitted under this section must comply with all the requirements of these guidelines. ED Allocation funds shall be awarded through a NOFA process for eligible activities listed in 24 C.F.R. 570.482 and in Section 105(a) of the Act.

(d) Awards made for public services may not exceed 15 percent of the total amount of CDBG funds available pursuant to 42 U.S.C. 5305 (a)(8).

The total amount of CDBG funds expended statewide for public service activities must not exceed 15 percent of the state's total annual CDBG program expenditures.

(e) Awards for local administration and all planning grants may not exceed 17 percent of the total amount of CDBG funds available. The total amount of CDBG funds expended statewide for all Department and local administration expenses and planning activities may not exceed 20 percent of the aggregate amount of the Department's annual HUD CDBG grant, plus program income received pursuant to 24 C.F.R. 570.489(a)(3)(ii).

(f) Pursuant to Section 916 of the National Affordable Housing Act of 1990, up to 10 percent of the total amount of CDBG Local Assistance made available shall be for Colonia activities. Funding maximums from the Colonia set-aside shall be as set forth in the NOFA. An application for this set-aside may be in addition to another application submitted by an eligible city or county pursuant to Section 202 of these guidelines. Applications submitted under this subsection will be independently evaluated without regard to the rating of an application submitted pursuant to another section of these guidelines.

(g) Pursuant to H.S.C. 50831,1.25 percent of the total amount of CDBG Local Assistance available shall be for Native American activities for non-federally recognized tribes. An application for this set-aside may be in addition to another application submitted by an eligible city or county pursuant to Section 202 of these guidelines. Applications submitted under this section will be independently evaluated without regard to the rating of an application submitted pursuant to another section of these guidelines.

(h) Notwithstanding any other provision of these guidelines, the Director may alter the order by which applications received Over-the-Counter are reviewed for applicants requesting funds for an immediate need, such as an imminent plant closure, a failing water system, or an emergency recognized by the state. The Director's decision to alter the order by which an application is reviewed will be in writing and made part of the application file.

(i) If there is insufficient demand for an identified set-aside, the Department may make awards to other qualifying activities to meet federal timely distribution of funds requirements.

§ 201. Eligible Activities

(a) Eligible Activities: Activities eligible for funding under the CDBG program are those described in 24 C.F.R. 570.482 and in Section 105(a) of the Act (42 U.S.C. 5305).

(b) Each activity must meet the benefit requirements of 24 C.F.R. 570.483.

(c) All activities, except program administration, must meet the overall benefit requirements of 24 C.F.R. 570.484.

(d) No activity or portion of a program assisted by these funds may exclude from its benefits the lowest income groups. Individual activities shall meet one of the following three national objectives:

(1) The development of viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for individuals, families, and households of low and moderate income;

(2) Aiding in the prevention or elimination of slums or blight pursuant to 24 C.F.R. 570.483(c) and H.S.C. 33031; or

(3) Meeting other community development needs having an urgency pursuant to 24 C.F.R. 570.483(d).

(e) All housing activities must comply with the terms and conditions required by state and federal law, including the Americans with Disabilities Act, the Fair Housing Amendment Act, the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*), the California Fair Employment and Housing Act, the Unruh Act, G.C. Section 11135, the California Building Standards Code Chapter 11B, Section 504 of the Rehabilitation Act, and the regulations promulgated pursuant to those statutes, including 24 C.F.R. 100, 24 C.F.R. 8, and 28 C.F.R. 35.

(f) All public facility construction and rehabilitation activities must meet the accessibility requirements in 2 C.F.R. 8.21.

§ 202. Eligible Applicants

(a) The applicant shall have met the following requirements when the application is submitted:

(1) Any city or county is eligible to apply for CDBG program funding except a city or county which participates in the HUD-administered CDBG Entitlement Program. Incorporated cities located in an urban county as defined by 42 U.S.C. 5302(a)(6) must formally elect to be excluded from participation in the urban county entitlement status. HUD must be notified that the city has elected to be excluded from the urban county participation as per 24 C.F.R. 570.307(g) for the city to be eligible for the state CDBG program.

(2) Any applicant with one or more current and open CDBG Standard Agreements for which the expenditure deadline established in the agreement(s) has not yet passed shall be ineligible to apply for any additional CDBG funds for the same type of activity(s) included in those open CDBG Standard Agreement(s) unless the applicant has expended at least 50 percent of CDBG funds previously awarded (the "50 Percent Rule") for that activity, or unless a waiver to the rule has been approved by the Director. The requirements of this subsection do not apply to OTC awards. State CDBG funds that have been repurposed in response to a disaster will be subject to the 50 Percent Rule unless a waiver is issued as part of the NOFA. Exceptions will be reviewed on a case by case basis and waivers will be published in the NOFA as applicable.

(3) The applicant must demonstrate to the satisfaction of the Department that it is in compliance with the single audit requirements of 2 C.F.R. 200.501.

(4) The applicant must have complied with all the Housing Element requirements listed in H.S.C. 50829 and 50830.

(5) The applicant must be in good standing with the State of California, as defined in the NOFA.

(b) Applications may be submitted by individual eligible applicants or by groups of eligible applicants in any of the forms specified in this subsection. Except as provided in subsection (c) below, no eligible applicant may be included in more than one application that provides direct program benefits to that political subdivision. Applications for eligible activities outside the applicant's jurisdiction must include a legally binding agreement, acceptable to HCD, with the city or county in which the eligible activity is located.

(1) An eligible applicant may apply on its own behalf.

(2) An eligible applicant may apply on its own behalf and in the same application on behalf of one or more other eligible applicants.

(3) Two or more eligible applicants which share a program may submit a joint application.

(c) In addition to activity and application limits identified in the NOFA, an eligible applicant may apply for activities in target areas within or outside of the applicant's jurisdiction when there are concentrations of Native Americans or where there is a designated Colonia as described in Section 200 of these guidelines, provided the concentration is within an eligible city or county.

§ 203. Funding Availability

(a) Within a funding cycle, the Department may issue one or more NOFAs.

(b) The Department will notify all eligible cities and counties of the anticipated level of funding for the program and will provide them with a schedule for filing applications as indicated in the AAP.

(c) The NOFA will specify, among other things, the amount of funds available, eligible activities, the time frame for submittal of applications, the application requirements pursuant to Section 205 of these guidelines, the allocation of rating points pursuant to the AAP, the matching contribution requirements pursuant to Section 207, any prohibitions of use of funds, the availability of administrative funds, and the general terms and conditions of funding allocations. Applications must be received by the closing date and time in order to be considered.

(d) In order to comply with any set-aside or special allocation established by HUD or the Department, the Department may do one or more of the following:

(1) Issue a special NOFA;

(2) Specify in each NOFA the reservation of a portion of the funds for various set-asides or special allocations; and

(3) Specify in each NOFA any waivers to requirements granted by HUD or the Department in connection with the funds.

§ 204. Special Disaster or Emergency Supplemental Assistance NOFAs

(a) Notwithstanding any provision in these guidelines to the contrary, in the event of a special appropriation of emergency supplemental assistance or a presidential declaration of disaster, or the Governor proclaims either a "state of emergency" or a "local emergency", as those terms are defined in G.C. Section 8558, the Department may issue a special NOFA. The special NOFA will make CDBG program funds available to eligible state applicants located in the areas covered by the federal or state disaster or emergency proclamation pursuant to the following special conditions:

(1) The project or activity shall be designed to alleviate or mitigate existing conditions that pose a serious actual, or impending, threat to the health or welfare of the community;

(2) The Department will review eligibility documentation for each proposed activity and its associated national objective and ensure there is no duplication of eligible costs; and

(3) The proposed project or activity shall be otherwise eligible for funding under these guidelines or be eligible pursuant to other HUD eligibility criteria.

(b) In order to address the most serious emergent health, safety, and general welfare needs, the Director may direct funding awards to a designated project(s) or activity type(s) or area(s). These measures may include, but are not limited to:

(1) Limiting a NOFA to a designated type of project, activity, or geographic area related to the federal or state disaster or emergency proclamation;

(2) Awarding bonus points within a NOFA to a designated type of project, activity, or geographic area;

(3) Reserving a portion of funds in a NOFA for a designated type of project, activity, or geographic area;

(4) Establishing maximum award amounts per applicant, type of project, or type of activity; and

(5) Making funds available through an OTC process, meaning the Department continuously accepts and evaluates applications until funds are exhausted.

(c) To the extent necessary to address serious emergent health, safety, and general welfare needs, and to expedite the process of making awards, the Director may alter or waive state-required criteria set forth in the NOFA. H.S.C. Section 50833.1(b) allows for the waiver of H.S.C. Sections 50831, 50832, and 50833. Federal requirements cannot be waived without express written authority from HUD.

§ 205. Contents of the Application

Applications must be submitted on prescribed forms and consist of the items identified in the NOFA, and any other information deemed necessary by the Department, to evaluate the application. This information provides the basis for the assessment identified in the NOFA and includes the assurances and agreements necessary for compliance with these guidelines, H.S.C. 50825, *et seq.*, 24 C.F.R. 570, and 2 C.F.R. Part 200.

§ 206. Evaluation Criteria

(a) For those eligible applications received in a competitive NOFA process, individual activity types will be evaluated according to criteria identified in the AAP and NOFA. Where demand for a particular activity exceeds the amount of funds available, the applications for that activity will be rated and ranked according to the rating criteria set forth in the AAP, NOFA, and application. Activities will be funded in rank order, with the highest rated activities within each activity type funded first until all funds allocated for that activity, pursuant to Section 200 of these guidelines, have been awarded.

(b) For those eligible applications received in an OTC NOFA process, individual projects will be evaluated for funding on a first-come, first-served basis as set out in the AAP and NOFA, unless the order of review is changed pursuant to subsection 200(h) of these guidelines.

(c) Tiebreaker criteria and methodology will be specified in the AAP and NOFA.

(d) Applications for each eligible activity shall be evaluated on the criteria identified in the NOFA.

§ 207. Award of Funds

(a) Pursuant to H.S.C. 50828 and Section 203 of these guidelines, funds will be awarded based on the actual application demand expressed as a dollar amount requested in response to the initial NOFA of a funding cycle.

(b) In the event the amount of funds available is insufficient to fund an applicant's whole activity, the applicant may be offered the amount of funds available, provided:

(1) There are additional other funds to complete the activity, or

(2) The activity is reduced enough in scope to be completed using the funds available.

(c) The Department may condition its award of funds to achieve the purposes of these guidelines and to ensure compliance with applicable state and federal law, including commitment and expenditure deadlines, and milestones.

(d) For planning activities, the required cash match amount may be up to 25 percent of the amount of the planning grant requested in the application. The amount of the required cash match will be identified in the NOFA. Technical assistance activities do not require a cash match.

§ 208. Administrative Cost Limitation

Grantees may expend a portion of the grant amount for administrative costs as specified in the NOFA and Standard Agreement, provided that such amounts are justified for the type and complexity of the program, and that there are records to satisfactorily document these charges. Administrative costs may include, but are not limited to, the following categories:

(a) General administrative activities. Such costs for administration include:

(1) Salaries, wages, and related costs of the grantee's staff engaged in activities associated with the CDBG program, including general management, general legal services, accounting, and auditing.

(2) Travel costs incurred in carrying out the general management of the program.

(3) Administrative services performed under third-party contracts, including contracts for such services as general legal services, accounting services, and audit services; and

(4) Other costs for goods and services related to the general management of the program, including rental and maintenance of office space, insurance, utilities, office supplies, and rental or purchase of office equipment.

(b) Costs incurred in providing information and resources to individuals, families, and households in the low- and moderate-income group; and to citizen organizations participating in the planning, implementation, or assessment of the grantee's program.

(c) Fair housing activities in compliance with the requirements of Section 103 of these guidelines. If a cost cannot be associated with one of the above listed groups and cannot be associated with direct project costs, the Department will, upon the grantee's request, decide of whether it is an administrative cost, an activity delivery cost, or an ineligible cost according to the process contained in the Grant Management Manual. The use of PI for administrative costs will be included in the PIRA.

§ 209. Activity and Activity Delivery Costs

(a) Activity costs are those costs directly related to a specific project, such as materials and labor for the construction of a public facility, or the amount of financial assistance provided as down-payment assistance.

(b) Activity delivery costs directly related to a specific activity are not part of the general administrative costs. For example, the legal costs relating to property acquisition are activity delivery costs, not general administration.

(c) If a cost cannot be associated with direct project costs, the Department will, upon the grantee's request, make a determination of whether it is an administrative cost, an activity delivery cost, or an ineligible cost according to the process contained in the Grant Management Manual.

§ 210. Reimbursement of Pre-Agreement Costs

Pre-agreement costs are those costs associated with a specific project that are incurred prior to an award of program funds (grant, PI, or RLF), provided that the costs are eligible, and the activities were undertaken in accordance with the requirements of 24 C.F.R. 570.489(b), 24 C.F.R. 58.34, and 2 C.F.R. 200.458. The Department will announce the details for pre-agreement costs (those costs incurred prior to award of CDBG grant or PI funds) in each NOFA.

Jurisdictions that have been awarded grant funds or have been approved for the use of PI or RLF funds for projects that include pre-agreement costs will be reimbursed for those costs after the execution of a Standard Agreement or PIRA, and the Department has issued a clearance of any conditions listed in a Standard Agreement or PIRA. A pre-agreement cost contract may be required by the Department for any pre-agreement costs.

§ 211. Special Grant Amendments for Disasters or Emergencies

(a) A grantee may make a written request to the Department to amend or replace a project or activity set forth in an active Standard Agreement with a project or activity which would alleviate or mitigate existing conditions which pose a serious actual or impending threat to the health or welfare of the community.

(b) Notwithstanding any other provision of these guidelines, the Department may approve such a request, and amend the Standard Agreement accordingly, if the Department makes the following findings in writing:

(1) The grantee is in an area for which a presidential declaration of disaster has been made, or the Governor has proclaimed either a "state of emergency" or a "local emergency" as those terms are defined in Government Code Section 8558; and

(2) The amended or replacement project or activity is designed to alleviate or mitigate existing conditions which pose a serious actual or impending threat to the health or welfare of the community; and

(3) The amendments have necessary eligibility documentation for each activity and its associated national objective and there is no duplication of eligible costs; and

(4) The amended or replacement project or activity is otherwise eligible for funding under these guidelines.

(c) Any activities funded under this Section must be considered in the calculation of the 70 percent benefit test pursuant to 24 C.F.R. 470.484.

§ 212. Section 108 Loan Guarantee Pledges

Any commitment of future federal allocations of CDBG funds to the state (state pledges) by the Department as collateral for federal guarantees of notes or other obligations issued by eligible cities and counties (loan guarantees) pursuant to Section 108 of the Act (42 U.S.C. Sec. 5308) and 24 C.F.R. Subchapter C, Part 570, Subpart M commencing with Section 570.700 (collectively, "Section 108") shall be as specified in the AAP and the NOFA.

Article 3. Grant Administration

§ 300. Standard Agreements

(a) An applicant that receives an award letter will be issued a Standard Agreement pursuant to 24 C.F.R. 570.503 to be executed by both the local authorized representative and the Department.

(b) The Standard Agreement will obligate monies from the CDBG allocation in an amount approved for funding by the Department pursuant to Section 207 of these guidelines.

(c) The Standard Agreement will include all items required in 24 C.F.R. 570, Subpart I, 2 C.F.R. Part 200, Appendix II, and all applicable sections in Articles 1 and 3 of these guidelines.

§ 301. Cash Depositories

Grantees must establish and maintain all CDBG funds accounts in accordance with 24 C.F.R. 570.489(d)(2)(iii) and 2 C.F.R. Part 200.

§ 302. Bonding

Grantees shall comply with all bonding requirements described in 2 C.F.R. 200.325.

§ 303. Retention and Custodial Requirements for Records

The grantee must retain financial records, supporting documents, statistical records, and all other records pertinent to a grant in accordance with 24 C.F.R. 570.490 and 2 C.F.R. 200.333. See the Grant Management Manual for additional information.

§ 304. Program Income

The use of PI must comply with all federal requirements pursuant to 24 C.F.R. 570.489(e) and (f), 24 C.F.R. 570.504, and the applicable sections of 2 C.F.R. Part 200.

(a) Each grantee will be required to execute a PIRA. This includes any grantees that have PI on hand (including PI in an RLF), have undertaken activities that could generate PI, or that anticipate receiving PI, including grantees with an open Standard Agreement.

(b) PI includes any and all income received in a single year by a grantee and its subrecipients when the total receipts exceed $35,000. Grantees must notify the Department on the first PI report for the 12-month reporting period if they anticipate receiving less than $35,000 in the current fiscal year.

All PI and RLF funds received must be identified and maintained in a separate fund and must have a set of accounts that are independent of all other program accounts.

(c) All grantees that have used CDBG funds since 1983, excluding those notified by the Department of a reporting exception and including those that have no activity, must submit PI reports according to the terms of the PIRA. The reporting period is July 1 through June 30, which is the state fiscal year.

(d) As part of the PIRA approval process, the Department must review and evaluate each grantee's capacity to carry out the PI activities (programs and projects) contained in the PIRA.

(e) PI may only be used for eligible CDBG projects or programs that comply with federal requirements. PI must be expended on at least one completed eligible project or program with reportable beneficiaries within a period identified in the PIRA.

(f) Any grantee with PI on hand or anticipates having PI on hand that does not have a PIRA in place and does not have an open Standard Agreement with a commitment to expend the PI funds on an activity identified in the Standard Agreement will be required to remit all PI (the amount on hand and any future receipts) to the Department.

(g) Any grantee with PI on hand that does not have an ongoing PI program and has an open Standard Agreement must expend available PI on hand prior to requesting grant funds.

For additional information, refer to the PIRA, the Standard Agreement and the Grant Management Manual.

§ 305. Standards for Grantee Financial Management Systems

Grantees must establish and maintain their financial management systems for CDBG Grants in accordance with 2 C.F.R. Part 200, Subpart D; any conditions in the Standard Agreement; and as specified in the Grant Management Manual.

§ 306. Financial and Performance Reporting Requirements

Grantees must report at least annually on financial matters and program performance as required by 2 C.F.R. 200.328. The Standard Agreement, the PIRA, and the Grant Management Manual may require additional reporting.

§ 307. Monitoring of Program Performance, Real Property, and Subrecipient Activities

Grantees must monitor the performance of CDBG Grant supported activities on an ongoing basis, according to the monitoring terms of the Standard Agreement, to assure that time schedules and expenditures are being met and the milestones in the work schedule are being accomplished. This review must be made for each subrecipient and each activity in the approved Standard Agreement and/or PIRA, pursuant to 24 C.F.R. 570.489 and 570.489(m), 2 C.F.R. 200.331 through 200.329, and as specified in the Grant Management Manual.

§ 308. Grant Payment Requirements

(a) Payment methods shall minimize the time elapsing between the disbursement by a grantee and the transfer of funds from the Department to the grantee pursuant to 24 C.F.R. 570.489(c) and as specified in the Grant Management Manual.

(b) The Department shall not withhold payments for allowable charges made by grantees at any time during the grant period unless:

(1) a grantee has failed to comply with the Standard Agreement, or

(2) the grantee is indebted to the Department and collection of the indebtedness will not impair accomplishment of the objectives of any grant program sponsored by the Department.

(c) In the event that payments are to be withheld in accord with the criteria established in Section 308(b) above, the Department may, upon 15 days' notice, inform the grantee that payments will not be made for obligations incurred after a specified date until the noncompliance is resolved or the indebtedness to the state is liquidated.

§ 309. Lump Sum Drawdown for Property Rehabilitation Financing

Subject to the conditions prescribed in this Section, grantees may draw funds from the Department in a single lump sum to establish a rehabilitation fund in one or more private financial institutions for the purpose of financing the rehabilitation of privately-owned properties as a part of the grantee's program. The conditions prescribed for lump sum drawdown accounts are described in 24 C.F.R. 570.480(c) and 2 C.F.R. 200.305.

§ 310. Revision Procedures

The grantee may not amend the program or activity in a manner which is inconsistent with the original basis for the award without the Department's written approval of the change.

In addition, grantees shall request prior written approval from the Department when a program or budget revision of an amount greater than 10 percent will be necessary pursuant to the Standard Agreement and/or PIRA, as specified in the AAP, the NOFA, and the Grant Management Manual.

§ 311. Closeout Procedures

(a) All grant, PI, and RLF activities are subject to closeout procedures.

(b) The following definitions shall apply for the purpose of this Section.

(1) "Closeout" is the process by which the Department determines that all applicable administrative actions and all required work of the Standard Agreement and/or PIRA have been completed by the grantee and the Department, as specified in 24 C.F.R. 570.490(o) and 2 C.F.R. 200.343.

(2) "Date of completion" for an activity is the date when all work as described in the Standard Agreement or PIRA, or any amendment thereto, has been completed, and the appropriate expenditure, beneficiary, and national objective data has been reported to and accepted by the Department.

(3) "Termination of a grant" means the cancellation of funding and/or the termination of the request for funding, in whole or in part, at any time prior to the date of completion.

(4) "Suspension of a grant" is an action by the Department which temporarily suspends funding under the grant pending either corrective action by the grantee or a decision by the Department to terminate the grant.

(5) "Disallowed costs" are those charges to a grant which the Department determines to be unallowable as per eligible costs identified in the Standard Agreement and according to the cost principles of 2 C.F.R. 200 Subpart E.

(c) The grant closeout procedures include the following:

(1) Upon request, the Department shall make payments to a grantee for allowable reimbursable costs under the grant being closed out, subject to the Standard Agreement.

(2) The grantee shall refund to the Department any balance of unobligated cash advanced to the grantee that is not authorized to be retained by the grantee.

(3) Within 90 days after the date of completion of the grant the grantee shall provide the Department with all financial, performance, and other reports required as a condition of the grant. The Department may grant time extensions for cause when requested by the grantee.

(4) When authorized by the Standard Agreement, the Department may make a settlement for any upward or downward adjustments to the state's share of costs after the reports are received.

(5) The grantee shall account for any property acquired in whole or in part with grant funds, PI, or RLF in accordance with the provisions of Section 312, pertaining to property management, and Section 304, pertaining to program income.

(6) In the event a final audit has not been performed prior to the closeout of the grant, the Department shall retain the right to recover the amount of disallowed costs after fully considering the recommendations of the final audit.

(d) PI projects, including those implemented in PI or RLF activity programs, will be closed individually. The PI project closeout procedure is described in the PIRA.

(e) When a grantee fails to comply with the Standard Agreement or PIRA, the Department may, after notifying the grantee in writing, suspend the grant and/or PIRA and withhold further payments, or prohibit the grantee from incurring additional obligations of grant, PI, or RLF funds, pending corrective action by the grantee or a decision to terminate in accordance with subdivision (f). The Department shall allow costs which the grantee could not avoid during the period of suspension, provided that the costs meet the provisions of 2 C.F.R. Part 200.

(f) Grants may be terminated as follows:

(1) Termination for cause. The Department may unilaterally terminate any grant, in whole or in part, at any time before the date of completion, whenever the Department determines that the grantee has failed to comply with the terms or conditions of the Standard Agreement or PIRA executed in connection therewith. The Department shall promptly notify the grantee in writing of the determination, the reasons for the termination, and the effective date.

(2) Termination for convenience. The Department or the grantee may terminate a grant, in whole or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions and the portion of the grant to be terminated. The grantee shall not incur new obligations for the terminated portion after the effective date of the termination and shall cancel as many outstanding obligations as possible.

(g) For additional information and closeout procedures, see the Grant Management Manual.

§ 312. Property Management Standards

(a) Grantees must adhere to the property management standards described in 2 C.F.R. 200.310 to 200.316 and 24 C.F.R. 570.489(j).

(b) Program assets are those properties (real, personal, and intangible) acquired or improved with CDBG Funds (in whole or in part). Program assets also include promissory notes and deeds of trust for properties assisted with CDBG funds.

(c) Grantees may not change the use or planned use of any real property within the grantee's control (including activities undertaken by subrecipients) that was acquired and/or improved with CDBG funds for five years after closeout of the unit of general local government's grant pursuant to 24 C.F.R. 570.489(j). Grantees must have a method to enforce and manage this requirement, such as a recorded use restriction or covenant. Activity and Activity Delivery funds associated with any assets liquidated prior to the five-year period must be repaid to the Department pursuant to 24 C.F.R. 570.489(j)(2).

§ 313. Procurement Standards

Grantees must adhere to the requirements of 2 C.F.R. 200.318 to 200.326. See the Grant Management Manual for additional information.

§ 314. Audit Requirements

Grantees must arrange for independent audits on all CDBG grants consistent with 2 C.F.R. 200.500 to 200.512.

§ 315. Conflicts of Interest

Grantees must enforce standards for conflicts of interest which govern the performance of their officers, employees, or agents engaged in the award and administration of state CDBG funds. The standards for conflicts of interest shall prohibit any conflict of interest as defined in 24 C.F.R. 570.611, which is hereby incorporated by reference. The Department will use the criteria and standards set forth in 24 C.F.R. 570.611 and any applicable California conflicts of interest rules in evaluating questions concerning potential conflicts of interest.

KING CITY
CALIFORNIA

Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **CITY COUNCIL**

FROM: **STEVEN ADAMS, CITY MANAGER**

RE: **CONSIDERATION OF PARK NAMING AGREEMENT FOR THE CREEK BRIDGE SOCCER PARK**

RECOMMENDATION:

It is recommended the City Council approve and authorize the City Manager to execute a park naming agreement with Aera Energy, LLC. for sponsorship of renovation of the Creek Bridge Soccer Park.

BACKGROUND:

The condition of many of the City's sports fields has become a problem due to the extensive use, lack of staff to provide the level of maintenance necessary, lack of funding for ongoing improvements, gopher problems and other issues. At the October 9, 2018 meeting, the City Council approved a proposed Sports Field Improvement and Maintenance Plan. A component of that plan included a proposal to provide park naming rights if a sponsor could be identified to fund renovation of the turf at the Creek Bridge Soccer Park. A Park Naming Policy was approved by the City Council at the November 27, 2018 meeting. In addition, On September 10, 2019, the City Council approved an amendment to the Arboleda Specific Plan to remove restrictions on the name of the parks in that development.

The Sports Field Improvement and Maintenance Plan included the following schedule:

<u>FY 2018-19</u>

City Park Adult Softball Field	Strip field and reseed new turf
San Antonio Park	Level and reseed problem areas

FY 2019-20

Creek Bridge Baseball Park	Level and reseed problem areas
Creek Bridge Soccer Park	Install new sod on the entire field

Significant progress is being made. The Softball Field was completed in partnership with the Adult Softball League. San Antonio Park improvements were delayed because the City has submitted a grant application for a more extensive renovation and upgrade, which staff is waiting for notification on whether it will be awarded. The Baseball Park is currently closed for renovations. Meanwhile, the City is in discussions with Little League regarding partnering on a project similar to the Softball Field for the Little League Field in the future.

Aera Energy has generously agreed to sponsor renovation of the Creek Bridge Soccer Park. At their November 18th meeting, the Parks and Recreation Commission recommended approval of a park naming agreement. A copy of the proposed agreement is attached.

DISCUSSION:

The Soccer Park field is in the worst condition of all the facilities. Most of the turf is dead and a large portion of the field is now dirt. One of the problems is the soil was not property treated when the park was first installed. As a result, renovation of that field is a more extensive project than the other parks. If it were simply reseeded, staff believes the condition would quickly deteriorate again. Instead, it is recommended to install all new turf after conditioning the soil. While the City's financial condition is improving, it still has a negative General Fund balance and is unable to fund this project.

Therefore, the strategy for this project was to pursue a sponsor utilizing the park naming policy. The contribution and project amounts are consistent with the provisions of the park naming policy. The current policy is as follows:

1. Parks and recreation facilities shall be named by their function and/or location in the City, which shall include proximity to a geographical feature, street, neighborhood, subdivision or other geographical reference generally recognized throughout the community;

2. Parks and recreation facilities may be named after a person, business, or organization only if such person, business or organization contributes land and/or funds to construct or upgrade a facility that consists of a minimum value of $50,000 and constitutes at least 75% of the overall project costs; and

3. The naming of any park or recreation facility shall be at the full discretion and require the approval of the City Council.

The project also includes new signage. The existing sign is seriously damaged and needs to be replaced because it used styrofoam molding for the trim. A copy of the proposed new sign is attached for consideration. The new sign is proposed to be made of sturdy thick aluminum material to prevent damage, a hollow structure to provide depth, and will be powder coated to provide a quality looking sign.

Staff is currently soliciting bids for installation of the turf. If approved, staff will present a contract for the work at the next meeting. The project is projected to begin at the start of the new year and the park will be closed for an estimated 3 month period.

COST ANALYSIS

The estimated cost of the project is $60,000 to $70,000. Aera Energy has agreed to sponsor the project with a contribution of up to $60,000. Staff believes the City can fund any cost overruns with existing budgeted monies.

ENVIRONMENTAL REVIEW:

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in Section 15301, which exempts operation, repair, maintenance, or minor alterations to existing structures and facilities because this is limited to maintenance of an existing facility that will not expand existing uses. 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.

Exhibits:

1. Park Naming Agreement
2. Proposed Sign Design

Prepared and Approved by: _____
Steven Adams, City Manager

Naming Rights Agreement

This Naming Rights Agreement ("Agreement") is entered into between Aera Energy LLC (Aera) and the City of King City, Monterey County, California ("King City"). Aera and King City may be individually referenced herein as a "Party," or collectively as the "Parties."

WHEREAS, King City desires to renovate the field and sideline areas of Creekbridge Soccer Park located at Meyer Street and San Antonio Drive in the Arboleda subdivision, within the City of King City (the "Park"), such renovation of the Park to be referred to herein as the "Project," and;

WHEREAS, Aera desires to make a monetary grant to King City to support the financing of the Project, and;

WHEREAS, Aera and King City mutually desire that Aera be recognized for its monetary grant by having the Park renamed Aera Soccer Park.

THEREFORE, Aera and King City agree as follows:

1. Grant – Aera shall recommend to the Kern Community Foundation ("KCF") a grant of $60,000 from the Aera Energy Fund, a donor advised fund of the KCF, to King City to underwrite Project (the "Grant"). The payment of the Grant is subject to the approval of the KCF Board of Directors. Aera's commitment to recommend the Grant does not represent an irrevocable or legally binding pledge or other financial obligation. The financial transaction will be between KCF and King City. The Grant made from KCF to King City shall be designated for the sole purpose of financing the Project.

   King City's obligations under this Agreement are dependent upon receiving the Grant and shall constitute a condition precedent to King City's performance hereunder. In the event that King City does not receive the Grant, this Agreement shall be null and void and King City shall be relieved of any and all performance obligations contained herein.

   The Grant shall be made in two installments of $30,000 each. The first installment shall be made once the project contractor has been hired and initial design plans are approved for the start of the Project and the second installment shall be made once the sod is in place, which will signify substantial completion of work.

2. Naming Rights and Recognition – King City herby grants to Aera, subject to Section 1 above, exclusive naming rights for the Park. The Park will be renamed Aera Soccer Park. Signage with the Name ("Signage") will be visibly and clearly indicated at the Park entrance on Meyer St. The exclusive rights granted to Aera herein shall extend to all aspects of the Park. Exhibit A, attached hereto and made a part hereof, sets forth additional recognition opportunities to be provided by King City to Aera.

The Park will be identified by the Name on all community maps, signage, websites, and various printed and electronic materials advertising the location for games, events, and other activities held at the Park.

The Aera company name and graphic logo may be used for specific purposes with permission from Aera Public Affairs. The Aera identity standards will be followed for all uses of the Aera company name or graphic logo.

Aera Public Affairs must review the use of the Name, company name or graphic logo in all branding materials prior to such use.

3. Project Description – The Project will include removing turf, locating and marking sprinklers, replacing potential sprinkler heads for more efficient watering, and creating better water conservation for the Park's single soccer field and sidelines. The soil will be aerated and amendments added, as needed. All new sod will be installed and the sprinkler system adjusted. King City shall use a private contractor with the expertise required to complete the Project. It is anticipated that the Project work will be complete by March 31, 2020 with a grand opening no later than April 2020.

   For ongoing maintenance of the Park, King City shall increase the frequency of mowing and irrigation upkeep. King City will also implement an annual turf renovation project, including periodically closing the soccer field to allow turf to recover and not be damaged from overuse.

4. Duration – This Agreement shall be effective for a period of 20 years from and after the date of completion of the Project (the "Term"). During the Term, King City shall properly maintain the Signage in good condition to reflect a professional and quality image to the public at all times. At the expiration of the Term, Aera shall have the right to match any offer made to King City for naming rights of the Park.

5. Additional Naming Rights – During the Term, Aera shall have the right to rename the Park if Aera's company name is changed or Aera is merged or purchased by another entity. Aera, or the newly named entity, will pay for all costs associated with the change in the Signage and costs associated with changing any maps or other printed or electronic materials resulting from such company name change, merger or purchase.

6. Annual Briefing – Aera shall be entitled to be briefed annually on the activities of the Park along with metrics related to park usage, as available. Any such briefing shall be limited to the extent required by applicable state or federal law.

7. Community Park Facilities – If at any time during the Term hereof, the Park is closed, relocated or the property is no longer used as a community park, King City shall consult with Aera and make all reasonable attempts to preserve the identity of Aera Soccer Park, with prominent recognition and signage at the new facility.

8. Relationship of the Parties – This Agreement is solely for the purpose of naming the Park and does not cause or create any other role or liability on the part of Aera in the Project, park activities or King City. Nothing in this Agreement shall be deemed to create a joint venture, partnership, tax partnership or agency relationship between the Parties.

9. Termination by Aera – Aera may immediately terminate this Agreement if, in Aera's sole opinion, serious harm would otherwise come to any person, any property, or to Aera's operations or reputation due to the acts or omissions of King City, including if the Park should fall into disrepair, become a haven for unsavory activity or become unsuitable for community use. If this Agreement is terminated, Aera shall be relieved of all further obligations hereunder and upon Aera's written request, King City shall promptly remove all Aera Signage from the Park and associated structures.

10. Termination – Either Party may terminate this Agreement in the event of a material breach of this Agreement by the other Party, which breach remains uncured thirty (30) days after receipt by the breaching Party of written notice of such breach. Notwithstanding these provisions, so long as King City has received the Grant provided in Section 1 and Aera is not the breaching Party, Aera shall retain the exclusive naming rights granted herein for the Term.

11. Indemnification – To the maximum extent permitted by applicable law, King City shall defend, indemnify, and hold harmless Aera, Aera's parent, member, affiliated and subsidiary companies, co-venturers, and the directors, managers, officers, employees, and agents of Aera and Aera's parent, member, affiliated and subsidiary companies, co-venturers against any loss, damage, claim, suit, liability, judgment, and expense (including, but not limited to, attorneys' fees and other costs of litigation), and any fines, penalties, and assessments arising out of injury, disease, or death of persons (including, but not limited to, King City employees, volunteers, or agents), or damage to or loss of any property or the environment or violation of applicable law and regulations resulting from or in connection with the park upgrade project, the terms and provisions of this Agreement or the performance or nonperformance of this Agreement by King City. However, King City shall not be liable for any damage caused by the negligence or willful misconduct of Aera, Aera's parent, member, affiliated and subsidiary companies, co-venturers, and the directors, managers, officers, employees, and agents. In case any action or proceeding is brought against Aera by reason of any of the foregoing matters, King City upon notice from Aera shall defend the same at King City's expense by counsel reasonably satisfactory to Aera and Aera shall cooperate with King City in such defense.

    a. The obligations, indemnities, and liabilities assumed by King City shall not be limited by any provisions or limits of insurance required below.

    b. If it is judicially determined that any of the indemnity obligations (which King City agrees shall be supported by insurance) under this Section 11 or the insurance obligations under Section 12 below are invalid, illegal, or unenforceable in any respect, said obligations shall automatically be amended to conform to the maximum monetary limits and other provisions under applicable law for as long as that law is in effect.

    c. This liability-indemnity provision shall survive the termination of this Agreement.

    d. The total liability of King City under this Agreement shall not exceed $3,000,000.00

12. Insurance – King City shall maintain, at all times, the following minimum insurance, at King City's sole expense, in compliance with all applicable laws and regulations and in a form satisfactory to Aera:

(i) Workers' Compensation Insurance – King City complying with all applicable statutory requirements;

(ii) Employers' Liability Insurance - minimum limit of $1,000,000 each occurrence; coverage to apply to liability as applicable under any state or federal statute, regulation, common law process, or contractual process;

(iii) Automobile Liability Insurance (including owned, non-owned, and hired vehicles) - combined bodily/personal injury, death and property damage - minimum limit of $1,000,000 each occurrence; and

(iv) Broad Form Commercial General Liability Insurance (including, but not limited to, contractual coverage for liability and indemnity obligations under Section 11 above and Products/Completed Operations coverage) - combined bodily/personal injury, death and property damage - minimum limit of $2,000,000 each occurrence.

a. Excess or Umbrella Liability Insurance is acceptable as a supplement to meet the minimum liability coverage limits required above in (iii) and (iv); however, the excess or umbrella coverage must be primary non-contributory insurance with the same breadth of coverage as the base policy.

b. King City shall furnish evidence satisfactory to Aera's designated representative upon written request that such insurances are in effect. To the maximum extent permitted by applicable law and without in any way limiting King City's obligations, indemnities, and liabilities hereunder, all insurance policies maintained by King City in accordance with this Section 12 and any other insurance maintained applicable to King City's performance hereunder shall include Aera as additional insured with respect to all applicable insurance coverage and shall contain a waiver of subrogation in favor of Aera with respect to coverage for workers' compensation and employers' liability. All insurance required to be maintained by King City shall be primary insurance underlying any other applicable insurance, including, but not limited to, similar or complementary insurance maintained by Aera, and shall not be limited by the liability and indemnity provisions of Section 11 above.

c. All such insurance shall be carried by insurance carriers acceptable to Aera and King City and King City and shall not be materially changed without thirty (30) days prior written notice to Aera. In addition, each insurance certificate shall contain a provision stating that the insurer shall give Aera thirty (30) days prior written notice in the event of cancellation of the insurance.

d. Any and all deductibles in the above-described insurance policies shall be assumed by and for the account of King City, at King City's sole risk and expense.

13. Notices – All notices and communications required or permitted under this Agreement shall be in writing, delivered to or sent by U.S. Mail or a nationally recognized commercial courier service, postage or delivery charges prepaid, or by telecopy,

addressed as follows (or such other address as may be specified by ten (10) days prior written notice to the other Party):

Aera Energy LLC
Attention: Public Affairs Director
10000 Ming Avenue
Bakersfield, CA 93311

City of King City
Attention: City Manager
212 South Vanderhurst Ave.
King City, CA 93930

14. Entire Agreement – This Agreement constitutes the final, complete, and exclusive statement of the terms of the Agreement between the Parties pertaining to the subject matter hereof. It supersedes all prior and contemporaneous understandings or agreements between the Parties. Neither Party has been induced to enter into this Agreement by, nor is either Party relying on, any representation or warranty outside those expressly set forth in this Agreement. This Agreement can only be modified by an amendment in writing, signed by both Parties and approved by action of King City's City Council.

15. Parties in Interest – Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the Parties hereto and their respective successors and assigns. Nothing in this Agreement, whether express or implied, is intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action against either Party hereto.

16. Severability – If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.

17. Governing Law – The rights and obligations of the Parties and the interpretation and performance of this Agreement shall be governed by the laws of California, excluding its conflict of laws rules. The forum for any dispute between the Parties shall be the Superior Court of California, County of Kern, located in Bakersfield, California.

18. Assignment – This Agreement shall not be assigned or delegated by either Party without the other Party's prior written consent.

19. Further Assurances – Each party shall execute and deliver such papers, documents and instruments, and perform such acts as are necessary or appropriate, to implement the terms of this Agreement and the intent of the Parties hereto.

20. No Waiver of Default –The failure of either Party to enforce against the other Party any provision of this Agreement shall not constitute a waiver of that Party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Agreement.

21. Binding Effect – The rights and obligations of this Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective administrators, personal representatives, successors and assigns.

The Parties have executed this Agreement by the signatures of their authorized representatives effective the date indicated above.

King City	**Aera Energy LLC**
Signature:	Signature:
Name: Steve Adams	Name:
Title: City Manager	Title:
Date:	Date:

Exhibit A

Recognition –

1. Signage – Exclusive and prominent placement of the Aera Soccer Park, including visibly and clearly indicated at the Park entrance on Meyer St. Additional signs and locations to be considered.

2. Aera Soccer Park logo – Aera to develop logo and standards for park logo for use on printed, electronic and other materials in association with the park.

3. Donation announcement – King City and Aera to collaborate on announcing the donation to include recognition at King City City Council meeting, Monterey County Board of Supervisors meeting, press release from King City. Announcement to be included as part of city communication including website, social media posts and city publications as appropriate.

4. Park dedication – Community recognition as part of an official opening and dedication of the park. Event to include community youth sports groups, community leaders and residents as appropriate. King City and Aera to collaborate on the dedication, which should include a special event, press release from King City and inclusion in city communication including website, social media posts and city publications.

EXHIBIT 2

Post and Panel Sign: (1) one 56” x 90” Powdercoated Aluminum post and panel sign with custom shape dimensional logo and letters. Sign background to be fabricated from .125” thick Aluminum welded panfaces with powdercoated finish. Sign panels mounted to welded .125 wall square tube frame with powdercoated finish. Logo and letters fabricated from precision cut .375 aluminum with polyurethane paint finish. Letters and logo mounted to sign with threaded studs and locking nuts. 8“x8” sign posts set in 5,000 lb. concrete in 42” deep x 18” wide footings.

Cost: $7,850.00 installed plus sales tax

Please make changes noted above and send new proof X _____	APPROVED AS IS X _____

estimate

PLEASE INDICATE CHANGES OR APPROVE AND EITHER EMAIL BACK TO YOUR CONTACT, OR FAX TO: 805.792.7449

allsigns and graphics
2732 El Camino Real - Atascadero, CA 93422
voice: 805.792.7446 fax: 805.792.7449
www.allsignsandgraphics.com

Client:

City of King

The designs and concepts represented on any accompanying layout(s) are the exclusive copyrighted artwork of AllSigns and Graphics. They may not be reproduced in any form without written consent of AllSigns and Graphics. If reproduced or used without consent, a design fee will be charged and legal action may also be pursued.

KING CITY
CALIFORNIA

Item No. 11(B)

REPORT TO THE CITY COUNCIL

DATE: **NOVEMBER 26, 2019**

TO: **HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

FROM: **STEVEN ADAMS, CITY MANAGER**

RE: **CONSIDERATION OF ADJUSTMENTS TO CANNABIS TAX RATES**

RECOMMENDATION:

It is recommended the City Council: 1) adopt a Resolution reducing the tax rate for cannabis cultivation to $9.75 per square foot; and 2) adopt a Resolution increasing the tax rate for cannabis manufacturing and testing by CPI (3.9%) effective January 1, 2020.

BACKGROUND:

At the October 22, 2019 meeting, the City Council considered staff's analysis and recommendations regarding potential changes to existing cannabis business regulations. One of the items included an analysis and deliberation of tax rates.

The City's current tax rate for cultivation is $25 for the first 5,000 square feet and $10 per square foot above that. Nurseries are $5 per square foot for the first 5,000 square feet and $2.50 per square foot above that. Manufacturing and testing businesses are charged a flat annual fee of $30,000. Beginning January 2020, the original tax measure allows the City to apply an annual CPI increase to each tax rate.

The economics of cannabis businesses have changed due to the number of businesses, production versus demand, black market, and other factors. As a result, a number of jurisdictions have adjusted their tax rates in order to be more competitive in attracting cannabis businesses. The City has begun to receive requests from property owners and businesses to review King City's tax rates in order to help projects move forward that have either stalled of slowed significantly. As a result, staff reviewed rates from other jurisdictions, the financial impacts of potential changes, and obtained input from the City's

consultants and business representatives. Based on the results of this analysis, adjustments were recommended, and direction was provided by Council to proceed.

DISCUSSION:

A comparison of other tax rates indicates that King City's rates are competitive when compared statewide to the majority of cities, but most jurisdictions with similar tax ranges are experiencing similar slow progress in attracting successful businesses. Most of the current cannabis business activity is focused in county jurisdictions that have lowered their cultivation rates to the range of $5 to $10 per square foot. The review also indicated the City's manufacturing rate is low when compared to other jurisdictions, and the City has no established tax on cannabis distribution permits

The City's cannabis consultant has indicated that current production of cannabis cultivation exceeds demand. Therefore, they recommend setting rates based not on a comparison with other cities, but instead on the amount appropriate to help ensure ongoing success of local businesses. As a result, an immediate adjustment in cultivation rates may reduce initial revenue received from businesses in the process of development, but it will help ensure a more stable revenue level by reducing business failure as competition for the limited market increases. They recommend a cultivation tax rate in the range of $7 to $10 per square foot.

While staff believes a reduction in cultivation tax rates is necessary at this time, it is also recommended that increases in other areas that are low be concurrently implemented to make up for some of the reduction. The City is able to legally reduce tax rates by Council Resolution. Any increases will require another ballot measure except for the annual CPI adjustment.

The following tax rate changes were recommended:

1. Decrease the cannabis cultivation rate to approximately $10 per square foot;
2. If the Council decides to allow cannabis dispensaries, place on the November 2020 ballot a measure establishing a tax of approximately 5% of gross receipts, which is a rate comparable to most jurisdictions;
3. In January 2020, approve the CPI adjustment for the manufacturing rate;
4. If a measure is placed on the November ballot creating a dispensary tax, include an increase of the manufacturing rate to somewhere between $40,000 to $60,000 annually;

5. If a measure is placed on the November ballot creating a dispensary tax, create a new tax in the range of $15,000 to $30,000 for distribution permits; and
6. Place a measure on the November ballot to create a tax on hemp manufacturing in order to prevent loss of revenue from businesses that may convert from cannabis to hemp manufacturing.

The City Council directed staff to proceed with the immediate measures recommended and to return for additional discussion at a later date regarding changes involved with a tax ballot measure. At this time, staff is presenting a Resolution to implement the proposed decrease to the cultivation tax and a Resolution for the CPI increase to the manufacturing and testing tax rate. If approved, the changes will become effective on January 1, 2020.

It is recommended the CPI increase for the last full year be utilized to determine the increase for the manufacturing and testing rates. Therefore, the 2018 rate will be utilized for the 2020 increase. Next year, the 2019 rate will be used for 2021. The annual CPI for the San Francisco-Oakland-Hayward region, the closest regional rate available, was 3.9% in 2018. As a result the new tax rate for manufacturing testing facilities will be $31,170.

Mayor LeBarre recommended a cultivation tax rate below $10 per square foot be considered since it would provide a more competitive listing in tax comparisons that are published for potential businesses. Staff agrees that this would be a benefit as long as the rate is close to $10 per square foot. Therefore, a rate of $9.75 per square foot has been recommended and included in the Resolution.

COST ANALYSIS:

The initial cost impact will be an increase in annual cannabis tax revenue of approximately $2,340. It is hoped that it will help increase future revenue by encouraging proposed cannabis business projects to proceed.

ENVIRONMENTAL REVIEW:

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

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Adopt the Resolution;
2. Modify the proposed tax rate for cannabis cultivation and adopt the Resolution;
3. Do not adopt the Resolution and leave cannabis tax rates unchanged; or
4. Provide staff other direction.

Prepared and Approved by: _____
Steven Adams, City Manager

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING, CALIFORNIA, APPROVING A DECREASE IN THE COMMERCIAL CANNABIS CULTIVATION ANNUAL TAX RATE

WHEREAS, in November of 2016 a majority of voters within the City of King passed a tax measure governing commercial cannabis cultivation within the city limits; and

WHEREAS, effective January 1, 2017, the tax measure authorized the City of King to levying of an annual tax on commercial cannabis cultivation in the amount of twenty-five ($25.00) dollars for the first five thousand (5,000) square feet of cannabis cultivation canopy and then ten ($10.00) per square foot all remaining cannabis cultivation canopy; and

WHEREAS, on October 22, 2019, the City Council of the City of King provided staff with direction to prepare a Resolution authorizing a on time decrease in the commercial cannabis cultivation tax rate to nine dollars seventy-five cents ($9.75) per square foot for all cannabis cultivation canopy; and

WHEREAS, the City Council of the City of King now desires to authorizing a on time decrease in the commercial cannabis cultivation tax rate to nine dollars seventy-five cents ($9.75) per square foot for all cannabis cultivation canopy effective January 1, 2020.

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

Section 1. The foregoing recitals are true and correct and are incorporated by reference.

Section 2. The City Council hereby approves a decrease in the annual commercial cannabis cultivation tax rate from twenty-five ($25.00) dollars for the first five thousand (5,000) square feet of cannabis cultivation canopy and then ten ($10.00) per square foot all remaining cannabis cultivation canopy to nine dollars seventy-five cents ($9.75) per square foot for all cannabis cultivation canopy.

Section 3. The decrease in the annual commercial cannabis cultivation tax rate shall be effective January 1, 2020, and shall remain in effect until changed by resolution or ordinance of the City Council of the City of King.

Section 4. This Resolution shall be effective upon adoption.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of King at a regular meeting thereof held on the ____ day of _____, 2019 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

_____
STEVEN ADAMS, City Clerk

CITY OF KING

By: _____
MIKE LEBARRE, Mayor

APPROVED AS TO FORM:

By: _____
ROY C. SANTOS, City Attorney
Aleshire & Wynder, LLP

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

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING, CALIFORNIA, APPROVING AN ANNUAL INCREASE TO THE COMMERCIAL CANNABIS MANUFACTURING AND TESTING FACILITIES TAX BASED UPON THE CONSUMER PRICE INDEX FOR ALL URBAN CUSTOMERS IN THE SAN FRANCISCO-OAKLAND-SAN JOSE AREAS

WHEREAS, in November of 2016 a majority of voters within the City of King passed a tax measure governing commercial cannabis manufacturing and testing facilities within the city limits; and

WHEREAS, effective January 1, 2017, the tax measure authorized the City of King to levying of an annual tax on commercial cannabis manufacturing and testing facilities in the amount of $30,000.00 per year; and

WHEREAS, beginning on January 1, 2020, the tax measure authorized the City of King to increase the $30,000.00 annual tax rate on commercial cannabis manufacturing and testing facilities by utilizing the Consumer Price Index (CPI) for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the United States Government Bureau of Labor Statistics; and

WHEREAS, on October 22, 2019, the City Council of the City of King provided staff with direction to prepare a Resolution authorizing the City of King to add the CPI increase to the annual tax for commercial cannabis manufacturing and testing facilities within the city limits; and

WHEREAS, the City Council of the City of King now desires to apply the authorized CPI to the annual tax rate of $30,000.00 for commercial cannabis manufacturing and testing facilities beginning January 1, 2020.

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

Section 1. The foregoing recitals are true and correct and are incorporated by reference.

Section 2. The City Council hereby approves the application of an annual increase to commercial cannabis manufacturing and testing facilities annual tax rate of $30,000.00, up to the equivalent of the most recent change in the annual average of the Consumer Price Index (CPI) for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the United States Government Bureau of Labor Statistics. Pursuant to the CPI for all urban consumers in the San Francisco-Oakland-San Jose areas, the most recent change in the annual average percentage was 3.9%. As such, the new annual tax rate for manufacturing and testing facilities shall be $31,170.00.

Section 3. The annual adjustment based upon the CPI shall be effective January 1, 2020, and continue annually from thereon.

Section 4. This Resolution shall be effective upon adoption.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of King at a regular meeting thereof held on the ____ day of _____, 2019 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

_____
STEVEN ADAMS, City Clerk

CITY OF KING

By: _____
MIKE LEBARRE, Mayor

APPROVED AS TO FORM:

By: _____
ROY C. SANTOS, City Attorney
Aleshire & Wynder, LLP

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