



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL AGENDA

Mayor Dave Potter, Council Members Jeff Baron,
Karen Ferlito, Bobby Richards, and Carrie Theis
Contact: 831.620.2000 www.ci.carmel.ca.us

All meetings are held in the City Council Chambers
East Side of Monte Verde Street
Between Ocean and 7th Avenues

CITY COUNCIL SPECIAL MEETING Monday, October 3, 2022 4:00 PM

THIS MEETING IS VIA TELECONFERENCE ONLY

Governor Newsom's Executive Order N-29-20 has allowed local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. Also, see the Order by the Monterey County Public Health Officer issued March 17, 2020. The health and well-being of our community is the top priority for the City of Carmel-by-the-Sea.

To that end, this meeting will be held via teleconference and web-streamed on the City's website ONLY. Click the following link to attend via Zoom (or copy and paste link in your browser): <https://ci-carmel-ca-us.zoom.us/j/88131678486> Meeting ID: 881 3167 8486
Passcode: 994650 Dial in: (253) 215-8782

The public can also email comments to cityclerk@ci.carmel.ca.us. Comments must be received 2 hours before the meeting in order to be provided to the legislative body. Comments received after that time and up to the beginning of the meeting will be added to the agenda and made part of the record.

CALL TO ORDER AND ROLL CALL

OPEN SESSION

PUBLIC APPEARANCES

Members of the Public are invited to speak on any item that does not appear on the Agenda and that is within the subject matter jurisdiction of the City Council. The exception is a Closed Session agenda, where speakers may address the Council on those items before the Closed Session begins. Speakers are usually given three (3) minutes to speak on any item; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Applicants and appellants in land use matters are usually given more time to speak. If an individual wishes to submit written information, he or she may give it to the City Clerk. Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.

CONSENT AGENDA

Items on the consent agenda are routine in nature and do not require discussion or independent action. Members

of the Council, Board or Commission or the public may ask that any items be considered individually for purposes of Council, Board or Commission discussion and/ or for public comment. Unless that is done, one motion may be used to adopt all recommended actions.

1. Resolution 2022-087 of the City Council of the City Of Carmel-by-the-Sea Proclaiming the Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e)

CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1) --EXISTING LITIGATION
Name of case: GTE Mobilnet of California Limited Partnership, a California limited partnership d/b/a Verizon Wireless v. City of Carmel-by-the-Sea, et.al.
United States District Court (Northern District) Case No. 5:22-CV-00347-NC

ADJOURNMENT

This agenda was posted at City Hall, Monte Verde Street between Ocean Avenue and 7th Avenue, outside the Park Branch Library, NE corner of Mission Street and 6th Avenue, the Carmel-by-the-Sea Post Office, 5th Avenue between Dolores Street and San Carlos Street, and the City's webpage <http://www.ci.carmel.ca.us> in accordance with applicable legal requirements.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

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SPECIAL NOTICES TO PUBLIC

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CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 3, 2022
CONSENT AGENDA

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Brian Pierik, City Attorney
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Resolution 2022-087 of the City Council of the City Of Carmel-by-the-Sea Proclaiming the Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e)

RECOMMENDATION:

Adopt Resolution 2022-087 of the City Council of the City of Carmel-by-the-Sea proclaiming the continuing need to meet by teleconference pursuant to Government Code Section 54953 (e).

BACKGROUND/SUMMARY:

All meetings of the City of Carmel-by-the-Sea legislative bodies are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963).

Before COVID-19, Section 54953(b) of the Brown Act allowed for teleconferencing if the public agency complied with the following requirements:

1. At least a quorum of the members of the legislative body must participate from locations within the boundaries within the jurisdiction of the local agency.
2. An agenda shall be posted at all teleconference locations.
3. Each teleconference location shall be identified in the notice and agenda of the meeting.
4. Each teleconference location shall be accessible to the public.

AB 361 amended Government Code Section 54953 and authorizes a City to allow for modified teleconferencing rules, subject to the existence of certain requirements which are listed below in this Staff Report.

Government Code section 54953(e)(1) lists the circumstances under which a local agency may use such modified teleconferencing procedures, as follows:

- (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of

the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B) that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic.

The State of Emergency remains in effect and COVID-19 continues to threaten the health and lives of the public and the Delta variant is highly transmissible in indoor settings. In addition, breakthrough cases are becoming more common.

On September 22, 2021, the County of Monterey Health Department issued a Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies (see Attachment 1) which provides:

“The Monterey County Health Department continues to recommend that physical and social distancing strategies be practiced in Monterey County, which includes remote meetings of legislative bodies of local agencies, to the extent possible.

Monterey County continues to experience transmission of COVID-19 locally. Physical and social distancing is still an effective measure to reduce the spread of COVID-19, especially when combined with use of face coverings, frequent hand washing, staying home when ill, testing, and vaccination with U.S. Food and Drug Administration approved or authorized COVID-19 vaccines.

Remote meetings of legislative bodies allow for the virtual participation of agency staff, presenters, and community members in safer environments, with less risk of exposure to SARS-CoV-2, the virus that causes COVID-19.

The Monterey County Health Officer will continue to monitor local metrics and the necessity of this recommendation.”

Thus, meetings of the City Council and its legislative bodies may be held pursuant to the terms of Government Code Section 54953(e)(1)(A) so long as a proclaimed state of emergency continues and state or local officials continue to impose or recommend measures to promote social distancing.

If, for some reason, state or local officials discontinue imposing or recommending measures to promote social distancing, the proposed Resolution would also authorize teleconferencing under the rules of 54953(e) so long as a proclaimed state of emergency continues.

On October 4, 2021, the City Council adopted the initial Resolution No. 2021-057 authorized by AB 361 to allow for meetings of the City Council to be held telephonically.

Government Code Section 54953 (e) (3) provides that every 30 days after teleconferencing for the first time, and every 30 days thereafter, to continue teleconferencing the City Council must state that it has reconsidered the circumstances of the state of emergency and that either of the following circumstances exist: (1) The state of emergency continues to directly impact the ability of the members to meet safely in person or (2) State or local

officials continue to impose or recommend measures to promote social distancing. Currently, both of these circumstances continue to exist and, for that reason, the recommended action is for the City Council to adopt the attached Resolution of the City Council of the City of Carmel-by-the-Sea Proclaiming the Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e), Attachment 2 to this Staff Report.

This Resolution will authorize the City Council, and other legislative bodies of the City, to hold teleconference meetings within the requirements of AB 361, but does not prohibit the City from holding in person meetings in the future.

If the Resolution is adopted, then the City and its legislative bodies which hold teleconference meetings must follow the procedures set forth by AB 361, which include the following:

1. Notice of the meeting must still be given in compliance with the Brown Act, and the notice must include the means by which the public may access the meeting and provide public comment.
2. The public must be provided access to the meeting via a call-in option or internet-based service option and allowed to "address the legislative body directly." The agency does not have to provide an in-person option for the public to attend the meeting.
3. The meeting must be conducted "in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body."
4. If there is a disruption to the meeting broadcast or in the ability to take call-in or internet-based public comment, no further action can be taken on agenda items until the issue is resolved.
5. The body cannot require comments to be submitted before the start of the meeting. The public must be allowed to make "real time" public comment.
6. Reasonable time for public comment must be provided. If the agency provides a timed public comment period, the public comment period must be left open until the time expires.
7. All votes must be taken by roll call.
8. The legislative body must approve a resolution making findings every 30 days to continue to conduct teleconference meetings under AB 361. The body must find it has reconsidered the circumstances of the state of emergency and either 1) the emergency continues to impact the ability to meet safely in person, or 2) State or local officials continue to impose or recommend social distancing.

If the state of emergency ends or if the City Council decides to rescind the Resolution, then meetings of the City Council and other legislative bodies of the City must comply with the pre-COVID teleconferencing rules of 54953(b) described earlier in this Staff Report.

Without this Resolution, as noted, if a Council Member or a member of a City Board or Commission does not attend a meeting in person, then the agenda would need to be posted at the location of that person and the public would have access to that location. This Resolution (so long as Government Code Section 54953 allows) would provide flexibility to the Council, Board Members and Commissioners when meetings are held in person to attend remotely if they do not attend in person without the necessity of posting an agenda at their location and there would be no limit on the number (quorum must be physically present without this Resolution) of Council Members, Board Members and Commissioners who attend remotely. There are some public agencies in California which have adopted a Resolution authorized by AB 361 and use a "hybrid" method for attendance at meetings in which some members attend in person and other members attend remotely and the staff and public also can attend in person or remotely.

FISCAL IMPACT:

No direct fiscal impact for this action.

PRIOR CITY COUNCIL ACTION:

Adoption of Initial Resolution No.2021-057 on October 4, 2021 and continuing Resolutions at subsequent meetings of the City Council.

ATTACHMENTS:

Attachment 1) County of Monterey Health Department Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies issued September 22, 2021
Attachment 2) Resolution 2022-087



COUNTY OF MONTEREY HEALTH DEPARTMENT

Attachment 1

Elsa Mendoza Jimenez, Director of Health

Administration Animal Services Behavioral Health Clinic Services
Emergency Medical Services Environmental Health Public Administrator/Public Guardian Public Health

Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies

Issued: September 22, 2021

The Monterey County Health Department continues to recommend that physical and social distancing strategies be practiced in Monterey County, which includes remote meetings of legislative bodies of local agencies, to the extent possible.

Monterey County continues to experience transmission of COVID-19 locally. Physical and social distancing is still an effective measure to reduce the spread of COVID-19, especially when combined with use of face coverings, frequent hand washing, staying home when ill, testing, and vaccination with U.S. Food and Drug Administration approved or authorized COVID-19 vaccines.

Remote meetings of legislative bodies allow for the virtual participation of agency staff, presenters, and community members in safer environments, with less risk of exposure to SARS-CoV-2, the virus that causes COVID-19.

The Monterey County Health Officer will continue to monitor local metrics and the necessity of this recommendation.

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2022-087

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL- BY-THE-SEA
PROCLAIMING THE CONTINUING NEED TO MEET BY TELECONFERENCE PURSUANT TO
GOVERNMENT CODE SECTION 54953 (e)**

WHEREAS, all meetings of the City of Carmel-by-the-Sea legislative bodies are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963); and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic; and

WHEREAS, such State of Emergency remains in effect; and

WHEREAS, COVID-19 continues to threaten the health and lives of City of Carmel-by-the-Sea residents; and

WHEREAS, the Delta variant is highly transmissible in indoor settings; and

WHEREAS, breakthrough cases are becoming more common; and

WHEREAS, on October 4, 2021, the City Council adopted Resolution No. 2021-57 Proclaiming The Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e).

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Carmel-by-the-Sea that:

Section 1. Imminent Risk to Health and Safety. Due to COVID-19, holding City Council and other legislative body meetings in person will present imminent risk to the health and safety to attendees.

Section 2. Findings. The City Council has reconsidered the circumstances of the state of emergency and finds that: (1) The state of emergency continues to directly impact the ability of the members to meet safely in person and (2) The County of Monterey continues to recommend measures to promote social distancing.

Section 2. Compliance With Government Code Section 54953. The City Council and other legislative bodies will continue to meet by teleconference in accordance with Government Code section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days from the date of adoption of this Resolution, or (ii) such time the City Council adopts a subsequent resolution rescinding this Resolution.

Section 4. Future Resolutions. The City Council expressly reserves the right to adopt Resolutions more than 30 days after this date of adoption of this Resolution to authorize the City Council and other legislative bodies to continue to meet by teleconference in accordance with Government Code section 54953(e) provided that a State of Emergency exists as of the date of adoption of such Resolutions.

PASSED AND ADOPTED by the City Council of the City of Carmel-by-the-Sea this 4th day of October, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL AGENDA

Mayor Dave Potter, Council Members Jeff Baron,
Karen Ferlito, Bobby Richards, and Carrie Theis
Contact: 831.620.2000 www.ci.carmel.ca.us

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East Side of Monte Verde Street
Between Ocean and 7th Avenues

REGULAR MEETING Tuesday, October 4, 2022

THIS MEETING IS VIA TELECONFERENCE AND IN-PERSON AT CITY HALL. Governor Newsom's Executive Order N-29-20 has allowed local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body.

To that end, this meeting will be held via teleconference and in-person in the City Council Chambers at City Hall located on Monte Verde Street between Ocean and Seventh Avenue. To participate via teleconference click the following link to attend via Zoom (or copy and paste link in your browser): <https://ci-carmel-ca-us.zoom.us/j/81367162379> Meeting ID: 813 6716 2379 Passcode: 924438 Dial in: (253) 215-8782

To participate in this meeting in-person in the City Council Chambers, the public must show proof of vaccination (including virus booster) and wear a face covering at all times. Seating will be limited and available on a first come first served basis.

CALL TO ORDER AND ROLL CALL

CLOSED SESSION - 3:00 PM

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957
Title: City Administrator

- B. CONFERENCE WITH LABOR NEGOTIATORS – Government Code Section 54957.6
Agency designated representatives: Mayor Pro Tem Richards and City Attorney
Unrepresented employee: City Administrator

Tour Time - 3:30 PM

TOUR OF INSPECTION

Prior to calling the meeting to order, the Board/Commission will conduct an on-site tour of inspection of the

properties listed on the agenda and the public is welcome to join. After the tour is complete, the Board/Commission will begin the meeting in the City Council Chambers no earlier than the time noted on the agenda.

- A. Mills Act - Monte Verde Street 2 northeast of 9th Avenue, Block 94, Lot 18 (Strom and Miller)
- B. Mills Act - Southeast Corner of San Antonio Avenue and 4th Avenue Block HH, Lot 28 (Ludwick)
- C. Mills Act - Vizcaino Avenue 12 southwest of Mountain View Avenue, Block 102, Lot 12 & 13 (Prentiss)

OPEN SESSION

4:30 PM

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

EXTRAORDINARY BUSINESS

- A. Proclamation - Childhood Cancer Awareness Week
- B. Receive a presentation on street addresses to be discussed, and provide staff with direction
- C. Receive a presentation on the Traffic Congestion Reduction & Parking Management Program, and provide staff with direction

PUBLIC APPEARANCES

Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Appearances. Each person's comments shall be limited to 3 minutes, or as otherwise established by the Chair. Matters not appearing on the agenda will not receive action at this meeting and may be referred to staff. Persons are not required to provide their names, and it is helpful for speakers to state their names so they may be identified in the minutes of the meeting.

ANNOUNCEMENTS

- A. City Administrator Announcements
- B. City Attorney Announcements
- C. Council Member Announcements

CONSENT AGENDA

Items on the consent agenda are routine in nature and do not require discussion or independent action. Members of the Council, Board or Commission or the public may ask that any items be considered individually for purposes of Council, Board or Commission discussion and/ or for public comment. Unless that is done, one motion may be used to adopt all recommended actions.

1. August 1, 2022, Special Meeting Minutes, and September 13, 2022, Regular Meeting Minutes
2. August 2022 Monthly Reports
3. August 2022 Check Register Summary
4. Resolution 2022-088, awarding a Professional Services Agreement to Schaaf &

Wheeler to amend the City's Storm Drain Master Plan

5. Resolution 2022-089, waiving a bid irregularity and awarding a three-year, on-call Landscape Maintenance Services contract to Town & Country Gardening & Landscaping, with a not-to-exceed fee for Fiscal Year 2022/23 of \$140,000
6. Resolution 2022-090 authorizing the City Administrator to execute an agreement with Public Risk Innovation, Solutions, and Management (PRISM) risk management for the term of October 15, 2022 to June 30, 2023 in an amount not to exceed the \$50,000 approved in the FY22-23 budget
7. Resolution 2022-091 approving a supplemental budget appropriation to the Fiscal Year 2022-2023 Adopted budget for Discretionary Grants in the amount of \$1,000 for the Carmel High School Mock Trial Team

ORDERS OF BUSINESS

Orders of Business are agenda items that require City Council, Board or Commission discussion, debate, direction to staff, and/or action.

8. Resolution 2022-092 authorizing the City Administrator to execute a purchase agreement for the purchase of a One (1) Pierce Manufacturing, Inc. Enforcer 1500 GPM Pumper (*HGAC Consortium Purchase – Contract FS12-19, Product Code FS19VC07*) for a not to exceed in the amount of \$880,000
9. Receive a presentation on the 2022 editions of the California Building (CBC), Residential (CRC), Energy (CEnC), Fire (CFC), Mechanical (CMC), Plumbing (CPC), Electrical (CEC), Green Building Standards (CGBSC), Historic Building (HBC), and Existing Building Codes (EBC) with local amendments to be discussed, and provide staff with direction
10. Discussion regarding potential amendments to the City's Mills Act Contract policy
11. Discussion on amending the qualifications for the Historic Resources Board Members
12. Discussion on rescinding Urgency Ordinance 2022-002 - Adopting Rules of Conduct for attending meetings of Legislative Bodies at City Facilities

PUBLIC HEARINGS

13. Introduction of Ordinance No. 2022-003 (First Reading) - Amending Municipal Code Section 2.52.630 pertaining to eligibility for new hires to use accrued vacation leave in the first year of employment
14. MA 22-204 (Prentiss): Consideration of a recommendation from the Historic Resources Board to the City Council that the City enter into a Mills Act Historical Property Contract MA 22-204 (Prentiss) with Amanda S. Prentiss and Matthew J. Mermer for the historic "Marion Daniels Shand House" located at Vizcaino Avenue 12 southwest of Mountain View Avenue (APN 010-055-021)
15. MA 22-214 (Ludwick): Consideration of a recommendation from the Historic Resources Board to the City Council that the City enter into a Mills Act Historical Property Contract MA 22-214 (Ludwick) with Christopher & Adrienne Ludwick Trust for the historic "Frederick Ten Winkel House" located at the southeast corner of San Antonio Avenue and 4th Avenue (APN 010-253-018)

16. MA 22-254 (Strom & Miller): Consideration of a recommendation from the Historic Resources Board to the City Council that the City enter into a Mills Act Historical Property Contract MA 22-254 (Strom & Miller) with Nancy Strom and Gavin Miller for the historic “Enoch A. Lewis House” located at Monte Verde Street 2 northeast of 9th Avenue (APN 010-193-010)

FUTURE AGENDA ITEMS

ADJOURNMENT

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CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL
PROCLAMATION

A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
DECLARING OCTOBER 3-7, 2022 AS CHILDHOOD CANCER AWARENESS WEEK

WHEREAS, the American Cancer Fund for Children and Kids Cancer Connection report that cancer is the leading cause of death by disease among U.S. children between infancy and age 15. This tragic disease is detected in more than 16,000 of our country's young people each and every year; and

WHEREAS, one in five of our nation's children loses his or her battle with cancer. Many infants, children and teens will suffer from long-term effects of comprehensive treatment, including secondary cancers. An estimated 400,000 children and adolescents are diagnosed with cancer globally each year; and

WHEREAS, founded nearly 30 years ago by Steven Firestein, a member of the philanthropic Max Factor cosmetics family, the American Cancer Fund for Children, Inc. and Kids Cancer Connection, Inc. along with Lions Clubs International are dedicated to helping these children and their families; and

WHEREAS, the American Cancer Fund for Children and Kids Cancer Connection provide a variety of vital patient psychosocial services to children undergoing cancer treatment at Lucile Packard Children's Hospital Stanford, Community Hospital of the Monterey Peninsula - Montage Health, Cottage Children's Medical Center, Valley Children's Healthcare and Hospital, The City of Hope National Medical Center, as well as participating hospitals throughout the country, thereby enhancing the quality of life for these children and their families; and

WHEREAS, the American Cancer Fund for Children and Kids Cancer Connection also sponsor toy distributions, family sailing programs, pet-assisted therapy, Laughternoon - Laughter is Healing, KCC Supercar Experience, positive appearance programs, educational programs and hospital celebrations in honor of a child's determination and bravery to fight the battle against childhood cancer.

NOW, THEREFORE, BE IT PROCLAIMED THAT I, Dave Potter, Mayor of the City of Carmel-by-the-Sea, on behalf of the City Council and the citizens of Carmel hereby declare October 3rd through 7th, 2022, as Childhood Cancer Awareness Week.

David Potter, Mayor



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
EXTRAORDINARY BUSINESS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Maxine Gullo, Ass't. City Administrator

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Receive a presentation on street addresses to be discussed, and provide staff with direction

RECOMMENDATION:

Receive a presentation on street addresses to be discussed, and provide staff with direction.

BACKGROUND/SUMMARY:

In its 106-year history, Carmel-by-the-Sea has not implemented a formal street address system. Tradition and preservation of the City's charm, unique look, and culture have been at the forefront of its governing body and residents' preference in the past to reject implementing a street addressing system have maintained the absence of house street numbers until this day. Based on community feedback and the placement of street addresses on City Council's 2022-2023 priority project list, City staff presents historical context, residents' and Council's approach in consideration of street addresses in the past, and reasons to reconsider the issue with changing times. At-home mail delivery for all residents in Carmel-by-the-Sea by the US Postal Service is not an action City staff will advocate for or pursue with the possible implementation of street addresses. City staff has established a line of communication with the Carmel Postmaster and plans to continue the discussion and communication of the City's hardline stand of not wanting at-home mail delivery for Carmel-by-the-Sea and maintaining the downtown post office open and operational.

As times change, as financial institutions change their requirements for filing paperwork, as the COVID-19 pandemic spurred a turn to online ordering and delivery of essential necessities, the notion of exploring a street address system has made its way to the City Council's 2022-2023 priority project list. The reasoning behind making this a priority item comes from the changing times and residents expressing difficulties in opening or maintaining financial accounts, securing loans, activating or changing basic utilities like wireless internet, having packages delivered to the correct house, or being "findable" in an emergency as a matter of public safety. Carmel-by-the-Sea residents provide new neighbors with workarounds and look out for each other's packages when a new UPS or FedEx driver accidentally delivers a package to the wrong house. The current descriptive address system, the use of unique house "names" on a sign outside of residents' houses, and use of the US Post Office's physical address for vendors that do not ship to PO Boxes can prove to be efficient and straightforward to many Carmel-by-the-Sea residents. The City's proposal of

exploring the idea of street addresses for its one square mile is rooted in listening to residents who have exhausted the workarounds and expressed the need to be findable in emergencies, to have an address to which they can reliably receive packages containing medical necessities, and maintain financial affairs in order.

The City administration recognizes the topics of implementing street addresses and at-home mail delivery as two separate issues with the intention of exclusively exploring consideration of the former. The local post office has a long history in Carmel-by-the-Sea as being a local hub to where residents can make a daily visit to check their PO boxes, pick up packages from the friendly faces at the counter who many residents know by name, and catch up with other neighbors making the visit that day. Carmel-by-the-Sea's downtown post office is one of about 4,400 independent post offices in the United States that do not have carrier delivery and not a status the City wants to change.^[1] City staff plans to have a direct line of communication with Carmel's Postmaster, J.R. Valeriano, in continuing communication of the City's hardline stand of not wanting at-home mail delivery for Carmel-by-the-Sea and maintaining the downtown post office open and operational.

Priorities in exploring a street address development process would include the following:

- Ensuring and maintaining the downtown post office in operation.
- Clear stand against implementing at-home mail delivery.
- Consideration of street address signs would be subject to specifically developed design standards.

Additionally, there is the possible consideration of implementing street addresses solely for purpose of being findable on a map or GPS device without exterior display of house numbers, a choice for residents to decide, or approaching the system with the expectation of design standards-approved street number signs outside every house and building in Carmel-by-the-Sea.

With the presentation of its preliminary research, City staff looks for direction from City Council to begin exploring a street address implementation process or maintain the status quo.

[1] Patricia Lee Brown, "Fighting for a Carrier-Free Zone," *The New York Times*, September 6, 2000.

FISCAL IMPACT:

N/A

PRIOR CITY COUNCIL ACTION:

ATTACHMENTS:

Attachment 1) Street Addresses White Paper

**ADMINISTRATION DEPARTMENT
CITY OF CARMEL-BY-THE-SEA**

TO: Chip Rerig, City Administrator and Maxine Gullo, Assistant City Administrator

FROM: Emily Garay, Administrative Analyst

DATE: September 16, 2022

SUBJECT: Street Addresses in the City of Carmel-by-the-Sea

SUMMARY

In its 106-year history, Carmel-by-the-Sea has not implemented a formal street address system. Tradition and preservation of the City's charm, unique look, and culture have been at the forefront of its governing body and residents' preference in the past to reject implementing a street addressing system have maintained the absence of house street numbers until this day. Based on community feedback and the placement of street addresses on City Council's 2022-2023 priority project list, City staff presents historical context, residents' and Council's approach in consideration of street addresses in the past, and reasons to reconsider the issue out of contemporary necessity. With the presentation of its preliminary research, City staff looks for direction from City Council on how to proceed with the topic of street addresses in Carmel-by-the-Sea.

BRIEF HISTORY TIMELINE

- 1888** Santiago Duckworth begins promoting "Carmel City" as a (Catholic) retreat
- 1892** Santiago Duckworth works with Abbie Jane Hunter to promote Carmel-by-the-Sea
- 1902** Partners J. Franklin Devendorf and Frank Powers form the Carmel Development Company and begin to develop Carmel-by-the-Sea
- 1904** The City gets its first Post Office; L.S. Slevin becomes the first Postmaster of Carmel-by-the-Sea; **A.F. Horn** was the first mail-carrier between Carmel and Monterey
- 1916** City of Carmel-by-the-Sea was incorporated
- 1925** Postmaster asks for houses to be numbered
- 1925** Citizens form resolution against houses being numbered
- 1925** Trustees direct house numbering map to be prepared
- 1926** Trustees pass house numbering ordinance (Ord. 68)
- 1926** Postal inspector rejects idea of home mail delivery in Carmel
- 1940** House number ordinance repealed (by Ord. 228)
- 1953** Council protests potential state bill for house numbers
- 1953** Carmel threatens to secede from the state of California when the state considered insisting on house numbers in every community
- 2000** Council receives staff report and votes to table discussion on street delivery
- 2021** Council and staff discuss the need to start discussion and process related to assigning addresses

BACKGROUND

Carmel's Beginnings

In 1888, Santiago J. Duckworth acquired 324 acres from landowner Honor Escolle with the intention of developing Carmel City into a Catholic summer retreat.¹ Duckworth had the land surveyed by Monterey city engineer, W.C. Little and a map of the City was filed in May of 1888.² Little's map divided 135 blocks into four tracks and Duckworth began advertising lots for sale in July of 1888 for \$20.00 and \$25.00 for corner lots.³ Working with San Francisco businesswoman Abbie Jane Hunter, Duckworth continued advertising the lots for sale and in 1892 Hunter mailed promotional postcards advertising the City as "Carmel-by-the-Sea" for the first time.⁴ By late 1892, Duckworth prioritized his political aspirations and consequently ending his involvement with the promotion and development Carmel-by-the-Sea.

Carmel Development Company

In 1901, "two far-seeing idealistic men", James Franklin Devendorf and Frank Powers arrived in Carmel City and soon purchased Escolle and Duckworth's land holdings in the City.⁵ The pair founded the Carmel Development Company in 1902, with Powers providing financial backing and legal work and Devendorf managing the company and development of the land.⁶ They were "lovers of natural beauty and it meant more to them to get settlers who were interested in its preservation than to seek profitable expansion."⁷ Devendorf and Powers envisioned a unique community next to the Pacific Ocean, "a seaside town on Carmel Beach in the pine forest alongside Carmel Mission."⁸

Devendorf and Powers have long been considered the visionaries that developed the land in Carmel-by-the-Sea and along with it built a unique make up of residents with a penchant for the outdoors and community involvement. They sought to bring in residents "of small means who were interested in the arts", the makeup of the residency was integral to Devendorf's vision, so much so that the company sold lots for "nothing down, pay-when-you-can" to artists and performers wanting to live in Carmel-by-the-Sea.⁹ After a devastating earthquake and fire in San Francisco "left a group of artists, writers, and musicians homeless...many of them decided to settle in Carmel...their coming was set the future for the development of Carmel as a cultural

¹ "Carmel-by-the-Sea Historically Speaking...," *Game & Gossip Magazine*, December 7, 1966, 8-10.

² Ibid.

³ Ibid.

⁴ Harold Gilliam, Ann Gilliam, *Creating Carmel: The Enduring Vision*, (Salt Lake City: Peregrine Smith Books, 1992) 16, 185-186.

⁵ "Unlike Most Subdivisions – Carmel Was Not Started as a Place to Make Money," *Monterey Peninsula Herald*, August 27, 1949.

⁶ Harold Gilliam, Ann Gilliam, *Creating Carmel: The Enduring Vision*, (Salt Lake City: Peregrine Smith Books, 1992) 16, 185-186.

⁷ "Unlike Most Subdivisions – Carmel was Not started as a Place to Make Money," *Monterey Peninsula Herald*, August 27, 1949.

⁸ James Franklin Devendorf to School Teachers of California and other Brain workers at in-door employment, Carmel-by-the-Sea, May 21, 1903.

⁹ "First Subdivision Map for Carmel Filed in 1902," *Monterey Peninsula Herald*, June 1, 1970.

community inhabited by persons of vision who wished to preserve the natural beauty of their surroundings and the unique charm of a village in a forest above a white sand beach.”¹⁰

City of Carmel-by-the-Sea

The City of Carmel-by-the-Sea was incorporated in 1916, the same year voters chose members of the City’s first governing body.¹¹ That first governing body focused on framing laws to protect the new City of Carmel-by-the-Sea with special attention to the protection of City trees.¹² Political and cultural battles between residents and a growing business presence were common for years, the need to preserve the culture and character of Carmel-by-the-Sea was a driving motivation for residents and elected trustees. In 1929, a zoning law was passed stating that “business development should forever be subordinate to the residential character of the community,” still a concept today guarded deeply by residents and the City’s governing body.¹³ The uniqueness and charm of Carmel has been credited to resident and its governing body for preserving that vision of a town in a pine forest, after incorporation there was the notion that “Carmel belonged to the people...it was theirs to develop as they saw fit” with some wanting to keep Carmel “a simple village with as few earmarks of a city as possible.”¹⁴ The concept of preserving the City’s character, with that 1929 ordinance, can be lauded as the impetus for Carmel keeping residential streets free of sidewalks, street lights, no “high rise buildings to mar the outline of these pines against the sky,” forbidding of neon signs, and no street addresses or mailboxes lining the streets.¹⁵

Street Addresses

Walking down almost any street within the one-square-mile of Carmel-by-the-Sea something becomes obvious, there are no street addresses. There are no numbers on the exterior walls of houses, no displayed numbering system identifying a particular house or building. The absence of street addresses is perhaps more obvious when one attempts to have their GPS route their car to a particular house or building in Carmel-by-the-Sea. Modern GPS systems do not recognize the “descriptive” street addresses that Carmel-by-the-Sea residents use to identify their house; a mobile phone or car’s GPS will not recognize “Monte Verde 3 SE of Ocean”. Even though GPS devices do not recognize the descriptive street addresses residents use, residents and business owners often use signs to make their house or building identifiable by someone on the street. The signs in front of houses with a particular phrase, “name” of the house, or residents’ last names are also something that becomes obvious to anyone walking a residential street in Carmel-by-the-Sea. The topic of the City adopting a formal addressing system has been considered before and met with varying degrees of opinions, such as former mayor and trustee Perry Newberry

¹⁰ Marjory Lloyd, “The History of Carmel,” *The Carmel Pine Cone*, February 3, 1975.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Carol Card, “Memory Lane Through The Years With Ocean Avenue,” *The Carmel Pine Cone*, April 8, 1949.

¹⁵ Marjory Lloyd, “The History of Carmel,” *The Carmel Pine Cone*, February 3, 1975.

("arguably [Carmel's] best known, and certainly most outspoken, citizen") firmly against numbering houses and keeping Carmel-by-the-Sea "different from every other small town."¹⁶¹⁷

Throughout its history in consideration of street addresses Carmel-by-the-Sea residents and its governing body have responded with varied support or opposition to implementing street addresses. In 1926, City trustees passed an ordinance for house numbering of Carmel-by-the-Sea properties.¹⁸¹⁹ The ordinance made it unlawful for the owner of any real property in the City to "maintain any house, building, or structure...without posting securely...visible to passerby...a number plate showing in legible figures the number of said premises."²⁰ The ordinance was passed by a unanimous vote but the City did not implement or enforce the posting of house numbers, in 1940 the house number ordinance was officially repealed.²¹ In 2002, when the issue of mail delivery was at the center of attention, Council Member Barbara Livingston advocated to pass an ordinance to "specifically ban street addresses."²² In its 106 year history, Carmel-by-the-Sea has not assigned or displayed street addresses, it is one of the more unique attributes of the City that has been considered for discussion throughout the years. The issue of street addresses was brought up again in the July 2021 City Council meeting with Council Members stating a "need to start the discussion and process relating to assigning addresses."²³

Carmel-the-Sea has not always been alone in not implementing street addresses after seemingly most of the country adopted a numbering address system. Until the early 2000's, some rural towns in West Virginia remained without street addresses with a house numbering system only instituted in 2001 based in the concept of security and referred to as the "911 addressing system."²⁴ In places like McDowell County, West Virginia, residents picked up their mail at the local post office and had Amazon packages delivered to City Hall or the local bank.²⁵ Unsurprisingly, not everyone wanted a house number assigned to their property, some residents expressed not necessarily wanting to be "found" or that they did not mind their current workarounds in not having a street address as it had become a part of everyday life.²⁶ The need to be findable in emergencies proved a crucial aspect in implementing a house numbering system with accounts of firefighters' "chaotic attempts to locate frantic callers who can't give an address."²⁷

¹⁶ Neal Hotelling, "Perry Newberry's final editorial is unfinished," *The Carmel Pine Cone*, February 14, 2020.

¹⁷ Neal Hotelling, "For a successful, thoroughly modern city, don't vote for Perry," *The Carmel Pine Cone*, February 7, 2020.

¹⁸ Carmel-by-the-Sea, Cal., Ord. 68.

¹⁹ Ordinance 68 stated, "house numbering system for the City of Carmel-by-the-Sea is hereby adopted as and for the house-numbering Map Book of said City."

²⁰ Carmel-by-the-Sea, Cal., Ord. 68 §2.

²¹ Carmel-by-the-Sea, Cal., Ord. 228.

²² Kevin Howe, "Carmel Residents Adapt to Mail Delivery," *The Carmel Pine Cone*, March 29, 2002.

²³ Carmel-by-the-Sea City Council Regular Meeting, July 6, 2021.

²⁴ Anton Tantner, *House Numbers* (London: Reaktion Books, 2005), 28.

²⁵ Deirdre Mask, "Where the Streets Have No Name," *The Atlantic*, January/February 2013.

²⁶ Ibid.

²⁷ Ibid.

Consideration for Street Addresses

As times change, as financial and governmental institutions change their requirements for filing paperwork, as the COVID-19 pandemic spurred a turn to online ordering and delivery of essential necessities, the notion of exploring a street address system has made its way to the City Council's 2022-2023 priority project list. The reasoning behind making this a priority item comes from the changing times and residents expressing difficulties in opening or maintaining financial accounts, securing loans, obtaining a REAL ID Driver's license or passport, activating or changing basic utilities like wireless internet, having packages delivered to the correct house, or being "findable" in an emergency as a matter of public safety. Some Carmel-by-the-Sea residents have expressed frustration with the difficulty in establishing financial accounts or records without a traditional street address to provide to financial institutions who will not accept a PO Box as the address on record. Increased due diligence requirements for United States financial institutions post 9/11 have affected the information financial institutions are required to collect.²⁸ Staying in compliance with federal law requires banks to "collect and verify customer-provided information, such as birth dates, addresses and copies of drivers' licenses or passports."²⁹³⁰ For matters not involving financial records requirements, Carmel-by-the-Sea residents provide new neighbors with workarounds and look out for each other's packages when a new UPS or FedEx driver accidentally delivers a package to the wrong house. The current descriptive address system, the use of unique house "names" on a sign outside of residents' houses, and use of the US Post Office's physical address for vendors that do not ship to PO Boxes can prove to be efficient and straightforward to many Carmel-by-the-Sea residents. The City's proposal of exploring the idea of street addresses for its one square mile is rooted in listening to residents who have exhausted the workarounds and expressed the need to be findable in emergencies, to have an address to which they can reliably receive packages containing medical necessities, and maintain financial affairs in order.

Exploring Street Addresses for Carmel-by-the-Sea, What It Means for the Local Post Office

The City administration recognizes the topics of implementing street addresses and at-home mail delivery as two separate issues with the intention of exclusively exploring consideration of the former. At-home mail delivery for all residents in Carmel-by-the-Sea by the US Postal Service is not an action City staff will advocate for or pursue with the possible implementation of street addresses. The local post office has a long history in Carmel-by-the-Sea as being a local hub to where residents can make a daily visit to check their PO boxes, pick up packages from the friendly faces at the counter who many residents know by name, and catch up with other neighbors making the visit that day. Carmel-by-the-Sea's downtown post office is one of about 4,400 independent post offices in the United States that do not have carrier delivery and not a status the City wants to change.³¹ City staff has established a line of communication with the Carmel Postmaster and plans to continue the discussion and communication of the City's hardline stand

²⁸ Richard Newman, "9/11 and Patriot Act Changed the Way You Bank", APP, September 8, 2016, <https://www.app.com/story/money/business/main-street/2016/09/08/911-patriot-act-banks/90003828/>.

²⁹ Ibid.

³⁰ Section 312 and Section 326 of the USA PATRIOT Act required financial institutions to establish heightened due diligence and verification of identification procedures.

³¹ Patricia Lee Brown, "Fighting for a Carrier-Free Zone," *The New York Times*, September 6, 2000.

of not wanting at-home mail delivery for Carmel-by-the-Sea and maintaining the downtown post office open and operational.

Tradition Considered in Street Address Project Exploration

Since Duckworth's arrival and later Devendorf and Powers' visionary development of the City of Carmel-by-the-Sea, the absence of street addresses has been intentional. Throughout its 106-year history, the City and its resident have expressed a sense of pride in the idiosyncrasies that make Carmel-by-the-Sea unique and unlike any other, at the center is often the storied absence of street addresses within the City limits. Changing the longstanding tradition is not an idea to take lightly as plenty of Carmel-by-the-Sea residents have expressed in the past, stating "we don't like numbers on our homes, neon signs, and we like to get our mail at the post office."³² With attention to tradition, the challenges that come with the absence of street addresses should be weighed against the changing world and the need for street addresses for ease-of-access to essential necessities and public safety issues identified by Carmel-by-the-Sea residents.

FUTURE CONSIDERATIONS

Priorities in exploring a street address development process would include ensuring and maintaining the downtown post office in operation, a clear stand against implementing at-home mail delivery, and any consideration of street address signs would be subject to specifically developed design standards. Additionally, there is the possible consideration of implementing street addresses solely for purpose of being findable on a map or GPS device without exterior display of house numbers, a choice for residents to decide, or approaching the system with the expectation of design standards-approved street number signs outside every house and building in Carmel-by-the-Sea. At Council's direction, City staff can meet with the Carmel Postmaster, research different options for a street address program, including non-traditional systems of street addressing such as Google Plus codes or varying alpha numeric addressing systems. The implementation of street addresses has been considered by City Council before and with a wide spectrum of opinions on the topic, City staff looks to Council for direction to begin exploring a street address implementation process or maintain the status quo.

³² Frank Bruno, "Whither the Carmel post office?," *The Carmel Pine Cone*, July 5, 1973.



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
EXTRAORDINARY BUSINESS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Chip Rerig, City Administrator
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Receive a presentation on the Traffic Congestion Reduction & Parking Management Program, and provide staff with direction

RECOMMENDATION:

Receive a presentation on the Traffic Congestion Reduction & Parking Management Program, and provide staff with direction.

BACKGROUND/SUMMARY:

BACKGROUND

Carmel-by-the-Sea, like many other premiere destinations, struggles to balance tourism access and the needs of permanent residents. This balance includes traffic congestion challenges and providing sufficient short term parking options. Public discourse on traffic congestion, parking, and the effects of tourism on the long-standing ideal of maintaining residential character is a recurring theme dating back many decades. Major parking-related inflection points during the last 10 years include:

- March, 2021: City Council defined traffic congestion and parking a City priority
- December, 2014 to July, 2015: Pilot kiosk deployment on Ocean between Junipero and Monte Verde.
- November, 2013: Walker parking study (built upon a similar 1999 Walker Study)

DISCUSSION

This section outlines key aspects of the issues which may be of value for the City Council to lead the community forward. To be certain, traffic congestion and parking is controversial, complex, and difficult to address given strong community feelings. Previous actions to influence change have been short-lived followed by long periods of time where traffic congestion and limited parking is re-acknowledged as a serious issue. Particularly in the last decade, gradually increasing awareness and a sense of responsibility for the environment adds more weight to the need to do something.

Traffic Congestion and Its Relationship to Limited Parking

Limited parking and parking time limits adds to vehicle movement and congestion within the business district in two major ways:

- (1) Those arriving in the area must circle the area near their destination in an effort to find a parking space. While differing by day and time, circling the area in search of a parking space for 10 or more minutes is not unusual.
- (2) Parking time limits require visitors and business employees/owners to frequently move their car to avoid time violations. Moving a parked car often involves making numerous passes in the business district before finding a new parking place.

Effects on Residents, Visitors and Businesses

Traffic congestion and accompanying air/noise pollution directly negatively impacts quality of life and Carmel's historic residential village character. The parking/quality of life balance has been explored numerous times, as outlined in this report.

In each prior analysis, some in the business community have opposed paid parking, citing inconvenience to potential customers and the economic impact of visitors shortening visits based upon the existence of paid parking. Conversely, prospective customers have indicated that the search for finding parking (especially on weekends) has motivated selection of another shopping/dining destination. Feedback indicates residents also frequently avoid the business district, because it is impacted by traffic congestion and parking challenges. Parking access and related traffic generates congestion and impacts pedestrian and bicyclist safety.

As paid parking options are adopted, it is possible some visitors may decide to shop elsewhere, to avoid the cost of parking. However, this small set of visitors would likely be offset by residents and visitors encouraged by additional parking availability. The current 2-hour time parking limitation, albeit free, currently negatively impacts local businesses when residents and visiting customers manage their downtown experience within two-hour blocks of parking access. There are viable options, that have worked successfully for other jurisdictions. For example, smart phone options allow payment for additional time when needed to facilitate pleasant, worry-free shopping or dining.

Pay for parking can be linked with a resident permit program to allow Carmel residents free and convenient parking in pay-by-app areas utilizing a license plate registration process. We anticipate this will encourage residents to experience downtown without the current parking limitations.

Finally, a comprehensive management program that includes paid parking in the business district could provide an option for employee parking, which also impacts visitor and resident "drive around time" when employees reposition vehicles every two hours to avoid citation.

2014/15 Parking Experiment

Paid parking on Ocean Avenue, adopted in 2014, positively impacted availability. However, the program also generated "spillover" impacts in nearby free parking areas. While staff indicated the program met stated goals, community outcry, mostly regarding appearance of paid parking kiosks, led the City to abandon this paid parking initiative.

As an alternative to paid parking, some business leaders committed to self-monitoring employees parking impacts. Anecdotal evidence indicates this has not positively impacted parking availability. Additionally,

some have suggested employees, who repeatedly exceed the two-hour limitation should be more severely impacted with higher fines and fees. Differentiating the use of a public parking space is legally and operationally challenging.

Community sentiment and program details about the 2014/15 parking program, is best derived by reading the following Carmel Pine Cone Articles and Editorials (ATTACHMENT 1):

- “Parking Workshop Set for Thursday” (10/17/2014)
- “Paid Parking Kiosks to Arrive on Ocean Avenue” (11/14/2014)
- “Metered Parking to Go Live Dec. 1” (11/28/2014)
- “Give the Kiosks a Chance” (Editorial, 11/28/2014)
- “Ambassadors Hit the Streets as Paid Parking Begins” (12/5/2014)
- “Paid Parking now Starts at 10 a.m.” (1/23/2015)
- “More Free Parking on Ocean Avenue for Residents” (4/10/2015)
- “You can have your own opinions, but...” (Editorial, 5/1/2015)
- “Chief: Parking Vouchers are not for Workers” (5/15/2015)
- “Paid Parking a Success, Chief will Tell Workshop Wednesday” (6/19/2015)
- “Paid Parking Results Don’t Sway Vocal Opponents” (6/26/2015)
- “Parking kiosks on the way out” (7/3/2015)
- “No Need to Go Back to Square One” (Editorial, 7/3/2015)
- “Council Wants Parking Kiosks Gone by Aug. 1” (7/10/2015)
- “Kiosks gone, two-hour limit back on Ocean” (7/31/2015)

Community and operational concerns with the 2014/15 Parking Program

While the City’s previous attempt to address parking and traffic flow in the downtown was based upon thoughtful analysis and deliberation, it ultimately was abandoned for the reasons outlined herein. Evaluating past experiences should be considered when developing new parking options.

Review of local news and letters to the editor regarding the 2014/2015 Ocean Avenue program points to a few key issues which likely led to the failure of the program.

First, the number (one per block), aesthetics, and visual impact of parking payment kiosks did not meet the needs of many residents. However, as discussed in one editorial, residents might be inclined criticize appearance as a reason to oppose the program when a more visceral concern was actually paying for a community asset that was formerly offered at no cost.

Second, critics cited the inconvenience of making payment expressed primarily by business leaders who were concerned potential patrons would go elsewhere to avoid this inconvenience.

Third, people in opposition cited the “Carmel way” or keeping with tradition where locals guard and protect the quaint residential village feel. Some felt paid parking and its accompanying kiosks or meters serve to symbolize the opposite.

Fourth, late recognition of need to “take care” of employees, locals, and businesses. Rather deep into the Ocean Avenue rollout, the City made adjustments to time restrictions (for permit holders), expanded free parking areas, and offering businesses free parking vouchers. These efforts appear to have been adopted too late as momentum against the overall program had already taken root.

Fifth, the timing of the rollout was problematic. Adding paid parking as the business district entered the

holiday season introduced extra complexity. Perhaps starting during a lower use period would have made some small difference.

Lastly, there were instances where the “if it isn’t broke, don’t fix it” perspective was expressed by those dissatisfied with paid parking. Here, it appears as though some in the community have concluded that finding a parking space and traffic congestion is not a problem. This is an understandable perspective, especially among locals who choose to venture into the business district only during low-use times or not at all. Businesses which are doing well, are also understandably inclined to not want change for fear of some unknown financial impact.

Walker Studies (summarization)

In 1999 and again in 2013, the City hired Walker Parking Consultants to conduct parking studies in the business district area (ATTACHMENTS 2 AND 3). The information from both studies is consistent, for example both studies describe:

- On-street parking in the business district has very high occupancy leading to visitor frustration
- Employees and business owners adding to the high occupancy and thereby exacerbate the problem
- Comparison cities and their rates/policies

The 1999 report includes extensive revenue projection data (total revenue of over \$2 million) and this information is not included in the 2013 report.

Key quotes from the 2013 study:

Parking challenges are more of an issue of imbalance of parking demand rather than a shortage of spaces.

The overall, peak occupancy rate of the parking system in Downtown Carmel is among the highest we have observed...throughout California.

While the aesthetic requirements of the City may make the implementation of paid parking more challenging than in other cities, new technologies could help mitigate the impact.

Current parking occupancy conditions suggests that during busy periods, visitors are likely to have difficulty in finding an available parking space...resulting in a significant amount of traffic generated by visitors not driving to their destination but instead searching for an on-street parking space.

Based on our studies and experience, implementation of paid parking would reduce visitor frustration and traffic congestion.

During the busiest times in Carmel’s business district, a significant number of the parking spaces specifically designed for use by visitors are likely occupied by employees.

Having a significant number of visitor spaces occupied by long-term parkers is a common and vexing problem for popular commercial districts in California that attempt to manage parking demand solely using time restrictions.

The biggest issue is not a lack of parking spaces but an uneven distribution of the demand for parking spaces between on-street spaces (for which there is high demand) and off-street spaces (for which there is lower demand).

Despite frequent perceptions to the contrary, paid parking should be viewed as the most efficient way, and usually the only efficient way, to manage and allocate parking demand.

Parking data (source: 2013 Walker Report)

Spaces by Location and Control (in Business District)	Spaces	% Total
On Street	1511	78%
Off-Street City Controlled*	312	16%
Off-Street Private (but available to the public)**	106	5%

*Includes Vista Lobos, Sunset Center, City Hall, Harrison Park Branch Library, and Post Office parking lots

**Carmel Plaza

The 1,511 on-street parking spaces break down as follows:

- 794 2-hour spaces
- 506 spaces with no limit
- 128 30-minute spaces
- 26 loading spaces
- 39 other spaces (e.g., library patrons, ADA spaces, buses, etc.)

The City Administrator, Police Chief, and Planning Director have reviewed the Walker Reports and concur there is no reason to update or conduct another parking study. The reason for this assertion: current economic data suggests that the amount of visitors has remained strong and, functionally, the streets, number of businesses, traffic patterns, etc., have remained the same. The only change is an increase in amount of visitors. Lastly, funding another study would represent a waste of public money when the outcome of such a study is already known by staff and community leaders.

Reasons to Reengage

In the nearly eight years since the abandoned paid parking experiment of 2014/15, the problems associated with traffic congestion and limited parking in prime parking areas have continued to negatively impact the community. While definitely a “hot button” issue, sure to evoke strong feelings, enough time has passed to reflect on past program shortcomings, consider how technological advances might be able to help, and make changes to better address the criticisms of the past.

A continuing theme, lasting decades, has included the cat-and-mouse game used by employees to park in the free and convenient on-street parking. As described in the Walker report, enforcement of limited time zones is “vexing” for many communities. Employees running to their car to move when a parking enforcement officer “rounds the corner” is now common. Actual, results-oriented control of the employee parking problem by well-meaning business management is inconsistent at best. Business leaders have little ability to actually verify if an employee is parked properly or just parked in front of another nearby business.

The overarching problem with the 2014/15 parking program centered on kiosks and their mismatch with our aesthetics. New technology is smaller and may allow for many fewer or zero kiosks. In 2014, the pay-by-phone option required a cumbersome app download. Now, no download is needed. Current and proven technology allows for motorists to simply take a picture of a “Q code” and then be taken to a web

connection where parking duration, license plate, and payment is accomplished. With COVID, touchless food ordering via a Q-Code was commonplace. Society is now much more accustomed with this concept and paying for parking can now be accomplished in the same way.

Technology also now allows for local businesses or innkeepers, who are concerned about convenience for their VIP customers, to enter and pay for parking on their customer's behalf—all they will need is a license number.

CITY COUNCIL DIRECTION - NEXT STEPS

In response to the current City Council priorities, staff needs clarification in the form of consensus for next steps.

Question 1: Timing of community outreach

The next phase to advance the parking/traffic congestion issue includes a series of public outreach efforts. This public engagement is needed to thoroughly explain the need for paid parking and to design a program which is well-planned and meets the public's expectations.

Sample public outreach timeline is attached (ATTACHMENT 5).

Question 1 Options:

1. Start immediately, expedite to get an action item to current City Council on December 6, 2022
2. Start public engagement activities in January, after the new City Council is seated, with plan to bring back an action item in May, 2023
3. Wait and seek direction from new City Council in 2023
4. Other options as directed by Council

Question 2:

As outlined in the attached "Draft Community Engagement Plan" (ATTACHMENT 4), a variety of public outreach efforts are being proposed, to include (1) informational mailing, (2) resident meetings, (3) business meetings, (4) farmers market booth, (5) restaurant/innkeepers meeting, (6) Planning Commission meeting, and a (7) City Council workshop.

Question 2 Options:

1. Consensus on the draft engagement plan
2. Modifications as needed
3. No action—present the question to future

FISCAL IMPACT:

FY 2022/23

This year's financial impact is dependent City Council's decision to move forward with the public outreach and parking program advancements during this fiscal year. If staff are assigned to undertake this work, there will be minimal FY 2022/23 impacts (less than \$1,000 dollars for mailouts and presentation material). However, if there is a desire to use outside consultant services for this work, costs for FY 2022/23 could be significant (specific amount would need to be derived later as part of a separate action item to City Council).

Long term

The 1999 Walker Report (ATTACHMENT 2), projected gross revenue in excess of \$2 Million per year. This projection was based on revenue from 1,049 paid parking spaces at \$1/hr. A more recent projection suggests a smaller paid parking area consisting of about 718 parking spaces at \$2/h would generate gross revenue of about \$2.1 million dollars (this was based on occupancy percentages of Pacific Grove and Monterey). Community benefit from such revenue would be determined/defined by future City Councils.

PRIOR CITY COUNCIL ACTION:

- (1) Approved staffing Community Service Officer positions (from 1970's, between one and five positions)
- (2) Funded two parking studies (1999 and 2013)
- (3) Approved experimental, 6 month paid parking program (2014/15) and a 2002 "pay and display" program
- (4) Established and adjusted 2 hour and 20-minute parking zones (multiple adjustments over time)
- (5) Established free, all-day parking at Sunset Center
- (6) Expanded all-day parking on Junipero Avenue
- (7) Included addressing parking/congestion as a City Council Priority/Goal on numerous occasions

ATTACHMENTS:

- Attachment 1) Pine Cone Information
- Attachment 2) 1999 Walker Parking Consultants Report
- Attachment 3) 2013 Walker Parking Consultants Report
- Attachment 4) Draft Community Engagement Plan
- Attachment 5) Sample Public Outreach Timeline

Parking workshop set for Thursday

THE CITY will hold a public workshop on the paid-parking program slated to be tested downtown Thursday, Oct. 23, at 9 a.m. The meeting, which will focus on the high-tech meters that will be installed along Ocean Avenue next month, will take place in the former Coldwater Creek storefront on the ground floor of the Carmel Plaza.

Police Chief Mike Calhoun and a representative from Digital Payment Technologies will talk about the multi-space parking meters and the license-plate technology they utilize to track cars left in paid spots.

The test along the five main blocks of Ocean Avenue was set to begin in mid-

October but was delayed to early November, and two “ambassadors” will work daily for the first two months “to assist the public in operating the machines and to answer questions,” according to Calhoun.

Tackling downtown parking was one of the goals the city council set for itself for this year, and other changes already made include extending parking enforcement from 6 p.m. to 7 p.m. daily, and getting rid of some of the timed spots on Junipero and the paid parking in the north lot at Sunset Center in order to encourage downtown workers to leave their cars outside the city’s often congested commercial center.

Paid parking kiosks to arrive on Ocean Avenue

By MARY SCHLEY

THE EXPERIMENT with paid parking on Ocean Avenue is set to begin this month, with cement slabs being poured now and parking kiosks going in the week of Nov. 17, city administrator Doug Schmitz said Nov. 7. The Carmel City Council voted last week to have National Parking & Valet run the pilot parking program and provide “ambassadors” who will instruct the public on how to use the kiosks.

Paid parking is part of the council’s effort to free up downtown spaces for shoppers and encourage employees to park outside the core commercial area — and to generate some cash for the city. The 2014/2015 budget allocated \$474,000 for the development and implementation of a

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parking-management plan.

National Parking & Valet has had a contract with the city since Jan. 1, 2005, overseeing the former paid parking in the north lot at Sunset Center and the tour-bus parking on Junipero Street near the Carmel Plaza. According to that contract, the city retains 68.5 percent of the revenue, but the new agreement adopted by the council ups that to 75 percent.

The contract was pulled from the council's consent calendar at the meeting so police Chief Mike Calhoun could provide updated revenue projections for the new Ocean Avenue meters, which will charge for parking on both sides of the city's main street between Junipero and Monte Verde streets. The program calls for five kiosks on each side of the street, covering a total of 90 spaces.

The cost will be \$2 per hour, effective from 8 a.m. to 7 p.m. daily, with a maximum stay of four hours. The kiosks will accept credit cards, debit cards and coins. Payment can also be made via a smartphone app called Parkmobile. Users will have to enter their license plate numbers and the amount of time they wish to park and, after making payment, they'll receive receipts showing when their paid parking expires. They won't have to display them on their dashboards.

Enforcement officers will carry handheld devices that read license plate numbers and connect to a computer server that will tell them whether a car should be ticketed.

"At the conclusion of the six-month trial program, the city may extend the program on a month-to-month basis," Calhoun said in his report. "The pilot parking ambassador program is for two months, consisting of two employees from National Parking & Valet educating and assisting residents and citizens operating the multi-space parking pay stations."

According to figures provided by Calhoun, the total revenues expected during the six-month period, based on the maximum of \$22 daily for 90 parking spots over the course of 181 days, is \$304,623.

Of that, National would receive \$76,156. Transaction costs would total \$45,612, with another \$18,900 for the park-

ing ambassadors, and \$21,320 for maintenance, consultants, miscellaneous expenses and digital technology, bringing the total net revenues to \$142,635.

"National Parking has been a partner with us since 2005, so we're asking them to be a part of our parking pilot program as well," Calhoun told the council.

He also suggested the city might want to waive some of the parking fees for holiday shoppers, and give parking coupons to shop owners to provide for their customers.

"It's a big change for the city, and we're trying to make it as customer-friendly as we can," Calhoun told The Pine Cone before the meeting.

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TRUSTED BY LOCALS AND LOVED BY VISITORS

Metered parking to go live Dec. 1

By MARY SCHLEY



PHOTO/KERRY BELSER

THE 10 paid-parking kiosks installed on Ocean Avenue between Junipero and Monte Verde streets in the core commercial district last weekend are set to go live Monday, Dec. 1, city administrator Doug Schmitz announced Friday. The meters, which are a six-month experiment in the city's efforts to ease parking congestion downtown, will cost \$2 per hour between 8 a.m. and 7 p.m. daily, and max out after four hours. They can be paid by coins, credit or debit card, or via a cell phone app called Parkmobile.

Schmitz said Carmel Police Chief Mike Calhoun contacted Monta Potter, CEO of the Carmel Chamber of Commerce, "to ascertain whether initiating paid parking at the commencement of the holiday shopping

season might be detrimental to our shopkeepers." She reportedly told him she didn't think it would be bad for downtown businesses, so the program is a go.

To help visitors and locals learn how to use the kiosks — which require entering the vehicle's license plate number but do not necessitate placing a receipt on the dash — National Parking & Valet, the company the city hired to administer the paid-parking program, will provide "parking ambassadors" to answer questions and provide directions.

Carmel P.D. community services officers will enforce the paid parking in the 90 affected spots by using technology that reads license plates to determine if the cars are legally parked and whether they have exceeded their time limits.

According to figures provided by Calhoun to the city council earlier this month, the total revenues expected during the six-month peri-

Hidden under plastic bags along Ocean Avenue are 10 parking kiosks just like this one. Starting Dec. 1, they will be taking people's money.

See **KIOSKS** page 26A

KIOSKS

From page 1A

od, based on the maximum of \$22 daily for 90 parking spots, over the course of 181 days, is \$304,623.

Of that, National would receive \$76,156. Transaction costs would total \$45,612, with another \$18,900 for the parking ambassadors, and \$21,320 for maintenance, consultants, miscellaneous expenses and digital technology, bringing the total net revenues for the city to \$142,635.

The city council made solving the parking problem one of its priorities this year, and the 2014/2015 budget allocated

\$474,000 for developing and implementing of a parking-management program.

After their installation, the meters elicited various comments from Ocean Avenue workers and city residents.

Some criticized them for being unattractive and out of place in a town with no street addresses or stoplights, while others accepted their installation as a means of encouraging parking turnover and keeping employees from filling valuable spots in the core of the business district.

One longtime downtown shop manager suggested adorning them with twinkly lights in honor of the holidays — or perhaps surrounding them by the red carpets that caused such a stir during Concours Week.

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The Carmel Pine Cone

November 28, 2014

Editorial

Give the kiosks a chance

BEFORE ANYBODY goes jumping to conclusions about how ugly the new parking kiosks are, we'd like to urge a little patience.

Some people hate anything new, especially in a unique place such as Carmel. So if you're against the parking kiosks, maybe that's really what bugs you about them — simply that they weren't there two weeks ago.

Other people don't want to have to pay to park downtown, but so as not to appear selfish, will be tempted to say they're offended by the aesthetics of the kiosks, rather than just admit they don't want to have to pay \$2. If you're against the kiosks, could that be why?

Still others will seize this opportunity to criticize a new initiative — any new initiative — by the city council that handled the Jason Stilwell crisis so woefully. So if you don't like the kiosks, maybe it's not because you really object to paid parking per se, or even to the physical appearance of the kiosks, but plan to speak out against them because Jason Burnett et al. decided to put them in. Could that be it?

We think paid parking on Ocean Avenue is a good idea, because it will discourage downtown workers from taking up all the parking that's needed by customers. This is especially so since the city council has provided plenty of new opportunities for the workers to park for free.

We also think that a bit of change is OK even in Carmel which has, after all, been different every year than it was the year before. Some years, the changes have been great — such as throughout the 1920s and 1950s, when lots of homes were built — while in other epochs — such as the present — change has come very slowly. But it has still been there and produced the lovely town we have today. Does anybody really wish Main Street had never been paved?

And this council, for all its faults, is still perfectly capable of good work.

Which leaves just one thing: The kiosks seem intrusive and have a high-tech appearance which can be a bit jarring at first.

However, the shock factor — just as with street lights, cell phone antennas, cable TV amplifiers, smart meters, and many of the other paraphernalia of modern life — fades with time, and pretty soon something that was intrusive recedes into the background and you hardly notice it at all.

Give the kiosks some time, folks. In a few weeks you'll probably forget what all the hubbub was about.

'Ambassadors' hit the streets as paid parking begins

By MARY SCHLEY

AFTER PUBLIC works crews finished installing signs along Ocean Avenue Monday that describe how to use the 10 new kiosks installed along five blocks of Carmel's main street, the plastic bags shrouding the high-tech parking meters were removed Tuesday morning, and two red-coated "parking ambassadors" began strolling along the sidewalks in search of people in need of help operating them. The meters require payment of \$2 per hour for up to four hours of parking in any of the 90 spaces along Ocean between Junipero and Monte Verde streets.

The six-month experiment with parking meters will determine if they should become a permanent means of relieving parking congestion in the city's core commercial district, and the program — including the ambassadors helping to acquaint people with the machines — is being administered by National Parking & Valet.

City administrator Doug Schmitz said he had received comments both pro and con since the program began. "Those in support state that spaces along Ocean Avenue have opened up for use by visitors; those opposed do not like pay parking in town, as well as the appearance of the kiosks," he said. The council will receive a report on the parking experiment in March.



PHOTO/KERRY BELSER

'Parking ambassador' Guy Maggin shows Lily Odle of Augustina's how to use one of the new paid-parking kiosks being tested on Ocean Avenue.

January 23, 2015

The Carmel Pine Cone

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Paid parking now starts at 10 a.m.

By MARY SCHLEY

THROUGHOUT DOWNTOWN Carmel, two-hour parking limits begin at 8 a.m. daily. But this week, city officials decided to move the start time to 10 a.m. — though only along Ocean Avenue, which is also the only street where people have to pay. "The change will allow more time for early-morning customers to pick up a cup of coffee or read a paper without paying to park," explained Carmel Police Chief Mike Calhoun. Most retail stores open at 10 a.m. he noted.

The hours during which parking time limits are enforced — 8 a.m. to 7 p.m. daily — are defined in the Carmel Municipal Code, but Calhoun said reducing the hours doesn't require any action by the city council, as is it would if the hours were extended.

The shift to a 10 a.m. start time is only for the duration of the paid-parking test program, which began in December 2014 and will run at least six months. It only involves Ocean Avenue between Junipero and Monte Verde streets.

"All other enforcement times in the city remain the same," he said.

The change followed a meeting last week of about 15 business people who discussed

the pilot program, which aims to discourage employees from taking up spaces in the central commercial district, with Calhoun and other city representatives.

"The group was mixed regarding the pilot program — some in favor, some not sure, and some against it," he said. "Many do not like the aesthetic look of the pay stations but commented the program is working, based on space availability on Ocean Avenue."

That's because workers are now parking on downtown side streets in order to avoid paying on Ocean, but when the council embarked on the parking experiment, the idea was to get them to leave their cars in untimed spaces along Junipero and in the north lot at Sunset Center, which formerly had paid parking.

"Many of the residents and business owners do not know that we have available parking for employers and their employees at the north Sunset Center lot, Junipero Avenue and Vista Lobos [at Torres and Third]," Calhoun said. "We are receiving information that the employees/employers who left Ocean Avenue are now parking on the side streets. We will be collecting data to show who is parking at the Sunset Center, and other data regarding the pilot program to report back to the council in March."

More free parking on Ocean Avenue for residents

By MARY SCHLEY

THE CITY'S paid-parking experiment in downtown Carmel continues to evolve, based on input from store owners and the public, and officials are implementing several changes in hopes of addressing some of those concerns. While the current changes won't mollify those who find the parking kiosks ugly — or those who oppose paid parking on principle — they might give shoppers and residents a little more incentive to park on the town's main drag.

"It's working well for our visitors," Mayor Jason Burnett told *The Pine Cone* this week. "It's not working as well for our residents."

Paid parking was implemented early last December and will remain in place for at least six months. It costs \$2 per hour to park on Ocean Avenue in the business district between 10 a.m. and 7 p.m. daily, and people can pay at one of 10 kiosks, with a phone call

or via the Parkmobile app on their cell phones. The overall intention was to free up some parking on Ocean Avenue and encourage business owners and workers to leave their cars outside the core commercial zone by providing free all-day parking in city lots and along some nearby streets.

The data show the program appears to be achieving that goal, but Burnett, Carmel Police Chief Mike Calhoun and others have been working on ways to address some of the complaints from residents and business owners. As a result, the city is now providing more free parking for locals and offering coupons to shoppers.

Last week, public works crews painted one more green zone per block on Ocean Avenue between Junipero and Monte Verde streets. Those 10 additional 30-minute spots will provide more opportunities for people

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After the paid-parking kiosks on Ocean Avenue went live last December, "parking ambassadors" helped people learn how to use them. The city hopes more motorists will use the Parkmobile phone app to pay.

PHOTO/PINE CONE FILE



Editorial

You can have your own opinions, but ...

TO PEOPLE who work at newspapers, the details of long-running controversies become as familiar a favorite pair of jeans, and sometimes it's hard for us to remember that, among our readers, there are only a few "experts" on most issues. While many people (especially Pine Cone readers) may have a good grasp of issues such as the water-supply controversy and the debates over paid parking and fires on Carmel Beach, quite a few of our readers have almost no idea what these things are about, and the 500th story we print about one of them may be the first they've heard of it. This phenomenon explains why sometimes we have to take a step back and go over the basics — for example, our editorial last week which used a sandbox analogy to explain what's going on with the desal slant well in Marina.

It also explains why an individual story may seem either too simplistic or too comprehensive — depending on the level of familiarity a particular reader may have with a particular topic. It's a problem we deal with all the time.

A bigger dilemma than trying to make our stories informative to everybody without being either too detailed or too elementary is the difficulty posed by letters to the editor that are impassioned and vehement, but also just plain wrong. We're not in the business of censoring people's opinions — but what if their opinions are based on utterly wrong "facts"? Should we still print the letters?

Some recent examples illustrate this problem nicely. In the last few weeks, we've received several letters to the editor in which the writers strenuously objected to the city's paid-parking experiment.

One letter sarcastically accused the city council of actually believing the paid-parking kiosks would make the city more beautiful, and another accused the council of sacrificing the town's charm just to make a few bucks. The problem is that neither point has anything to do with the city council's decision to give the kiosks a try on Ocean Avenue, and the question of whether they should stay or go.

From the outset — and by "outset," we mean decades ago — the Carmel City Council, not to mention residents and business owners, recognized that there was a problem with employees of downtown businesses taking up all the prime parking on Ocean Avenue and nearby streets, leaving would-be customers of these shops, galleries and restaurants without a place to leave their cars. Anybody who spent a lot of time downtown knew that by 10 a.m. almost every day, all the good parking spots were full of cars, even though hardly anybody was shopping or dining.

The city's first attempt to deal with this problem was to limit parking to two hours — but that just resulted in the employees constantly checking their cars for the meter maids' chalk marks on their tires, and playing musical cars to avoid getting a ticket. Even when the chalk marks gave way to higher-tech parking enforcement, the problem of the every-two-hours shuffle remained.

So then the idea was presented: Maybe charging for parking would be a better way to go? That way, downtown employees would have an immediate financial incentive not to park right in front, making things easier for everybody else.

It was immediately recognized by everybody that instituting paid parking would have some negative impacts. Namely, there would be resentment by some people at having to pay for something they were used to getting for free, that whatever method used to collect the parking fees might be difficult to master, that the machines that collected the fees (whether meters, kiosks or whatever) would be a visual intrusion on the city's charming main street, and that charging for parking might be considered too "big city." The council decided a test was in order to see whether these negatives would outweigh the benefits of paid parking, and that test is what's underway now.

But two things that never came up in any public meeting were (a) that the city should start charging for parking in order to raise money, and (b) that the paid parking kiosks or meters would be pretty. Those are not the reasons paid parking was instituted.

At this point, the parking kiosks on Ocean Avenue have been around for five months. You may love them or hate them, or something in between, but if you're going to have an opinion, it should be grounded in reality. So please start writing us letters that explain why moving employee parking off Ocean Avenue was a good idea or not, and whether the method currently being used should be continued, or abandoned, or how it can be improved. But please don't accuse anybody of being greedy or purposely trying making the town ugly, because doing that just makes you sound ignorant.

Chief: Parking vouchers are not for workers

By MARY SCHLEY

GIVEN THE chance, some people will cheat — a fact Carmel Police Chief Mike Calhoun was reminded of when he discovered that some of the free-parking vouchers he gave to Ocean Avenue businesses for their customers were, in fact, being used by the employees and shop owners.

"It wasn't a shock to me, but it was disappointing," Calhoun said Tuesday.

The coupons are good for two hours of free parking, a value of \$4, and are intended to reward customers for shopping downtown and entice them to return. They're part of the paid-parking program the city is testing on Ocean Avenue — a program intended to get downtown employees to park somewhere besides on the city's main street.

Calhoun personally distributed 10 vouchers to each of the

roughly 60 businesses on Ocean Avenue.

"They have the opportunity to promote future business by paying for parking for their customers," Calhoun said. "They were from the City of Carmel basically thanking the customers for coming into town."

But some of the coupons weren't being given to customers, Calhoun said. And, because the computerized paid-parking system logs license plate numbers and shows how often any particular car is parked in any particular location on Ocean Avenue, a report Calhoun ran a few weeks ago revealed that one employee used all of her shop's vouchers for herself, parking right in front of the store where she works, and a business owner used three.

When Calhoun approached the first woman, she told him

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she hadn't understood what the vouchers were for. Later, she showed him she had since downloaded the Parkmobile app and was paying for parking.

"And I said, 'You are still parking in front of the store,'" Calhoun recounted. The shop owner who used three vouchers for herself justified it by saying she was also shopping at other businesses on Ocean Avenue.

"Parkers in town have always found ways to cheat the system," he observed, whether by moving their cars every two hours, rubbing chalk marks off their tires so parking-enforcement officers don't know they've already been there too long, or rolling their cars a few feet to cover the marks.

"There's talk about whether people can

self-regulate parking, and they really can't," he said. Therefore, downtown parking needs to be managed in a way that everyone can use it fairly and equally — including store owners giving the vouchers to customers, not to employees.

"In a way, it's like stealing from the city," he said. "The city's paying for this. One coupon is worth \$4. So in the one case, that person got \$40, and that's not right."

He asked that people be respectful of the program and "park within the limitations, so it frees up parking for other people."

The pilot program, which started in early December 2014, was set to last six months. Calhoun said the city council will probably have a special session to discuss it and hear feedback sometime in late June. The draft 2015/2016 budget city administrator Doug Schmitz distributed to the city council last week anticipates receiving \$270,000 in revenues from paid parking during the coming fiscal year.



*Thank you for your business from
The City of Carmel-by-the-Sea*

Use Coupon Number Below At Any Pay Station
on OCEAN Avenue for **2** hours of FREE Parking

XXXXXX

This coupon is good for one use only.



To encourage shoppers to patronize downtown, the city distributed 10 of these vouchers good for two hours of free parking to each Ocean Avenue business. But some people kept them for themselves.

Paid parking a success, chief will tell workshop Wednesday

By MARY SCHLEY

THE CITY earned \$120,003.98 from paid parking from last December to the end of May, and the program is achieving its goals of discouraging downtown workers from taking up spaces, making them available for visitors, according to a presentation Carmel Police Chief Mike Calhoun is set to make at a public workshop on Wednesday.

A breakdown of revenues shows a steady increase in parking money, from \$26,114.06 last December, when the program was launched, to \$36,748.81 in May. The total gross income for that period was \$186,745.15, from which various fees and expenses were subtracted to arrive at the net. The expenses included fees to National Parking & Valet, which is running the program, and the Parkmobile app some people use to pay for their spaces, as well as \$18,900 to National for "parking ambassadors" during the first three months to explain to people how to operate the meters.

Data collected by the electronic system indicate that parking-space occupancy during business hours frequently hits the city's goal of 80 percent — and exceeds it on weekends — and that most people are paying for their spaces, rather than risking getting a ticket. Furthermore, the average number of times a space is used during the course of a day has steadily increased, from 3.16 times in December 2014, to 3.82 times in May. Ocean Avenue averaged over 260 visits per day during the six-month period, with more than 300 visits daily in May.

From those data, Calhoun concludes in his presentation, "Ocean Avenue has good and rising turnover," which is increasing as summer approaches. "Healthy turnover benefits local businesses, as each new parker is a potential customer to the local merchants' shops."

Finding the right price

While the number of times a space is used by a different car could be further increased by charging more than the going rate of \$2 per hour, he notes, parking must not be priced so high that it drives people away.

Because the program uses license-plate reading technology to enforce paid parking, Calhoun could also state that most of the people using Ocean Avenue spaces only do so once, suggesting they are visitors. According to his data, 84 percent of those who paid to park on Ocean during the last six months only did once, while 12.7 percent of them paid for parking twice, and 2.3 percent paid for it three times. The percentage of more frequent users was negligible. From

those percentages, he concludes, "Employees and residents do not use prime tourist spaces."

During the course of the program, a few tweaks have been made, including adding one more 30-minute space to each block. Residents who have parking stickers on their vehicles

can park in those spaces for up to two hours without paying. Also, enforcement hours in that area changed from a start time of 8 a.m. to a start time of 10 a.m., allowing drivers

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dropping in for coffee or picking something up at the drug store to do so earlier without having to pay to park.

But one area city officials have said they would like to see improvement is the number of motorists using the Parkmobile app to pay for parking, as opposed to paying by cash or credit card at one of the 10 kiosks located along Ocean.

According to the data Calhoun compiled, 74 Parkmobile transactions were recorded in December 2014, 62 in January, 59 in February, 73 in March, 104 in April and 103 in May. They accounted for \$1,652.45 of the total gross paid-parking revenues during those six months.

Your chance to comment

Calhoun will present his data and conclusions to the mayor and city council during the workshop, when people will also have the opportunity to comment on the pilot program. If the city continues to have paid parking downtown, it will generate an estimated \$270,000 in revenues during the 2015/2016 fiscal year, according to the budget adopted by the city council this week, with \$96,000 of that going to the police department for expenses, and \$174,000 of it being used for capital improvements.

The workshop is set for Wednesday, June 24, at 4:30 p.m. in the Carmel Woman's Club on San Carlos Street at Ninth Avenue across from Sunset Center.

Another meeting to be held the following week, Tuesday, June 30, also at the Woman's Club at 4:30 p.m., will include "general discussion about the program" and suggestions from the public regarding next steps.

Paid parking results don't sway vocal opponents

By MARY SCHLEY

A PRESENTATION by Steffen Turoff of Walker Parking Consultants on the effectiveness of the city's pilot paid-parking program didn't change a lot of minds at a workshop in the Carmel Woman's Club Wednesday evening. Business owners, residents — and even a few longtime visitors — took the opportunity to condemn the concept, saying it's bad for business and counter to the town's character.

In April 2014, after decades of discussion about parking congestion downtown and the problem of employees taking up all the spaces that might otherwise be used by shoppers, the city council voted to give paid parking on Ocean Avenue a try, while opening up more spaces on nearby streets to pro-

vide free all-day parking for people who work downtown. When that vote was taken, it was greeted with applause in the council chambers.

Free all-day parking in the Sunset north parking lot and along Junipero began July 1, 2014, and paid parking was launched early last December.

Since then, parking-space occupancy during business hours has dropped on Ocean to around 85 percent, meaning one to two spaces are usually available per block, while side streets have become more congested, and the newer all-day parking areas are routinely full. Most of the people paying for parking on Ocean are one-time visitors, according to data collected by the police department.

But most of the people who spoke at Wednesday's meeting just wanted to know when the meters would be removed.

Sheree Smith, owner of Carrigg's of Carmel, said she sent an email to downtown merchants asking for their thoughts on parking. Only two respondents said they want the parking kiosks to stay, she said, and those don't have businesses on Ocean Avenue.

"There were many comments on how much it's hurt our business," she said, adding that whatever revenue the city has

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received from paid parking (just over \$120,000 in the first six months), the stores have lost. "These are affluent people who don't want to pay to park, and if they don't find a space, they move on."

Phil Finnerman, who owns Wilke's Estate Jewels on San Carlos, said he's only heard negative comments from clients regarding the parking program.

"One customer came in and told my wife, 'Until they remove the parking meters, I'm not coming back,'" he said. "I don't understand how anyone who has any concern for business can be in favor of this."

Finnerman speculated the high rate of onetime parkers on Ocean happens because people deal with it one time and, as a result, decide not to come back.

Restaurateur Rich Pepe said his businesses haven't been affected by paid parking, but he's noticed the side streets downtown have suffered. "I don't think it was a perfect idea, because it just pushed people to the other streets," he said.

But while many who spoke at the meeting oppose the idea of charging for parking, he said, "I don't think that's the sentiment of every business or every person in town."

Todd Tice, owner of The Club clothing stores on Ocean, said he is part of a group of residents and business owners who have been discussing ways to deal with the park-

ing problem — which will also be the subject of another meeting Tuesday, June 30.

"While none of us wanted the parking meters, there is evidence that the meters are working to keep business owners and employees off of Ocean Avenue," he said. "But at what expense?"

While Tice said his business hasn't been negatively impacted by paid parking, his group came up with some suggestions, including increased enforcement and raising the fine for people who wipe off the chalk marks left by parking officers. (Ocean Avenue enforcement uses electronic license-plate reading technology, not chalk, but officers still mark tires in some of the other timed zones in town.)

A man who has visited Carmel with his wife regularly for 51 years said he didn't like he paid parking, either. "We come because it's quaint, it's unique — and we were

shocked when we saw the meters," he said.

Connie Ockert, who co-owns Khaki's in Carmel Plaza with her husband, Jim, pointed out that she and Tice both require their workers to park away from the business district. She suggested a "snitch program" where people identify employees and business owners who regularly take up valuable parking spaces downtown.

"We see it all the time," she said. "We walk through the Plaza and give the people dirty looks." She said sharper fines could help further discourage them, too.

Mayor Jason Burnett, who led the meeting, encouraged critics and supporters of the paid parking program to attend the June 30 meeting, when he and the council will be soliciting any and all ideas on how to manage parking. It will begin at 4:30 p.m., also in the Carmel Woman's Club on San Carlos at Ninth, across from Sunset Center.

Parking kiosks on the way out

By KELLY NIX

THE PAID-PARKING kiosks on Ocean Avenue that alleviated parking congestion but were confusing to operate



PHOTO/KERRY BELSER

Tina Barfield of Monterey gets ready to pay for parking at a kiosk on Ocean Avenue Thursday. Soon, she won't have to, because the kiosks are about to be removed, Mayor Jason Burnett announced this week.

and considered by many to be a visual blight will be removed soon, according to Mayor Jason Burnett, who made the announcement at a parking workshop Tuesday night.

Burnett told a group of more than 50 people at the meeting that next week the city council will vote to "send a letter to the kiosk provider to remove the kiosks," which were installed last November. At the July 7 meeting, the council will also weigh numerous parking options, including enforcement, permits and other ideas.

The announcement came as a surprise to the audience at the meeting, and with the kiosks no longer an issue, there was broad discussion by residents and the council members as to how to better manage downtown parking. A good portion of it focused on business community-parking, and how to get shopkeepers and their employees from taking up spaces that could be used by visitors.

"We have too many parking spaces that are regularly used in the core of town by the business community," said councilman Ken Talmage, who hosted the meeting.

He proposed the idea of issuing parking permit stickers to the business community, allowing store owners and employees to park in dedicated lots so as not to take up visitor parking.

"That way, we can get the business cars out of downtown, they know they're going to park someplace for the full day, and they know there's going to be available parking," he said.

Todd Tice, who owns The Club clothing stores on Ocean, said his employee handbook states that workers should not park in the business district. He also has a three-strike rule

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regarding workers who move their cars from one spot to another.

"You can do it once, you can do it twice," he said, "and the third time, when you move your car, you can keep moving. It's worked 10 years for us and has never been a problem."

The owner of Cafe Carmel, in the Plaza, said she asks all of her employees to avoid parking in the commercial district and park at the Sunset Center lot instead. But her female workers sometimes close shop as late as 11 p.m., and she said their safety is a concern.

If the city compels business owners and workers to park far away from the downtown area, she suggested the city provide a shuttle to take workers to their cars at night.

'Park wherever they want'

Carmel Chamber of Commerce CEO Monta Potter suggested more employees take the bus to work, while PacRep Theatre executive director Stephen Moorer said people should be encouraged to walk more in town.

While Potter credited shop owners who tell their employees not to park in the commercial district, she said some just won't do it.

"I know many of you do it," she said. "But some people have said right to my face that they should be able to park wherever they want."

There was also discussion about getting private parking spots open for public use — including churches, the middle and high schools, Larson Field near the Mission, even the Monterey Fairgrounds — and having employees shuttled to town. A lot at the Crossroads shopping center was also men-

tioned.

But Pam Meyer, with Design Works Ltd. at Dolores and Fifth, said the park-and-ride idea won't work for some businesses.

"One of the problems I find with our business is we are coming and going all the time," Meyer said. "So to park at Sunset or over in the Crossroads when I need my car maybe four times a day is not practical. And I know there are other businesses in town where you don't sit in an office for eight hours."

For those visiting Carmel, Burnett suggested offering a shuttle from Monterey airport to downtown.

"If we could offer a shuttle so they didn't have to rent a car, it would be a nice feature for them," he said.

Councilwoman Victoria Beach said she just received a notice from Monterey-Salinas Transit that it will launch a free trolley service from Monterey to Carmel, which would allow visitors to shuttle between the two cities.

How to enforce?

Different means of parking enforcement were also talked about at length.

Talmage said there has been a proposal that the police department issue parking tickets on a sliding scale, meaning the "chronic abusers of parking downtown," he said, might be forced to pay more per each ticket they receive, while a first offender might be given a pass.

"Somebody in town who gets one ticket a year, maybe that ticket is free," he said. "We get other people in town who get four tickets — the fourth ticket isn't free, maybe it's \$25, \$50, \$75 then \$100."

It has also been suggested, he said, that the \$75 fine for wiping off parking-enforcement chalk from a tire be made considerably higher.

However, Police Chief Mike Calhoun said the department

wants to completely move away from chalking tires and use electronic enforcement, including tracking a vehicle's location while it's parked.

"The [police] vehicle drives by, it takes a picture and it maps where your car is," he explained. "And it comes back two hours later and it will show that same picture. And with that picture, it will indicate that the car moved or did not move."

Calhoun said the city might have to change its municipal code so drivers would be forced to move their cars "out of the area" from where they parked, since, technically, drivers who have surpassed the parking limit only have to move ahead one space to avoid getting a ticket.

Parking zones

There was also interest in the idea of creating different parking zones to designate parking districts and the maximum time allowed to park.

The technology would also allow officers to electronically track repeat offenders and, for instance, tow a vehicle if it's been ticketed five times or more.

Burnett said that the city could offer, for instance, two-hour free parking downtown with the option of buying extra time at the visitor center or via a smartphone app.

"If your position is no paid parking, then that type of flexibility may not work for you," he said. "On the other hand, if your belief is that we should be offering free parking everywhere but we might be open to providing the flexibility that someone pay for time in addition to the two hours for free, then maybe that will work."

The council hasn't decided whether to continue the current paid parking requirement until the kiosks are physically removed, which could be several weeks, or to end it right away. An announcement about that will probably be made on Tuesday.

No need to go back to square one

THE PARKING kiosks on Ocean Avenue may be on their way out, but that doesn't mean the city has to start all over again trying to figure out how to manage downtown's very limited supply of parking spaces.

Competition for those spaces has created controversy for decades, and every city council since before the flood has wrestled not only with finding more parking, but with stopping people who work downtown from taking up all the prime spots before shoppers and visitors have a chance.

The paid-parking experiment put in place in December went a long way toward solving the second problem, as downtown workers decided they'd much rather park their cars in free spots a few blocks away than pay to park right out front. Meanwhile, the city has also made important strides toward alleviating the overall parking shortage by various means which have nothing to do with the kiosks.

So if the parking kiosks, whatever their effectiveness, have to go because they're "not Carmel," we think the council should still keep its eye on the city's parking goals, and the ways they can be achieved without threatening the town's charm.

For example, as Mayor Jason Burnett has pointed out, paid parking could still be instituted downtown, using a combination of license-plate tracking and pay-by-smartphone. Visitors who park only once and then go on their way would be exempt, or the first two hours could be free, but the "two-hour shuffle" we remember so well from the chalk-on-the-tires days would remain a thing of the past, since moving your car a block away or across the street would no longer keep you from getting a ticket.

Likewise, incentives could be offered to downtown workers who use Vista Lobos or the north parking lot at Sunset Center. Some of the parking lots in town that are hardly used during the week — such as at churches — could be added to the mix. And so could shuttles connecting downtown Carmel to the mouth of the valley.

Parking congestion is a nettlesome problem in many small towns during tourist season. For most of them, the answer is parking meters. Just because Carmel doesn't want those doesn't mean it has to go back to the bad old days when circling the block until you ran out of gas was the only option.

Council wants parking kiosks gone by Aug. 1

By MARY SCHLEY

THE PAID parking program launched on Ocean Avenue last December may have succeeded in keeping downtown workers from hogging all the best parking spaces, opening them up for shoppers and visitors, but many residents hated how the parking kiosks looked, so the city council voted 4-1 Tuesday to remove them.

The kiosks, which charged \$2 per hour to park on the city's main street and allowed cars to remain in the spaces for up to four hours, achieved the intended result of keeping one or two spaces available per block, even during peak hours, according to data collected by a Walker Parking consultant, and they netted \$120,000.

Therefore, the program "may have worked technically, but not for the community," Mayor Jason Burnett observed at the July 7 meeting.

The city council voted to have the kiosks removed by Aug.

1, which will also be the end of the \$2-per-hour fee, at least for now.

The decision leaves unresolved what has long been acknowledged as a serious problem, and Burnett said, "I hope the council wants to continue to work constructively on parking issues in town."

Police Chief Mike Calhoun, who has gathered a lot of information and ideas from the public over the course of numerous meetings, said the next step should be to increase enforcement of the long-standing time limit on Ocean Avenue, and he asked the council for permission to hire another community services officer and to purchase another parking cart in order to help facilitate that.

"There's a lot of community support for increased enforcement," he said.

Other ideas included using a sliding scale to assess fines for overtime parking, with the first being a warning, followed by fees that escalate for repeat offenders, and creating zones where cars can be parked once for the allotted time but then must be taken outside of the core area.

See KIOSKS page 18A

KIOSKS

From page 1A

Also, visitors should be able to purchase more time to park, via a cellphone app or other means, if they are in the middle of something and don't want to leave when their two hours are up, councilwoman Victoria Beach said.

During the period for public comment, several people focused entirely on the kiosks.

"I appreciate the hard work and dedication to making the right decision," resident Carl Iverson said. "But what we all want to know is what's the drop-dead date, the spoil-by date, when will they be gone, and how will that work?"

But paid parking shouldn't be dismissed out of hand, according to others. Longtime Friar Tuck's owner Greg Cellitti, who has participated in five parking committees over the years, said the groups always ended up with the same conclusion.

"The recommendation has always been paid parking," he said. "We all agree the kiosks are ugly. But the No. 1 complaint from visitors is they want to stay for longer than two hours."

And if the city is going to return to free parking, he suggested hiring more parking patrol officers to get after those who leave their cars longer than the allotted time.

Todd Tice, owner of The Club stores on Ocean, said his customers don't mind paying for parking, and that it's more important that there be spaces available for them to use.

"I think the business community is more 50/50 on meters," he said. "Some people are going to complain all the time, but some people can't get away" to attend meetings and speak their minds.

Council members were unanimous that the parking kiosks would be removed, but they debated the timing. Councilwoman Carrie Theis said they should remain until a new plan is put in place.

"If we remove the kiosks without a solution, they've won," she said, referring to the business owners and workers who will start taking up spaces on Ocean again as soon as the paid parking is gone. "We need to

address what the solution is. How are we going to prevent the employers and employees from not parking where they love to park?"

But councilman Ken Talmage wanted the meters removed post haste, regardless of whether any new measures are in place.

Burnett acknowledged the conflict between what works and what the community wants.

"I'm quite convinced that our parking would work better, that our visitor experience would work better," he said. "But I feel the need to represent the community in this particular issue."

The experiment continues

Ultimately, the council decided on a new plan involving both sticks and carrots.

Carrots would include identifying people who frequently park outside the core of town, like in the Vista Lobos lot at Torres and Third, and rewarding them with prizes. Employee cars could be identified with stickers, just as many residents' cars are. More long-term parking should be provided outside the commercial core, and free parking areas should be better identified.

The sticks, meanwhile, would include progressively higher fines throughout the year for habitual offenders, and congested parking areas could be zoned in order to keep people from re-parking in the same area after the first two hours are up. Alternatively, a car would have to be moved a certain distance from the space it had occupied. And employers, including the city, would request or require their workers to leave their cars outside the business district.

For flexibility, the city would allow anyone who wants to stay longer than the allotted two hours by paying via an app or going into a participating business, the visitor center or other locations. The total time could be limited to four hours, as a trial run.

The council also authorized Calhoun to hire another full-time community services officer and purchase another parking cart.

In addition, council members decided to push the idea of a "Car-Free Carmel," which would encourage visitors to town without their vehicles.

Finally, they voted to ask the company that

Kiosks gone, two-hour limit back on Ocean

By MARY SCHLEY



PHOTO/KERRY BELSER

They weren't spirited away in the middle of the night, but the parking kiosks on Ocean Avenue still disappeared quickly this week, as crews removed them Monday and Tuesday and patched the sidewalks where they stood.

THE COMPANY that owns them removed the paid-parking kiosks along Ocean Avenue Monday and Tuesday, and then the city broke up the concrete pads they stood on and patched the holes in the sidewalks, bringing Carmel's paid-parking experiment to an end.

Soon after, the signs instructing motorists how to pay for parking were replaced with their former two-hour-limit signs, bringing the city's experiment with paid parking to an end.

The parking program that began in early December 2014 had motorists paying \$2 per hour, for stays of up to four hours, to park on Ocean Avenue between Junipero and Monte Verde streets. The idea was to discourage downtown business owners and their workers from taking up the valuable spaces that would better be used by customers.

While the program accomplished that and earned about \$120,000 for the city — and had support from some residents and business owners — others complained the kiosks were ugly, that charging for parking negatively affected their businesses, and that the whole program was counter to the character of Carmel. As a result, the city council decided early this month to remove the parking kiosks and figure out other ways to deal with congestion downtown, including requiring people to move their cars outside the commercial core after being parked for two hours, charging for longer stays, and increasing enforcement.

On Friday, city administrator Doug Schmitz reported some progress was being made on those fronts.

A new parking-enforcement scooter was ordered and should be delivered within the next two months, according to Schmitz, for an estimated \$41,000, including equipment.

In order to ensure the parking officers can use license-

See KIOSKS page 31A

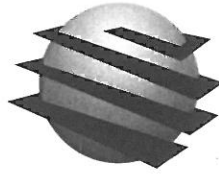
KIOSKS

From page 1A

plate-reading technology to enforce parking time limits and other rules, a technician with PCS Mobile will be in town Aug. 3 to install the first of several new LPR systems. The new scooter will be equipped with the system, too, once it arrives.

Finally, he said, Police Chief Mike Calhoun "is coordinating with the City of Pacific Grove as it develops an ordinance to create a tiered parking citation system," which would have repeat offenders slapped with higher fines.

Calhoun is also working with Walker parking consultants to develop downtown parking zones, out of which people will be required to move their cars after being parked for two hours.



WALKER
PARKING CONSULTANTS

MULTI-SPACE METER
PARKING STUDY

CARMEL-BY-THE-SEA, CALIFORNIA

Prepared for:
SCHLUMBERGER
TEST & TRANSACTIONS
MUNICIPALITIES SOLUTIONS

DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



Attachment 2
WALKER
PARKING CONSULTANTS

PROJECT #37-7106.00/AUGUST 12, 1999

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DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



Attachment 2
WALKER
PARKING CONSULTANTS

PROJECT #37-7106.00/AUGUST 12, 1999

EXECUTIVE SUMMARY

- Walker Parking Consultants' field personnel conducted parking occupancy counts of all on-street parking spaces (Friday, May 22) and off-street spaces (Tuesday, June 22) in downtown Carmel-By-The-Sea. Peak occupancies reached 88% (on-street) and 70% (off-street).
- The occupancies recorded above would have been even higher on Saturdays or on summer weekdays.
- On-street parking is considered fully occupied when occupancies reach 90%, since it is harder to find the last spaces and motorists hunting for them can create traffic congestion.
- All of the parking in the downtown area (with the exception of the Sunset Center pay lot) is free and most of the spaces are limited to 90 minutes.
- Free parking encourages downtown employees to park in the close-in spaces and move their cars from space to space to avoid a parking citation. This prevents visitors to the downtown area from finding convenient parking.
- Many visitors (when they do find a convenient parking space) want to park longer than the 90 minute limit.
- We have recommended the installation of multi-space parking meters, which (in conjunction with providing permit parking areas for downtown employees) would accomplish the following goals:
 - Increase the availability of convenient downtown parking for visitors to the City;
 - Allow visitors to park for an unlimited time without the fear of receiving a costly parking citation;
 - Provide specific on-street and off-street parking spaces in less convenient areas of downtown for employees at a nominal fee (\$5.00 per month);
 - Provide additional income that will allow the City to fund special programs for the benefit of the citizens of Carmel.
- We project that the net operating income from the multi-space meters will be approximately \$1,692,000 per year.

DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



PROJECT #37-7106.00/AUGUST 12, 1999

INTRODUCTION

With the authorization of the City of Carmel-By-The-Sea Parking 2000 Committee (Committee), Schlumberger, Test & Transactions, Municipalities Solutions, North America (Schlumberger) commissioned Walker Parking Consultants (Walker) to study the feasibility of installing multi-space meters in downtown Carmel.

Currently all on-street parking in the downtown area is free and most spaces are limited to 90 minutes from the hours of 10:00 a.m. to 6:00 p.m., seven days per week. Most of the on-street spaces are at or near capacity most of the time between the hours of 11:00 a.m. and 5:00 p.m. This problem is partially created by employees parking in the on-street spaces and moving their cars every 90 minutes (or whenever an enforcement officer is seen marking tires).

Walker reviewed previous parking studies completed for the City, reviewed citation history provided by the Police Department, reviewed sales tax information provided by the Chamber of Commerce, met with the Committee, conducted occupancy counts of the on-street and off-street parking, and surveyed comparable cities to determine how they regulated on-street parking.

The study area is bounded by 3rd Avenue on the north, Torres Street on the east, 10th Avenue on the South, and Camino Real on the west. A map of the area is provided in Figure 1 on the following page.

STUDY AREA

On-street parking occupancy counts were conducted by Walker staff on Friday, May 21 at 11:00 a.m., 2:00 p.m. and 5:00 p.m. A spreadsheet showing the occupancy of each block face in the study area for the three counts is provided in Table A-1 of the Appendix. The following occupancies were recorded for the entire study area: 11:00 a.m. - 88%; 2:00 p.m. - 83%; and 5:00 p.m. - 77%.

However, the central area of downtown bounded by 5th Avenue on the north, Mission Street on the east, 7th Avenue on the south, and Monte Verde Street on the west experienced even higher occupancies for the 2:00 p.m. and 5:00 p.m. counts. The following occupancies were recorded for this area: 11:00 a.m. - 85%; 2:00 p.m. - 85%; and 5:00 p.m. - 87%. (Please refer to Table A-2 of the Appendix for a breakdown by street.)

ON STREET PARKING OCCUPANCIES

DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY

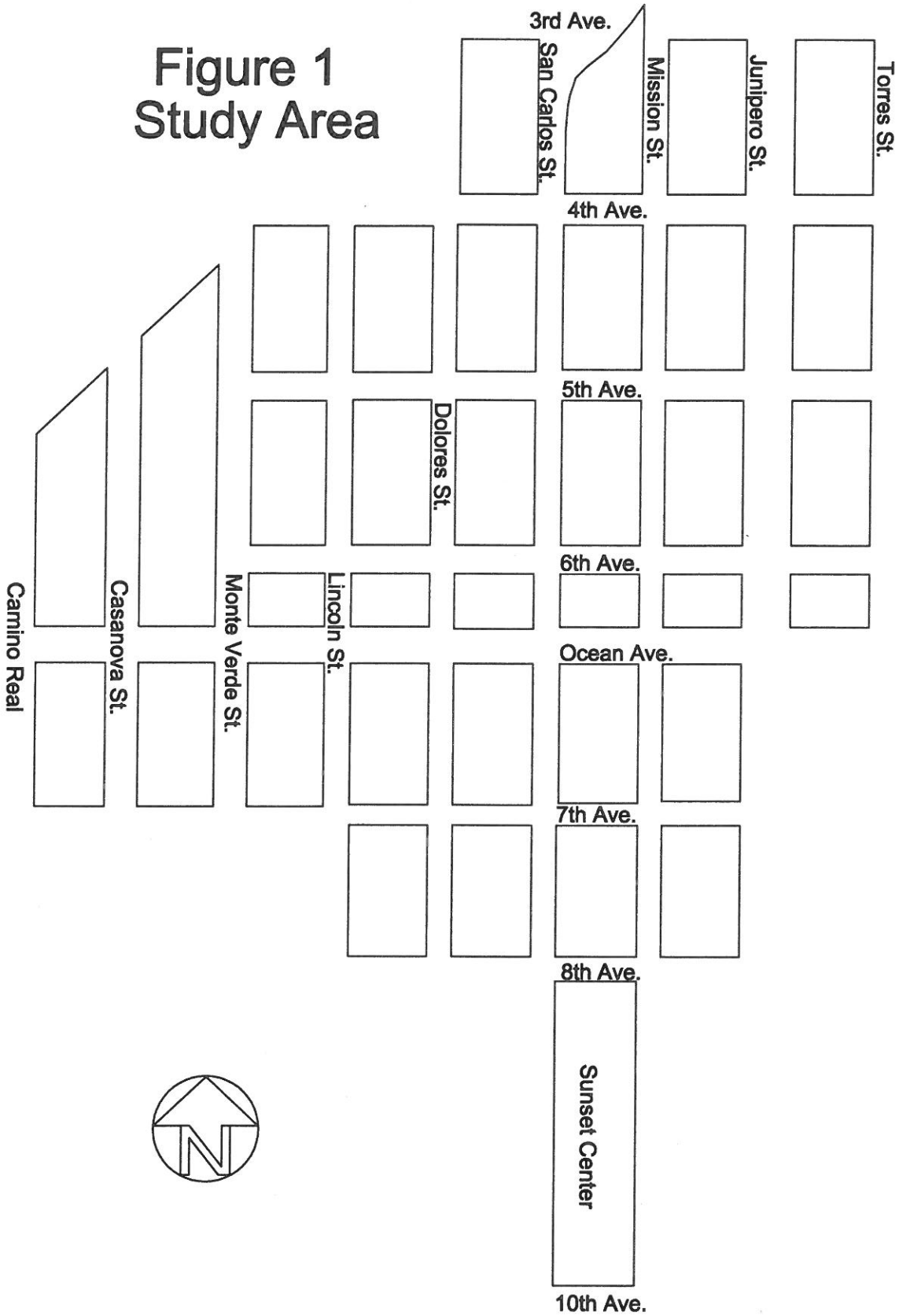


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It should be noted that on-street parking is considered fully occupied when it reaches 90% occupancy. This is called the "effective supply" in traffic engineering terms. In other words, the patron may have to search for many minutes in order to find a vacant parking space.

Also, it should be noted that the occupancy counts were taken during a non-peak day and during the off-peak season.

Figure 1 Study Area



DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



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Occupancy counts were taken of all off-street parking facilities in the study area on Tuesday, June 22 between the hours of 12:30 p.m. and 3:00 p.m. In addition, three other off-street parking facilities outside the study area were counted. The off-street facilities and the number of spaces for each are provided on Figure 2 on the following page. The off-street parking facilities within the study area were 68% occupied. The three facilities counted that were not in the study area were 75% occupied. The total occupancy of the off-street parking facilities was 580 spaces or 70%. (Please refer to Table A-3 of the Appendix for a breakdown of occupancies by facility.)

Carmel has a total of 10 bus parking spaces located between Ocean Avenue and Seventh Avenue along Junipero Street that are used by tour buses. The spaces are free to the tour bus companies; however, the amount of time for which they may park is restricted to three hours.

Walker conducted a telephone survey of comparable downtown areas to determine what their policies were regarding on-street, employee and tour bus parking. The complete results of the survey are provided in Table 1 on the following page.

The major motivational factor for most cities that install metered parking is to free-up close-in parking spaces for visitors and shoppers. In order to accomplish this, area employees must be forced to park on the fringe of or outside the downtown area. Merely posting the streets with a one hour, ninety minute or two hour limit does little to keep employees from parking in front of their respective stores. If employees do not see an enforcement officer drive by marking tires, they can park for free and do not have to move their vehicles. If an enforcement officer does mark the vehicle tires on their street, they have from that time until the amount of time allowed (one hour, two hours, etc.) to move their vehicles to another on-street parking space.

The installation of meters deters employees in two ways. First, the cost (even though reasonable for short term stays) becomes expensive over an eight hour day. Second, the enforcement officer does not have to mark tires; therefore, employees have no warning and have to pay the meter each time they park to avoid a citation.

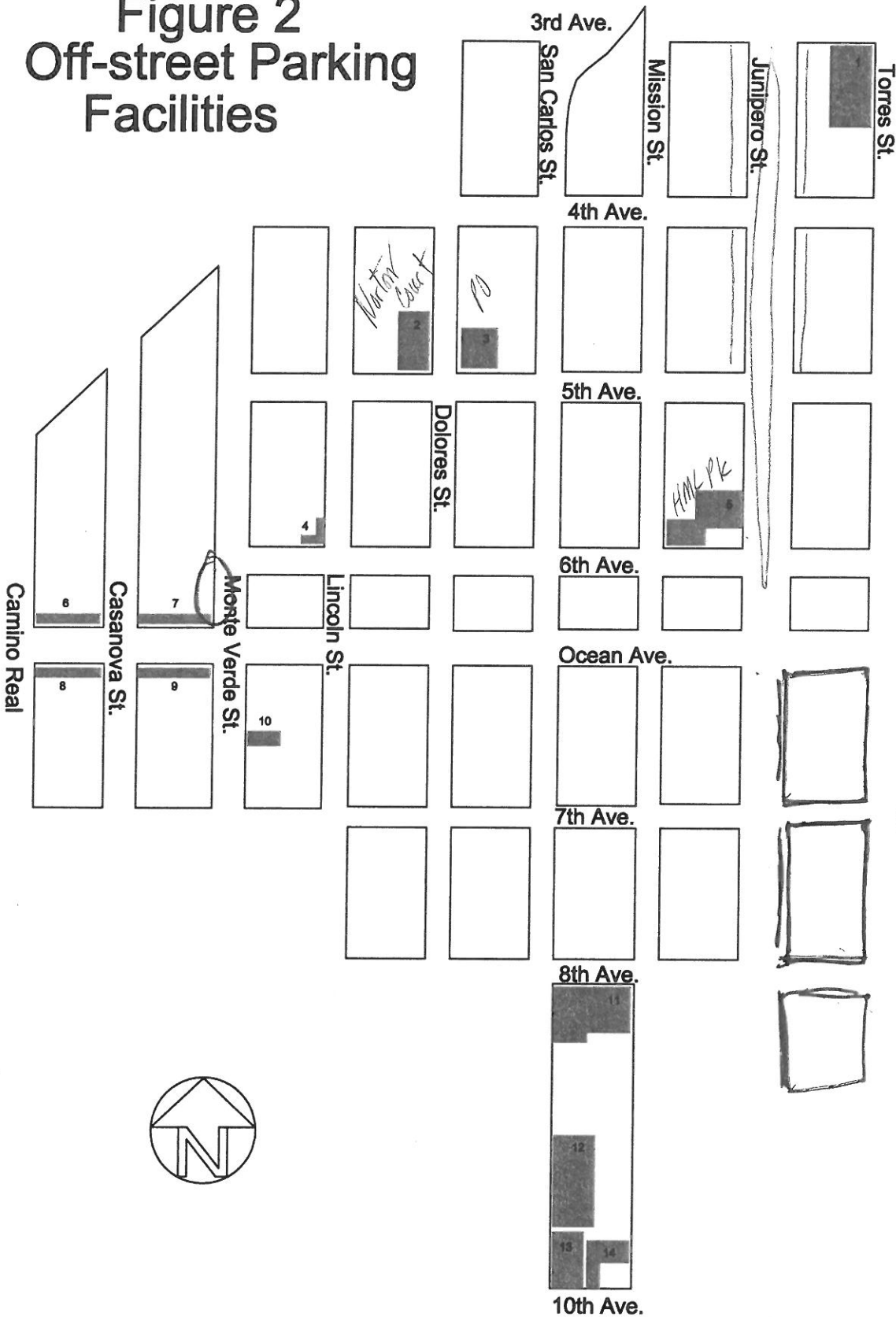
OFF STREET PARKING OCCUPANCIES

TOUR BUS PARKING

SURVEY OF COMPARABLE CITIES

REASONS FOR INSTALLING PARKING METERS

Figure 2 Off-street Parking Facilities



DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



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Table 1: Survey of Comparable Cities

City	On-Street Parking	Off-Street Employee Parking	Bus Parking
Santa Cruz	Meters - 1 hr, 2 hrs, 3 hrs, 4 hrs & 8 hrs - .15 + .75 per hour	\$16 to \$31 per month	Free
Monterey	Meters - 1 hr, 2 hrs, 12 hrs - .25 per hour	\$32.50/month, \$90/quarter, \$324.60/year	Free
Solvang	Free - unlimited time	Free	Free
Pacific Grove	Free - 2 hrs	\$65/six months; \$120/year	None provided
Newport Beach	Free - 1 hr, 2 hr & 4 hr Meters - .25, .50 and \$1.00/hr, various time limits	Free	\$14/day
Laguna Beach	Meters - .25 ea. 15 minutes, various time limits	Free	\$10/day
Capitola	Free - 2 hrs Meters - .25 ea 25 minutes, various time limits	None	\$6/day
Sausalito	Meters - \$1.00/hr various time limits	\$216/Quarterly	\$6/day
La Jolla	Free - 1 hr, 2 hrs, 4 hrs, unlimited	None	None provided

The installation of meters will not only open up additional parking spaces to area visitors, it will allow them to park for more than ninety minutes. The latter will be a tremendous aid to visitors who wish to spend an extended amount of time dining and shopping in the downtown area.

A secondary reason for installing parking meters is that the net income generated from the meters will allow the City to fund programs that will benefit the residents of Carmel. (Income, capital expense and operating expense projections are provided in a later section of this study.)

Multi-space meters work on basically the same theory as traditional parking meters. However, instead of installing one parking meter per parking space, it is only necessary to install one to three meters per block face. After parking their car, visitors proceed to the nearest multi-space meter. Directions on the rate card of each meter instruct the parkers that they may purchase time by increment by inserting coins, currency, debit card or credit card into the meter. Once the patrons have inserted the proper amount of money for the length of time they

HOW DO MULTI-SPACE METERS WORK?

DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



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wish to purchase, a time dated receipt is printed from the meter. Patrons return to their vehicles and place the receipt on the dashboard. The receipt includes the expiration time and date; therefore, an enforcement officer can tell if the time has expired. (A picture of the proposed meters and accompanying specifications are included in the Appendix.)

Multi-space meters have several advantages over the traditional parking meters for cities such as Carmel-By-The-Sea.

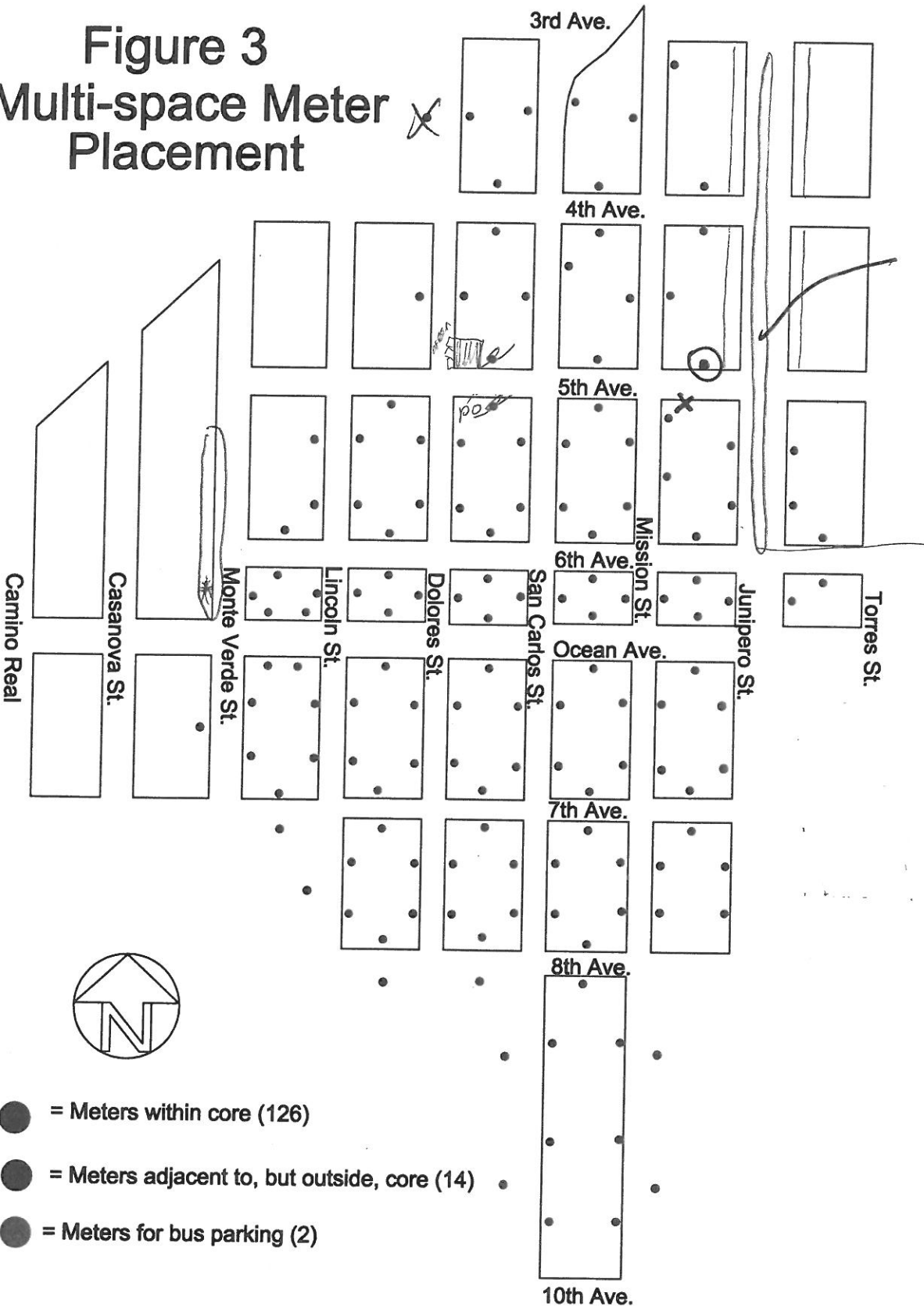
- The number of meters is greatly reduced, which in itself makes them more aesthetically pleasing than the large number of traditional meters that would be needed for the downtown area (140 multi-space meters vs. 1,049 single space meters).
- The multi-space meters can be painted or placed in aesthetically designed housings to blend with the overall architectural features of the city.
- Since fewer meters are required, maintenance and collection costs are less than the traditional meters.
- The multi-space meters allow for more payment options (coin, currency, debit cards and credit cards).
- The multi-space meters allow for more options in purchasing various time increments.
- Multi-space meters may be powered by solar energy, eliminating the installation and operating cost of electricity.
- Patrons can park more than once on the same payment as long as they have not exceeded the expiration time on the parking receipt.
- Income is not lost from patrons parking in a space that has unused time left on the meter, which often happens with traditional parking meters.

Schlumberger staff surveyed the downtown area and determined the number of multi-space meters that would be needed in order to adequately cover the downtown area. Multi-space meter placements are provided on Figure 3 on the following page. They recommend 140 multi-space meters for the on-street spaces and two meters for the bus spaces. Some of these parking spaces, which will be controlled by the meters depicted by the green dots, are currently unrestricted parking spaces.

ADVANTAGES OF MULTI-SPACE METERS

MULTI-SPACE METER LOCATIONS

Figure 3 Multi-space Meter Placement



DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



PROJECT #37-7106.00/AUGUST 12, 1999

Capital cost estimates for purchasing the required amount of multi-space meters for the downtown area are provided in Table 2 below.

Table 2: Capital Cost Estimate

Equipment	Unit Cost ⁽¹⁾	Total Cost
140 Multi-space meters	\$8,000	\$1,120,000
2 Bus Multi-space meters	10,750	21,500
Utility Van		18,000
Change Counting Equipment		<u>5,000</u>
TOTAL		\$1,164,500

We recommend the following parking rates:

- 50 cents per half hour, no time limit for regular parking spaces,
- \$10.00 per hour, three hour time limit for bus parking spaces,
- Free parking for disabled accessible parking spaces and commercial and passenger loading zones.

Parking income projections are provided in Table 3 below. The projections are based on the following data:

- Parking occupancy and vehicle turnover data from previous parking studies conducted for the city,
- Parking occupancy data from field work performed by Walker for this study,
- Quarterly sales tax information provided by the City,
- Parking citations provided by the Police Department,
- Data provided by the Carmel Business Association.

CAPITAL COSTS

PARKING RATES RECOMMENDATION

PARKING INCOME PROJECTIONS



DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY

PROJECT #37-7106.00/AUGUST 12, 1999

Our projections do not include additional income that could be generated by the elimination of pavement markings, which restrict the number of automobiles that can park on any block face. Our projections also assume that the loss of income for violators would be off-set by the increase in parking ticket income.

Table 3: Income Projections

Generator	Amount
Vehicles 1,049 spaces X 1.00 per hour per space X 8 hours X 365 days X .67 average occupancy	\$2,052,000
Buses 10 spaces X \$10 per hour per space X 8 hours X 365 days X .50 average occupancy	<u>146,000</u>
TOTAL	\$2,198,000

The average occupancy of the metered parking spaces (.67) is based on the expected displacement of the majority of employees who are now parking in these spaces and moving their vehicles to avoid parking citations. We expect that many employees will purchase time when they are parking for short periods.

A majority of the displaced employee parkers will be able to be accommodated in the following parking areas:

- North lot at Sunset Center – 137 spaces;
- Vista Lobos parking lot – 68 spaces;
- Junipero Street median, between 3rd & 6th – 87 spaces;
- Junipero Street, between 3rd & 5th – 48 spaces;
- Ocean Avenue, west of Monte Verde and East of Camino Real – 53 spaces.

The 393 spaces referred to above would be made available for employee permit parking only at a cost of \$5.00 per month. These spaces will be able to accommodate up to 600 employees since employees work on different days of the week and different hours of the day. The income received from employee permit parking was not included in Table 3 since it would be off-set by the costs for administering the permit system.

**DISPLACEMENT OF
EMPLOYEE PARKERS**

DOWNTOWN CARMEL BY-THE-SEA

MULTI-SPACE METER PARKING STUDY



PROJECT #37-7106.00/AUGUST 12, 1999

Annual operating expense projections are provided in Table 4 below. The projections are based on data provided by the City regarding salary ranges and our experience with other cities regarding staffing levels. Projected staffing levels assumes that additional enforcement will be needed in the adjacent residential areas to protect that parking from being encroached upon by the downtown employees.

OPERATING EXPENSE PROJECTIONS

Table 4: Operating Expense Projections

	Annual Salary ⁽¹⁾	Total
One Parking Enforcement Supervisor	\$45,000	\$45,000
Five Community Service Officers ⁽²⁾	39,520	198,000
Finance Specialist ⁽³⁾		6,000
Parking Receipts		18,000
Multi-space Meter Repairs ⁽⁴⁾		38,000
Amortization of Capital Costs ⁽⁵⁾		<u>201,000</u>
TOTAL		\$506,000

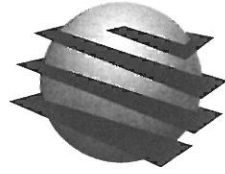
⁽¹⁾ Includes benefits

⁽²⁾ In addition to the three officers who are currently working in this area.

⁽³⁾ Additional salary and benefits to convert one Finance Specialist from part time to fulltime.

⁽⁴⁾ 3% of purchase price

⁽⁵⁾ \$1,164,500 (total capital costs) amortized over a 7 year period; at 6% interest



APPENDIX

Table A-1
On-Street Parking Occupancy
Friday, May 21

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Torres St.	3rd	4th	East	6	2	33%	2	33%	1	17%
	3rd	4th	West	9	6	67%	6	67%	2	22%
	4th	5th	East	5	4	80%	5	100%	5	100%
	4th	5th	West	6	4	67%	5	83%	3	50%
	5th	6th	East	9	9	100%	7	78%	2	22%
	5th	6th	West	12	12	100%	12	100%	3	25%
	6th	Ocean	East	4	3	75%	2	50%	3	75%
	6th	Ocean	West	0	0	0%	0	0%	0	0%
Subtotal				51	40	78%	39	76%	19	37%
Junipero Ave.	3rd	4th	East	13	13	100%	10	77%	6	46%
	3rd	4th	West	9	4	44%	5	56%	2	22%
	Center Island		East	10	10	100%	9	90%	7	70%
	Center Island		West	12	12	100%	10	83%	7	58%
	4th	5th	East	16	5	31%	4	25%	4	25%
	4th	5th	West	10	8	80%	7	70%	3	30%
	Center Island		East	15	14	93%	13	87%	10	67%
	Center Island			16	16	100%	15	94%	14	88%
	5th	6th	East	12	11	92%	10	83%	7	58%
	5th	6th	West	12	10	83%	10	83%	9	75%
	Center Island		East	17	17	100%	17	100%	13	76%
	Center Island		West	17	16	94%	15	88%	12	71%
	6th	Ocean	East	5	5	100%	3	60%	3	60%
	6th	Ocean	West	6	5	83%	4	67%	4	67%
	Ocean	7th	East	12	12	100%	12	100%	11	92%
	Ocean	7th	West	2	1	50%	2	100%	0	0%
	7th	8th	East	12	12	100%	11	92%	8	67%

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Junipero Ave.	7th	8th	West	26	25	96%	26	100%	18	69%
Subtotal				222	196	88%	183	82%	138	62%
Mission St.	3rd	4th	East	14	13	93%	7	50%	8	57%
	3rd	4th	West	11	11	100%	8	73%	5	45%
	4th	5th	East	7	7	100%	6	86%	7	100%
	4th	5th	West	12	12	100%	10	83%	11	92%
	5th	6th	East	13	13	100%	13	100%	13	100%
	5th	6th	West	17	17	100%	15	88%	14	82%
	6th	Ocean	East	5	5	100%	4	80%	5	100%
	6th	Ocean	West	5	5	100%	5	100%	4	80%
	Ocean	7th	East	17	15	88%	13	76%	16	94%
Mission St.	Ocean	7th	West	17	16	94%	16	94%	17	100%
	7th	8th	East	14	12	86%	13	93%	13	93%
	7th	8th	West	15	13	87%	12	80%	15	100%
Subtotal				147	139	95%	122	83%	128	87%
San Carlos St.	3rd	4th	East	5	5	100%	3	60%	5	100%
	3rd	4th	West	13	13	100%	9	69%	7	54%
	4th	5th	East	13	13	100%	11	85%	12	92%
	4th	5th	West	13	13	100%	11	85%	11	85%
	5th	6th	East	15	15	100%	10	67%	14	93%
	5th	6th	West	17	17	100%	14	82%	16	94%
	6th	Ocean	East	4	2	50%	0	0%	4	100%
	6th	Ocean	West	5	4	80%	0	0%	5	100%
	Ocean	7th	East	10	6	60%	4	40%	5	50%
	Ocean	7th	West	16	15	94%	14	88%	14	88%
	7th	8th	East	17	17	100%	12	71%	16	94%
	7th	8th	West	13	12	92%	10	77%	13	100%
Subtotal				141	132	94%	98	70%	122	87%
Dolares St.	3rd	4th	East	0	0	0%	0	0%	0	0%
	3rd	4th	West	7	7	100%	7	100%	1	14%

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Fourth Ave.	Torres	Junipero	North	3	3	100%	3	100%	3	100%
	Torres	Junipero	South	8	7	88%	5	63%	3	38%
	Junipero	Mission	North	6	3	50%	2	33%	2	33%
	Junipero	Mission	South	7	7	100%	3	43%	2	29%
	Mission	San Carlos	North	7	4	57%	6	86%	2	29%
	Mission	San Carlos	South	5	5	100%	4	80%	3	60%
	San Carlos	Dolores	North	6	6	100%	6	100%	4	67%
	San Carlos	Dolores	South	6	6	100%	6	100%	3	50%
	Dolores	Lincoln	North	7	7	100%	7	100%	4	57%
	Dolores	Lincoln	South	2	2	100%	2	100%	0	0%
Subtotal				57	50	88%	44	77%	26	46%
Fifth Ave.	Torres	Junipero	North	5	5	100%	5	100%	4	80%
	Torres	Junipero	South	4	4	100%	4	100%	4	100%
	Junipero	Mission	North	3	2	67%	3	100%	4	133%
	Junipero	Mission	South	0	0	0%	0	0%	0	0%
	Mission	San Carlos	North	6	4	67%	6	100%	5	83%
	Mission	San Carlos	South	7	4	57%	7	100%	7	100%
	San Carlos	Dolores	North	4	4	100%	4	100%	2	50%
	San Carlos	Dolores	South	6	4	67%	5	83%	4	67%
	Dolores	Lincoln	North	3	3	100%	3	100%	3	100%
	Dolores	Lincoln	South	6	6	100%	5	83%	6	100%
Subtotal				4	3	75%	4	100%	2	50%
				55	46	84%	53	96%	46	84%
Sixth Ave.	Torres	Junipero	North	5	5	100%	5	100%	3	60%
	Torres	Junipero	South	9	3	33%	9	100%	3	33%
	Junipero	Mission	North	8	8	100%	8	100%	5	63%
	Junipero	Mission	South	7	7	100%	6	86%	6	86%
	Mission	San Carlos	North	0	0	0%	0	0%	0	0%
	Mission	San Carlos	South	6	3	50%	4	67%	3	50%
Subtotal				6	0	0%	6	100%	4	67%

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Sixth Ave.	San Carlos	Dolores	South	8	1	13%	8	100%	6	75%
	Dolores	Lincoln	North	9	9	100%	8	89%	8	89%
	Dolores	Lincoln	South	8	8	100%	7	88%	7	88%
	Lincoln	Monte Verde	North	9	9	100%	7	78%	7	78%
	Lincoln	Monte Verde	South	9	7	78%	8	89%	8	89%
Subtotal				84	60	71%	76	90%	60	71%
Ocean	Junipero	Mission	North	10	10	100%	10	100%	10	100%
	Junipero	Mission	South	10	9	90%	9	90%	10	100%
	Mission	San Carlos	North	10	10	100%	10	100%	10	100%
	Mission	San Carlos	South	10	7	70%	9	90%	10	100%
	San Carlos	Dolores	North	10	10	100%	9	90%	10	100%
	San Carlos	Dolores	South	9	9	100%	8	89%	3	33%
	Dolores	Lincoln	North	10	9	90%	10	100%	9	90%
	Dolores	Lincoln	South	9	7	78%	9	100%	3	33%
	Lincoln	Monte Verde	North	10	9	90%	8	80%	10	100%
	Lincoln	Monte Verde	South	10	9	90%	10	100%	9	90%
Subtotal				98	89	91%	92	94%	84	86%
Seventh Ave.	Junipero	Mission	North	7	4	57%	6	86%	7	100%
	Junipero	Mission	South	7	2	29%	5	71%	6	86%
	Mission	San Carlos	North	9	6	67%	7	78%	5	56%
	Mission	San Carlos	South	7	6	86%	5	71%	6	86%
	San Carlos	Dolores	North	8	7	88%	8	100%	8	100%
	San Carlos	Dolores	South	8	7	88%	7	88%	7	88%
	Dolores	Lincoln	North	9	6	67%	9	100%	9	100%
	Dolores	Lincoln	South	7	5	71%	7	100%	7	100%
	Lincoln	Monte Verde	North	7	4	57%	5	71%	6	86%
	Lincoln	Monte Verde	South	9	3	33%	7	78%	5	56%
Subtotal				78	50	64%	66	85%	66	85%
Eight Ave.	Junipero	Mission	North	0	0	0%	0	0%	0	0%
	Junipero	Mission	South	4	4	100%	4	100%	3	75%

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Eight Ave.	Mission	San Carlos	North	8	8	100%	6	75%	6	75%
	Mission	San Carlos	South	7	6	86%	7	100%	6	86%
	San Carlos	Dolores	North	8	8	100%	4	50%	3	38%
	San Carlos	Dolores	South	7	7	100%	7	100%	6	86%
	Dolores	Lincoln	North	5	2	40%	5	100%	6	120%
	Dolores	Lincoln	South	7	7	100%	7	100%	6	86%
	Lincoln	Monte Verde	North	8	6	75%	8	100%	5	63%
Subtotal				54	48	89%	48	89%	41	76%
Grand Total				1284	1128	88%	1072	83%	990	77%

Table A-2
 On-Street Parking Occupancy
 Friday, May 21

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Mission St.	5th	6th	East	13	13	100%	13	100%	13	100%
	5th	6th	West	17	17	100%	15	88%	14	82%
	6th	Ocean	East	5	5	100%	4	80%	5	100%
	6th	Ocean	West	5	5	100%	5	100%	4	80%
	Ocean	7th	West	17	16	94%	16	94%	17	100%
Subtotal				57	56	98%	53	93%	53	93%
San Carlos St.	5th	6th	East	15	15	100%	10	67%	14	93%
	5th	6th	West	17	17	100%	14	82%	16	94%
	6th	Ocean	East	4	2	50%	0	0%	4	100%
	6th	Ocean	West	5	4	80%	0	0%	5	100%
	Ocean	7th	East	10	6	60%	4	40%	5	50%
	Ocean	7th	West	16	15	94%	14	88%	14	88%
	Subtotal				67	59	88%	42	63%	58
Dolores St.	5th	6th	East	16	16	100%	13	81%	15	94%
	5th	6th	West	18	18	100%	13	72%	14	78%
	6th	Ocean	East	4	4	100%	0	0%	4	100%
	6th	Ocean	West	4	4	100%	0	0%	4	100%
	Ocean	7th	East	17	13	76%	15	88%	14	82%
	Ocean	7th	West	15	14	93%	14	93%	14	93%
Subtotal				74	69	93%	55	74%	65	88%
Lincoln St.	5th	6th	East	11	10	91%	11	100%	11	100%
	5th	6th	West	3	2	67%	2	67%	1	33%
	6th	Ocean	East	6	3	50%	4	67%	5	83%
	6th	Ocean	West	3	3	100%	3	100%	3	100%

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Lincoln St.	Ocean	7th	East	18	17	94%	16	89%	17	94%
	Ocean	7th	West	18	18	100%	17	94%	18	100%
Subtotal				59	53	90%	53	90%	55	93%
Monte Verde	6th	Ocean	East	5	5	100%	5	100%	5	100%
	6th	Ocean	West	6	5	83%	5	83%	5	83%
	Ocean	7th	East	13	11	85%	12	92%	12	92%
	Ocean	7th	West	13	13	100%	11	85%	13	100%
Subtotal				37	34	92%	33	89%	35	95%
Fifth Ave.	Mission	San Carlos	North	6	4	67%	6	100%	5	83%
	Mission	San Carlos	South	7	4	57%	7	100%	7	100%
	San Carlos	Dolores	North	4	4	100%	4	100%	2	50%
	San Carlos	Dolores	South	6	4	67%	5	83%	4	67%
	Dolores	Lincoln	North	3	3	100%	3	100%	3	100%
	Dolores	Lincoln	South	6	6	100%	5	83%	6	100%
	Lincoln	Monte Verd	North	7	7	100%	7	100%	5	71%
	Lincoln	Monte Verd	South	4	3	75%	4	100%	2	50%
Subtotal				43	35	81%	41	95%	34	79%
Sixth Ave.	Mission	San Carlos	North	0	0	0%	0	0%	0	0%
	Mission	San Carlos	South	6	3	50%	4	67%	3	50%
	San Carlos	Dolores	North	6	0	0%	6	100%	4	67%
	San Carlos	Dolores	South	8	1	13%	8	100%	6	75%
	Lincoln	Monte Verd	North	9	9	100%	7	78%	7	78%
	Lincoln	Monte Verd	South	9	7	78%	8	89%	8	89%
Subtotal				38	20	53%	33	87%	28	74%
Ocean	Mission	San Carlos	North	10	10	100%	10	100%	10	100%
	Mission	San Carlos	South	10	7	70%	9	90%	10	100%
	San Carlos	Dolores	North	10	10	100%	9	90%	10	100%
	San Carlos	Dolores	South	9	9	100%	8	89%	3	33%
	Dolores	Lincoln	North	10	9	90%	10	100%	9	90%

Location	From	To	Side	Total Spaces	Occupied					
					11:00 a.m.	%	2:00 p.m.	%	5:00 p.m.	%
Ocean	Dolores	Lincoln	South	9	7	78%	9	100%	3	33%
	Lincoln	Monte Verd	North	10	9	90%	8	80%	10	100%
	Lincoln	Monte Verd	South	10	9	90%	10	100%	9	90%
Subtotal				78	70	90%	73	94%	64	82%
Seventh St.	Mission	San Carlos	South	7	6	86%	5	71%	6	86%
	San Carlos	Dolores	North	8	7	88%	8	100%	8	100%
	San Carlos	Dolores	South	8	7	88%	7	88%	7	88%
	Dolores	Lincoln	North	9	6	67%	9	100%	9	100%
	Dolores	Lincoln	South	7	5	71%	7	100%	7	100%
	Lincoln	Monte Verd	North	7	4	57%	5	71%	6	86%
	Lincoln	Monte Verd	South	9	3	33%	7	78%	5	56%
Subtotal				55	38	69%	48	87%	48	87%
Grand Total				508	434	85%	431	85%	440	87%

Table A-3
Off-Street Parking Facilities
Parking Occupancy Counts
(Tuesday June 22)

Map No.	Lot Name	Total Spaces	Occupied Spaces	% Occupied	Time
1	Vista Lobos	68	45	66.2%	3:00 PM
5	Harrison	19	15	78.9%	1:23 PM
11	Sunset Center	137	65	47.4%	12:55 PM
12	Sunset Center	34	30	88.2%	1:12 PM
14	Sunset Center	30	12	40.0%	1:05 PM
13	Sunset Center	18	6	33.3%	1:10 PM
13 ⁽¹⁾	Sunset Center	129	112	86.8%	2:05 PM
3	Post Office	18	12	66.7%	1:30 PM
2	Norton Court	37	19	51.4%	1:40 PM
4	Harrison Library	5	4	80.0%	1:50 PM
10	City Hall	9	8	88.9%	1:54 PM
7	Ocean Ave.	17	17	100.0%	12:30 PM
9	Ocean Ave.	12	12	100.0%	12:32 PM
6	Ocean Ave.	10	10	100.0%	12:35 PM
8	Ocean Ave.	<u>14</u>	<u>12</u>	85.7%	12:38 PM
Subtotal		557	379	68.0%	
a	Beach & Ocean Ave	122	112	91.8%	2:30 PM
b	Scenic Road (Ocean to City Limits)	127	87	68.5%	2:35 PM
c	Forest Theater	<u>18</u>	<u>2</u>	11.1%	2:55 PM
Subtotal ⁽²⁾		267	201	75.3%	
Grand Total		824	580	70.4%	

⁽¹⁾ Streets surrounding Sunset Center; no time restrictions

⁽²⁾ Lots a, b and c are outside the study area and not on the Area Map.



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BOSTON
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MEMORANDUM

PARKING MANAGEMENT RECOMMENDATIONS



PAGE 1

DATE: March 27, 2014
TO: Chief Michael Calhoun
ORGANIZATION: Carmel-by-the-Sea Police Department
ADDRESS: Southeast Corner of Junipero Street and 4th
Avenue
CITY/STATE: Carmel-by-the-Sea
CC:
HARD COPY TO FOLLOW: No
FROM: Turoff, Steffen
PROJECT NAME: Carmel-by-the-Sea Steps for Improved Parking
Management
PROJECT NUMBER: 33-1781.00
SUBJECT: Memorandum

Based on the findings of the 2013 Parking Study presented to a joint meeting of Carmel-by-the-Sea's City Council and Planning Commission on November 4, 2013, Walker Parking Consultants and City staff were directed to identify effective parking management measures for Downtown Carmel that together would result in a plan that improved the availability of (on-street) parking spaces for visitors, with an overall emphasis of improving the visitor experience in the City. Findings from the 2013 study suggested that the most efficient way to improve parking space availability for visitors was to address the significant number of long-term (primarily business owner and employee) drivers who regularly park in these visitor spaces. To identify the appropriate measures to take to improve parking space availability, the following goals were identified:

1. Discourage long-term parking in the highest demand locations;
2. Provide reasonable flexibility for visitor parking keeping the customer service experience in mind; and
3. Implement policies to encourage long-term parking in lower demand areas; and bring underutilized privately owned parking spaces into the public system.

As part of the overall strategy for creating a parking management plan, Walker identified two types of policy measures that can help achieve the broader policy goal. They can be divided simply between "push" and "pull" efforts applied to long-term parkers parked in spaces designated for visitors. "Push" policies are focused directly on the behavior of drivers parked in the on-street spaces. They include time restrictions on parkers, pricing on-street parking spaces, and related measures used to enforce compliance of these policies and restrictions. "Pull" policies are essentially policies put in place in locations away from the on-street spaces, which encourage or incentivize long-term parkers to not park in the coveted visitor spaces, or not park at all, but instead use other means to access the downtown. "Pull" policies may take

MEMORANDUM

PARKING MANAGEMENT RECOMMENDATIONS



PAGE 2

the form of incentives to park in certain locations, such as relaxed or eliminated time limits and inexpensive or free parking.

Almost by definition “push” policies are punitive in nature while “pull” policies are incentives to change behavior. “Pull” policies attempt to make what initially may be an inconvenient choice into a more attractive choice. “Push” policies therefore address the issue at the source whereas “pull” policies arguably work in a more indirect fashion.

Because “push” policies are more targeted, they are nearly always more effective than “pull” policies though they require more effort to implement. “Pull” policies are generally easier or more attractive to implement than “push” policies, primarily because they rely on incentives rather than punishment of drivers who do not follow the desired policies.

The most effective policies to improve parking system performance combine “push” and “pull” policies. In some cases, the implementation of both “push” and “pull” policies are not only desirable, but necessary; in order to achieve the desired parking management goals.

City staff and council have requested that Walker present a continuum of parking management solutions, which range from the easiest/quickest/cheapest to the hardest/longest/most expensive. In order to understand the range of parking policy alternatives available, and their effectiveness, it is helpful to consider the alternatives in the context of a “push” and “pull” strategy.

NUMBER OF ADDITIONAL, AVAILABLE SPACES SOUGHT

Based on the expressed goals of the Parking Management Plan, it is helpful to quantify the approximate number of spaces needed to improve parking availability for visitors. We note that some communities have attempted to identify this number by surveying the number of employees in downtown businesses. However we have seen that such surveys can have less than productive results. We do not seek to quantify the number of total employees working in the downtown area nor do we seek to quantify the number of employees working at a given time. Rather we seek to identify the number of parked vehicles whose relocation would demonstrably improve the availability of parking spaces for visitors.

Relocating long-term vehicles is a tool. Our goal is to make spaces available for visitors; not simply relocate vehicles parked in the long term. The following tables, which come from the 2013 study, reflect parking adequacy on a street-by-street basis. We therefore note that we are not necessarily “targeting” all employee parkers with our policies. Our primary goal is to eliminate the parking deficits shown in the table below.

Table 2 shows a total parking deficit of 63 two-hour parking spaces during the peak, but using Table 3 shows greater detail, and a total parking deficit of 83 parking spaces at peak. To the extent we can relocate at least 83 long-term parkers from the commercial center of Carmel, we will have improved parking availability for visitors.

MEMORANDUM

PARKING MANAGEMENT RECOMMENDATIONS



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Table 1: Observed Aggregate Parking Deficits in Downtown Carmel

STREET	FROM	TO	SUPPLY ADEQUACY (DEFICIT)						
			2 hr	30 min	10 min	Loading	Other	Regular	Total
Torres St.	3rd Avenue	Ocean	0	0	0	0	0	0	0
Junipero Ave.	3rd Avenue	8th Avenue	0	4	0	2	10	(7)	9
Mission St.	3rd Avenue	8th Avenue	(7)	1	2	0	1	0	(3)
San Carlos St.	3rd Avenue	10th Avenue	(10)	3	0	5	0	(3)	(5)
Dolores St.	3rd Avenue	8th Avenue	(12)	6	0	1	0	(1)	(6)
Lincoln St.	4th Avenue	8th Avenue	(8)	(1)	0	1	0	(1)	(9)
Monte Verde	4th Avenue	8th Avenue	0	(1)	0	1	0	(4)	(4)
Casanova St.	4th Avenue	8th Avenue	0	0	0	0	0	10	10
Third Avenue	Torres	Mission	0	0	0	0	0	2	2
Fourth Avenue	Torres	Lincoln	(2)	(1)	0	0	0	(1)	(4)
Fifth Avenue	Torres	Monte Verde	(1)	0	6	0	(1)	(2)	2
Sixth Avenue	Torres	Monte Verde	(6)	(1)	0	1	0	0	(6)
Ocean	Junipero	Casanova	(8)	4	0	1	0	(2)	(5)
Seventh Avenue	Junipero	Casanova	(5)	2	0	0	0	2	(1)
Eighth Avenue	Junipero	Casanova	(4)	0	(1)	0	0	0	(5)
Totals			(63)	16	7	12	10	(7)	(25)

Source: Walker Parking Consultants, 2013.

Table 2: Number of Spaces Needed to Alleviate Parking Space Deficit at Peak

STREET	FROM	TO	SUPPLY ADEQUACY (DEFICIT)						
			2 hr	30 min	10 min	Loading	Other	Regular	Total
Torres St.	3rd Avenue	Ocean							
Junipero Ave.	3rd Avenue	8th Avenue							
Mission St.	3rd Avenue	8th Avenue	(7)						(3)
San Carlos St.	3rd Avenue	10th Avenue	(10)					(3)	(5)
Dolores St.	3rd Avenue	8th Avenue	(12)					(1)	(6)
Lincoln St.	4th Avenue	8th Avenue	(8)	(1)				(1)	(9)
Monte Verde	4th Avenue	8th Avenue		(1)				(4)	(4)
Casanova St.	4th Avenue	8th Avenue							
Third Avenue	Torres	Mission							
Fourth Avenue	Torres	Lincoln	(2)	(1)				(1)	(4)
Fifth Avenue	Torres	Monte Verde	(1)				(1)	(2)	
Sixth Avenue	Torres	Monte Verde	(6)	(1)					(6)
Ocean	Junipero	Casanova	(8)					(2)	(5)
Seventh Avenue	Junipero	Casanova	(5)						(1)
Eighth Avenue	Junipero	Casanova	(4)		(1)				(5)
Totals			-63	-4	-1	0	-1	-14	-83

Source: Walker Parking Consultants, 2013.

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POTENTIAL UNDERUTILIZED PARKING SPACES

The number of underutilized parking spaces that could be available for employee parkers will vary significantly by day and hour. For example, the Thursday Farmer's Market at the Sunset Lot in particular will limit parking availability on that day. While we therefore suggest a conservative estimate of the number of parking spaces available for employee parking, we also suggest that much of the time, the number of available spaces will be greater than our conservative projection indicates.

Figure 1 on the following page shows the location of parking spaces that could be used to accommodate employee, business owner, and other long-term parkers who currently park in visitor spaces in the commercial core. Table 3 shows the number of parking spaces that could be available, by location, for this purpose. We note that a significant number of these spaces are located in the Sunset Center's "North" lot, parking availability in which may be skewed due to weekday data collection occurring on a Farmer's Market day, when many of the parking spaces may not be available for parking. We point out, however, that even if we were to remove, very conservatively, all of the Sunset North Lot spaces from the possible long-term parking pool, we are still likely to have 100+ underutilized parking spaces for long-term parkers.

Table 4 shows the number of available parking spaces observed, by time of day, along Junipero Street. However, based on the recommendations we put forth later in this memorandum, Table 5 answers the relevant question for our purposes: how many underutilized time restricted spaces along Junipero Street could be used by long-term parkers if the time restrictions were removed? The data in the table suggests that the answer is a minimum of 13 parking spaces.

The larger question is whether underutilized parking spaces exist and can be used to park long-term parkers in the commercial core. Although a relatively small percentage of available spaces exist given the total supply of spaces in the commercial core, the answer is "yes." Based on this finding, we present recommendations to move this strategy forward.

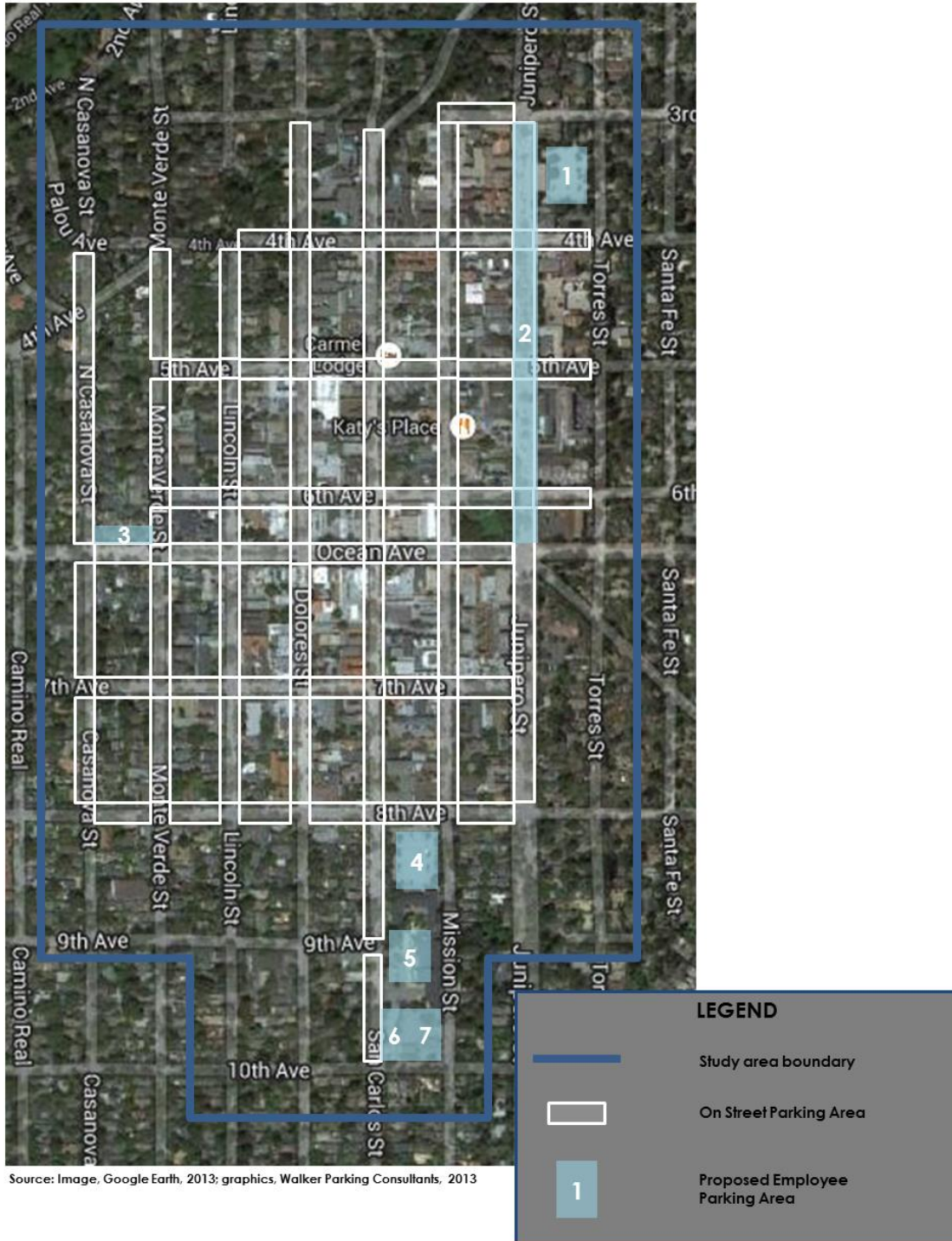
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Figure 1: Selected Possible Locations for Long-term Parking



Source: Image, Google Earth, 2013; graphics, Walker Parking Consultants, 2013

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Table 3: Observed Availability of Parking Spaces in Proposed Employee Parking Areas by Time of Day

Area	Area Description	Inventory*	Thursday, July 11, 2013			Saturday, July 13, 2013		
			11 AM	2 PM	5 PM	11 AM	2 PM	5 PM
1	Vista Lobos Lot	60	40	35	28	38	17	39
2	Junipero (On Street)	168	33	17	43	31	21	20
3	Ocean (On Street)	27	5	7	6	1	1	4
4	Sunset Center (North) Market [‡]	120	98	89	53	108	11	47
5	Sunset Center (San Carlos / Middle) Lot	31	11	2	1	5	23	13
6	Sunset Center (Southwest) Lot	20	4	3	-	2	15	8
7	Sunset Center (Southeast) Lot	33	7	6	-	7	19	23
Totals		459	198	159	131	192	107	154

* Figures exclude loading spaces, motorcycle spaces, and spaces reserved for police use.

[‡] Farmers' Market in progress during 11 AM and 2 PM counts on Thursday, July 11, 2013.

Source: Walker Parking Consultants, 2014.

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Table 4: Availability of Parking Spaces in Proposed Parking Area 2, Junipero Street

Location	From	To	Side	Number of Spaces by Type*				Number of Spaces Available*					
				2 hr	≤30 min	Untimed	Total	Thursday, July 11, 2013			Saturday, July 13, 2013		
								11 AM	2 PM	5 PM	11 AM	2 PM	5 PM
Area 2 Junipero Street	3rd	4th	East	0	0	10	10	1	0	3	2	1	3
			West	0	3	10	13	2	1	1	1	2	5
	Center Island	East	0	0	12	12	1	0	2	0	1	1	
		West	0	0	13	13	1	0	3	0	1	0	
	4th	5th	East	8	3	0	11	4	3	5	3	5	4
			West	9	1	0	10	1	0	4	3	3	1
	Center Island	East	0	0	16	16	1	3	3	0	1	0	
		West	0	0	16	16	1	1	4	0	1	0	
	5th	6th	East	12	0	0	12	5	3	2	4	1	2
			West	10	0	0	10	5	1	0	0	0	-2
	Center Island	East	17	0	0	17	6	2	2	7	2	1	
		West	17	0	0	17	4	2	3	9	1	2	
	6th	Ocean	East	5	0	0	5	0	0	5	0	1	2
			West	6	0	0	6	1	1	6	2	1	1
Totals				84	7	77	168	33	17	43	31	21	20

* Figures **exclude** loading spaces, motorcycle spaces, and spaces reserved for police use.

Source: Walker Parking Consultants, 2014.

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Table 5: Availability of Timed Parking Spaces in Proposed Parking, Area B, Junipero Street

Location	From	To	Side	Total Timed Restricted Spaces*	Number of Time-restricted Spaces Available*					
					Thursday, July 11, 2013			Saturday, July 13, 2013		
					11 AM	2 PM	5 PM	11 AM	2 PM	5 PM
Area 2 Junipero Street	3rd	4th	West	3	0	1	1	1	2	2
	4th	5th	East	11	4	3	5	3	5	4
			West	10	1	0	4	3	3	1
	5th	6th	East	12	5	3	2	4	1	2
			West	10	5	1	0	0	0	(2)
	Center Island		East	17	6	2	2	7	2	1
			West	17	4	2	3	9	1	2
	6th	Ocean	East	5	0	0	5	0	1	2
			West	6	1	1	6	2	1	1
	Totals				91	26	13	28	29	16

* Figures **exclude** loading spaces, motorcycle spaces, and spaces reserved for police use.

Source: Walker Parking Consultants, 2014.

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RECOMMENDATIONS

Based on the discussion above, we present the following recommendations in order of what we project would be ease of implementation. Important among these, or any recommendation regarding parking policies and recommendations is the need for regular monitoring of parking occupancies. A parking system is dynamic in many ways. Planners and economic development specialists have recently been describing municipal parking systems in terms similar to an ecosystem. Policies must be flexible and an open source of information and goals for the system should be in place. The City and stakeholders should have plans in place to measure the effectiveness of the parking program and make necessary changes to better manage parking. For example, we typically recommend monitoring parking occupancies at least once or twice per quarter (in order to take into account seasonal variations in parking patterns).

The purpose of the monitoring is to identify where parking occupancy is either too high (indicating a shortage of available spaces) or too low (indicating underutilized spaces) and make policy adjustments accordingly. Policies should be easy for the public to understand, but also flexible to adjust to the needs of the parking system, a key priority of which is ensuring parking availability. As part of the monitoring process we suggest that City staff implement a score card identifying which programs are initiated and their effectiveness.

In the remainder of this document we discuss a continuum of parking policy “pull” and “push” options in terms of ease of implementation and effectiveness. We summarize our findings in the following table. Details follow in the remainder of the report.

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Table 6: Summary of Parking Policy Measures

	Proposed Measure	Purpose	Anticipated Level of Effectiveness	Projected Ease of Implementation	Projected: Total Cost Relative to Effectiveness
1	Free all-day parking in the Sunset Lot to accommodate employee parking.	"Pull" employees out of visitor parking spaces.	Low	High	Medium
2	Eliminate time restrictions on Junipero Street north of Fifth Avenue to accommodate employee parking.	"Pull" employees out of visitor parking spaces.	Low	High	Low
3	Make agreements for the use of some private spaces for employee use.	"Pull" employees out of visitor parking spaces.	Low	Medium	Low
4	Rewards program for employee parkers.	"Pull" employees out of visitor parking spaces.	Low	Low	Low
5	Walk/concierge/ambassador service	"Pull" employees out of visitor parking spaces.	Very Low	Low	Medium
6	Shuttle service for employees (and visitors)	"Pull" employees out of visitor parking spaces.	Very Low	Low	Very High
1 - 6	Combined "Pull" Measures	"Pull" employees out of visitor parking spaces.	Medium	Medium	Medium
7	Pilot/Limited Paid Parking Program	"Push" employees from localized visitor parking spaces.	High in locations where implemented	Medium	Very Low
8	Downtown-wide Paid Parking	"Push" employees from visitor parking spaces.	Very High	Low to Medium	Very Low

Source: Walker Parking Consultants, 2014

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1. EXTEND THE ENFORCEMENT OF TIME LIMITS BEYOND THE CURRENT 6:00 PM TO AT LEAST 9:00 PM ("PUSH" POLICY)

By ending the time limit enforcement at 6:00 pm, drivers who park by 4:00 pm may park for an unlimited amount of time for the whole evening. Employees who work day shifts are effectively subject to the time limits, but employees arriving at 2:00 pm or later need only move their car once to be able to park on the street through the evening. We note that the second and third busiest occupancy counts for on-street parking spaces were the 2:00 pm and 5:00 pm occupancy counts performed on Saturday. Extending the hours of enforcement will reduce the incentive for employees to park on the street throughout the afternoon and into the evening.

The additional cost to the City of implementing this policy includes changing the existing signage infrastructure, which could likely be done using stickers rather than full replacement of signs. The cost also includes changes in the hours parking officers would be enforcing, however we note that additional hours would likely result additional citation revenue as well, which could offset the cost of the additional hours of enforcement.

Needed for implementation:

- New signage. Implementation of this measure need not require the replacement of the existing metal signage apparatus, which could be costly and time consuming. Official stickers could be placed over the existing "9:00 am to 6:00 pm" notation to indicate the hours of enforcement as necessary.
- Labor. Parking enforcement officers ("PEOs") would be required to work later into the evening to enforce this policy. Additional PEO hours would be required. While some cities that have implemented this policy simply started enforcement later in the morning, so as not to increase the number of hours worked by enforcement staff, after review of the data, we caution that such a policy in Carmel could allow employees who arrive early in the morning to park legally until noon or beyond, impacting the availability of parking spaces during the lunch time peak.
- Ordinance. In some cities, the hours of enforcement may be regulated by ordinance. This does not appear to be the case in Carmel, per the City's Municipal Code 10.32.060 Limited Time Parking, however, should be confirmed by City staff.

2. PROVIDE MORE CONVENIENT AND ATTRACTIVE PARKING OPTIONS FOR EMPLOYEES ("PULL" POLICY)

We want a significant portion of the business owners and employees who currently park in visitor (two hour) spaces to park away from the commercial core in order to make more on-street parking spaces near businesses available to visitors.

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In order to encourage long-term parkers to park in these peripheral locations we need to undertake measures that make these locations more attractive and to some extent counteract the inconvenience that comes with parking in these locations. These include:

- Eliminating parking fees;
- Reducing or eliminating time restrictions;
- Providing improved safety and convenience for walking/traveling to and from the parking locations;
- Providing rewards for employees who follow the desired policies.

We note that it is not necessary that we move every long-term parker out of the commercial core area. Our goal is to make one to two, two-hour parking spaces available on each block face in the commercial core.

In order to achieve this goal, we propose the following measures:

A. ELIMINATE THE FEE FOR PAID PARKING IN THE SUNSET CENTER LOT AND ALLOW FREE, ALL-DAY PARKING.

The policy to charge for parking in the Sunset Center lot was an incomplete implementation of the policy recommendations made in the study that Walker performed in 2000; it was not intended to be implemented in isolation. Paid parking in the Sunset Center was recommended *assuming the implementation of paid parking on the street*. However, without the “push” of paid parking on the street, charging for parking in the Sunset Center became its own “push.” Combined with the relatively inconvenient location in relation to most Downtown businesses, the current policy represents not one, but two reasons for people not to park in the lot. We want to remove the disincentives and instead provide incentives (for employees) to park in this location.

Implementing paid parking in the Sunset Center lot while on-street parking remains free violates an important rule of parking management: off-street parking should generally be priced less and have fewer restrictions than on-street parking. With the possible exception of event parking in some instances, we suggest that the price of parking – and the restrictions – for parking in the Sunset Center should be less than those for parking on-street in the commercial core of the City.

Eliminating paid parking in the Sunset lot is meant to address these issues and attract more employee parkers. The policy may attract more visitor parkers as well, who would be willing to park farther away and walk a greater distance for the added convenience of not being subject to time restrictions. Such visitor parkers currently must pay for the inconvenience of walking a greater distance to shops and businesses. For free parking, it is almost certain that some visitor parkers will be willing to park at this location. We project that most or all of these parkers will be pulled from visitor spaces closer to the commercial core.

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Needed for Implementation:

- Removal of the existing pay station.
- Signage. Removal of or significant change to existing “pay-to-park” signage and notice of additional restrictions, such as a 24-hour time limit for parking.
- Public outreach to inform employees of the new policy. In addition to announcing the change on the City’s website and through local media, we recommend coordination with the City’s Chamber of Commerce to inform employees of the change in policy.

B. LEASE A LIMITED NUMBER OF UNDERUTILIZED PRIVATE PARKING SPACES FOR EMPLOYEE PARKING

The 2013 parking study focused on publicly owned parking spaces but the availability of parking spaces in some privately owned facilities was quantified and a significant number of available spaces was identified in such facilities. These are parking spaces that are not being used at the same time that visitor spaces are unavailable. To the extent it is possible, agreeable to both parties, and that the City utilizing these spaces for long-term parkers should make more spaces available for visitors, a financial arrangement between the City and the owners of off-street parking spaces would provide the incentive for owners of off-street parking spaces to participate in such a program.

Funding for the monthly leasing of parking spaces could come from revenue generated by the parking system. We point out that the amortized construction, soft and operating costs for a structured parking space in Northern California can easily exceed \$250 per month, not including land costs. The City should not hesitate spending a reasonable amount per space to more efficiently use the private parking spaces in the commercial core area; doing so is far more cost effective than building additional parking and is a more efficient use of Carmel-by-the-Sea’s limited space as well.

In some cases, designated employee parkers could be provided with access, and peripheral spaces inside the facility could be designated for employee parking. For select spaces in un-gated facilities, monthly parking could be provided to a limited number of employees, whose license plates would be registered with the City’s Parking Enforcement operation. Off-street spaces could be allocated through a lottery to employees who sign up. The cost of leasing these spaces would be covered by the City. We note that in some instances an adjustment to the City’s zoning regulations regarding minimum parking requirements could be required to ensure that the use of private parking spaces did not violate the City code.

Needed for Implementation:

- Public outreach to property owners and then to potential (employer or employee) parkers about the existence of the new program;
- Agreement. An agreement between off-street parking owners and the City to make parking spaces available (sample attached);

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- Funding. Funding source identified to compensate the owners of off-street parking for the use of their parking spaces.
- Allocation of spaces. From the pool of employee parking identified, a determination of which employees will be allowed to use the off-street parking spaces. Determination could come from a lottery system or employers could be charged (partial) payment for use of the spaces if competition for these spaces was significant enough to merit fees.
- Signage. Unless specified or required in an agreement with parking owners, signage would not be necessary for implementation of this policy. Parkers permitted to park in (designated) spaces would be identified using registered license plates.

C. ELIMINATE TIME LIMITS IN DESIGNATED ON-STREET SPACES TO ALLOW FOR ALL-DAY PARKING BY EMPLOYEES

On-street parking spaces located away from the commercial core, and which experience lower demand for parking, can be used to park long-term parkers much like spaces in the Sunset Center or Vista Lobos surface lots. Employees who otherwise might occupy short-term parking spaces in the commercial core could park in these spaces. The parking spaces that we have identified for this purpose include parking spaces currently designated as 2-hour spaces along Junipero Street, between Third Street and Ocean Avenue, and spaces along Ocean Avenue between Monte Verde and Casanova Streets. We recommend 10-hour time limits to ensure that residents, hotel guests (who may have the option of on-site parking) or other long-term parkers do not use the spaces for long-term vehicle storage.

Table 5, earlier in the report, demonstrated the availability of these spaces.

Needed for Implementation:

- New signage. Implementation of this measure need not require the replacement of the existing metal signage apparatus, which could be costly and time consuming. Official stickers could be placed over the existing two-hour time limit to a twelve-hour time limit.
- Public outreach to inform employees of the new policy. In addition to announcing the change on the City's website and through local media, we recommend coordination with the City's Chamber of Commerce to inform employees of the change in policy.

D. DEVELOP A WALK SERVICE, AMBASSADOR/CONCIERGE SERVICE OR SHUTTLE SERVICE FOR EMPLOYEES AND OTHERS WHO PARK IN PERIPHERAL LOCATIONS

The walking distance between peripheral parking locations and businesses in the center of the commercial district is a deterrent to employees parking in peripheral locations. Perceived safety issues are a deterrent as well, particularly for employees – and some visitors – who may need to return to their cars after dark. Providing a service that addresses these concerns should increase employees' willingness to park away from the commercial area.

Such services could include security or walking escort services, similar to those found on college campuses for students who study late at the library. An ambassador program can be

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similar to a walk service. We note that uniformed ambassadors could also help direct visitors and answer questions. Further, we point out that extending the hours of time limit enforcement in the downtown area, as recommended elsewhere in this report, would result in more parking enforcement officers on the street in the evening. An ambassador position could potentially cover multiple responsibilities and accomplish the goal with regard to reducing employees' safety concerns associated with walking to peripheral parking locations in the evening.

A shuttle service would alleviate safety concerns as well as reduce walking time and effort to peripheral parking spaces, particularly those that require an uphill walk to reach, such as Vista Lobos. Although routing changes would occur to address employees' needs, it is not uncommon to experience low ridership if adjustments are not made; people's willingness to ride shuttles is often estimated higher than what actually occurs.

There are potentially other creative solutions. For example, pedicab service is increasingly popular in a number of cities and can serve visitors, residents and employees.

We recognize that there are costs associated with providing these services that, for multiple reasons, would not be passed on to all groups of parkers but instead should be covered by (we recommend revenue generated from parking in) the City. Fees generated from parking services would be a logical source of funding for these services as they should effectively increase the supply of available parking spaces in Downtown Carmel-by-the-Sea.

Needed for Implementation:

An initial or pilot walk service or ambassador program could begin using existing parking enforcement staff, equipment and uniforms. Based on the specific nature of a program to serve Downtown Carmel employees, procedures using cell phone service would be needed to coordinate the walk service and match employees to walk service personnel along with a data base of employees and schedules, if regularly scheduled escorts were required.

A shuttle service would likely be significantly more expensive than a walk or security service per person served. In our experience, shuttle costs typically run about \$80.00 per hour. Service could likely be facilitated by Monterey/Salinas Valley Transit.

E. REWARD EMPLOYEES WHO PARK IN DESIGNATED AREAS

If we cannot price or restrict long-term parkers from parking in visitor spaces, the second best thing we can do is incentivize them to park in those locations where we prefer that they park.

The demand for employee parking in popular commercial districts is typically managed by applying a price to visitor parking spaces that is higher, on an incremental basis, than the price of employee parking spaces. The result is a price of parking that is acceptable for a visitor, who parks for just part of the day, and on an infrequent basis but a price that is unacceptable

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for a long-term parker, at least on a regular basis, as the long-term parker would be subject to the price over many hours and on a daily or frequent basis.

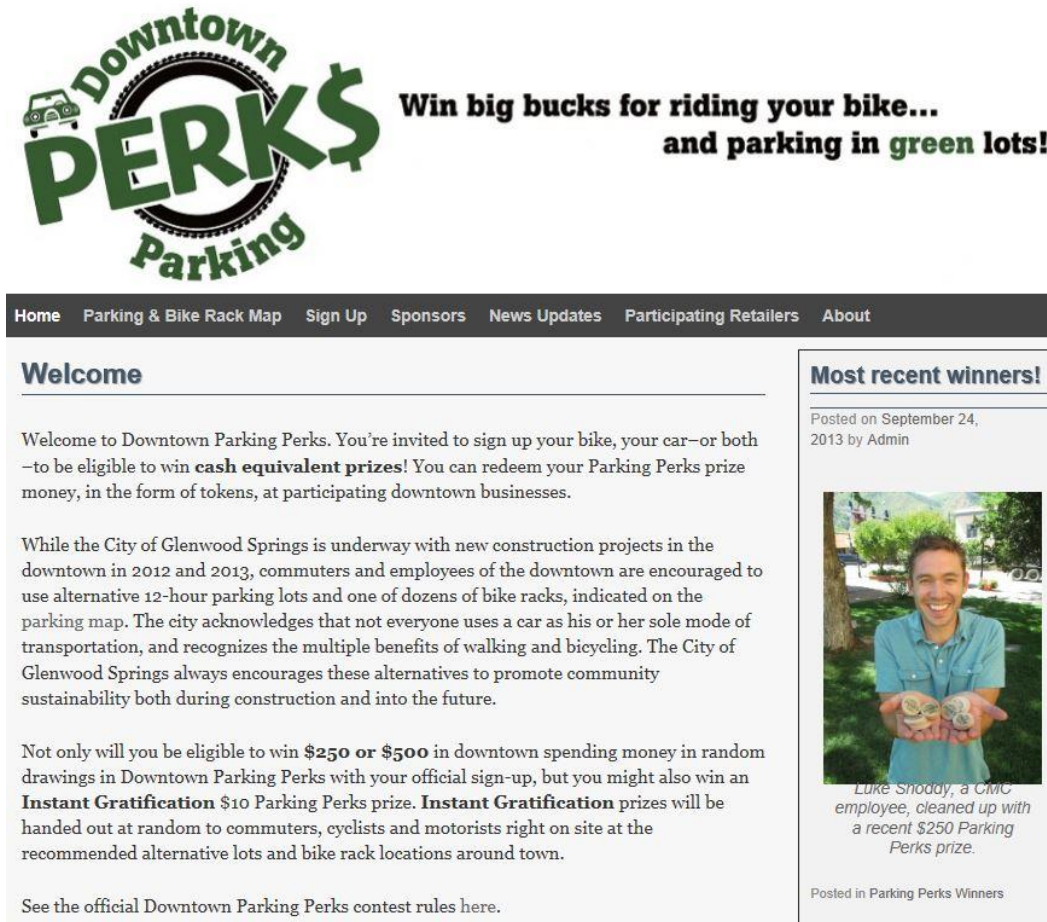
While time limits can make long-term employee parking in visitor spaces inconvenient for employees (and visitors), as discussed in the 2013 parking study, effective enforcement can be extremely challenging, even for the best enforcement operation, determined long-term parkers can thwart the system.

In just a few cities where on-street parking is not priced, rewards have been offered to employees to park in the desired location. The policy is therefore a “pull” rather than a push measure.

The City of Glenwood Springs, Colorado is a hot springs, dining and outdoor destination in the Rocky Mountains. The town has implemented such a program, primarily to deal with parking issues during a downtown construction project. The City characterizes the program as a success. The Downtown Parking Perks program is presented to local employees on its website, shown in the figure below.

We suggest that the rewards could be proportional to the potential level of inconvenience of the location or the availability of underutilized parking spaces; for example the reward for parking in the Vista Lobos Lot could be greater than that offered for parking in the Sunset Center lots.

Figure 2: Sample Employee Rewards Website (Glenwood Springs, CO)



Source: <http://downtownparkingperks.com/>, March 19, 2014

We note that the Glenwood Springs program encourages bicycle commuting as much as it does parking in designated employee locations. We do not focus on this policy in the case of Carmel, but acknowledge that a policy which encouraged more commuting by bicycle would be helpful and desirable in mitigating parking issues. However, compared to Glenwood Springs, it may be less realistic for Carmel-by-the-Sea given the limited street access to the Village and the types of employees who work in the area.

We envision implementing such a program in Carmel as part of the larger parking enforcement operation and technology. Employees would register their vehicles' license plate numbers into a City data base. Parking enforcement officers would periodically scan the license plates of vehicles parked in the locations in which employee parking was encouraged. These locations would likely include those already discussed including the Vista Lobos Lot, Sunset Center, potentially some privately owned parking spaces, and some on-street parking spaces along Junipero Street. License plate numbers would be compared with those in the

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City's employee parker data base. License plate numbers found to match the employee license plate data base listings would be eligible for selection in a random drawing for rewards, other prizes, or potentially cash or cash equivalents.

Needed for implementation:

- Program establishment and administration. Staff time would be required to establish and administer the program on an ongoing basis, including public information and outreach, determination and allocation of rewards on a regular basis, monitoring of employee parking areas, and potentially maintenance of a related web-page, such as that highlighted in the figure above.
- Funding for the administration of the program as well as employee rewards which, in the case of the example, was contributed in part by participating local businesses.
- Database of employee parkers.
- Public outreach to inform employees of the new program. In addition to announcing the change on the City's website and through local media, we recommend coordination with the City's Chamber of Commerce to inform employees.

3. PAID ON-STREET PARKING ("PUSH" POLICY)

The 2013 Parking Study recommended the implementation of paid on-street parking to increase parking space availability for visitors looking for parking spaces and potentially increase the flexibility of the current time limits, if the City chose to extend or eliminate these and use paid, hourly parking to encourage the turnover of spaces.

An additional rationale for paid, on-street parking is to generate revenue to fund additional improvements to the parking system. City staff reports that the Sunset Center lot generated approximately \$165,000 in the last fiscal year, which should be recovered elsewhere if paid parking is eliminated in the Sunset Center Lot. We strongly recommend to the City that, if it seeks to generate revenue from parking, that revenue is generated using the most impacted parking spaces so as to use parking pricing to better manage its parking spaces, and not spaces that experience lower demand than on-street parking spaces. A preliminary analysis, assuming \$1.50 per hour for on-street parking, extended hours of enforcement and an average occupancy rate of 80% suggests that 40 - 50 paid, on-street spaces (approximately 3 block faces) could recoup lost revenue from the Sunset Lot.¹

RECOMMENDATION FOR ENFORCEMENT TECHNOLOGY

¹ We note that other recommendations made to incentivize employees not to park in visitor spaces would also require funding, but we have suggested that, given the effective increase in the number of parking spaces that should result, fees generated by the parking system could be seen as a possible revenue source to fund some of these policy recommendations.

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The recommended policies and goals are meaningless without an implementable means by which to put these measures into place. When it comes to parking technology, policies and management, good execution is far more important than brilliant ideas. As noted earlier in this report, parking technology and smart phone capability have made great strides in recent years. Yet there is still a large amount of technology available that for a variety of reasons, may not act as anticipated or needed. There are still limitations to the technology and one must always weigh the capabilities with what at times are significant costs.

An example of this technology – and its limitations - is the occupancy sensor that can be installed inconspicuously in each on-street space. The technology allows a city to determine, and track in real time, when a parking space is occupied and the number of available spaces in any given location. However integration with revenue control systems, such as PbC (PbC) or meter technology is still challenging. Integration with in-car RFID transponders of the type used today for California's EZ Pass toll bridges and toll roads has not occurred on a practical level as has been recommended for use by some local stakeholders. Further, these sensors average \$200 per space for purchase and installation along with an additional \$15 per month per space for monitoring. They are replaced every 3 years when the batteries fail. And there have been battery and accuracy issues. Accuracy may fall between 75% and 90% although in some instances we have witnessed lower accuracy reading. To date, most cities simply cannot afford them.

Effective implementation of the policy recommendations that we put forth in this section assumes the implementation of the appropriate technology. Parking access and revenue control technology has improved significantly over the past five years and continues to advance. The City is now able to put in place some policies that previously were desirable but not implementable. Walker typically does not recommend specific technology solutions. However, to our knowledge there is currently only one proven technology solution that is capable of putting into action the policies that we will recommend for on-street parking (enforcement). We describe this solution below:

RECOMMENDED NEW SYSTEM

Based on extensive discussions with City staff and related input from City Council and Planning Commission, the recommended parking technology and policies ideally should be able to satisfy the need to distinguish between the following parking user groups:

- Visitors. We wish to encourage reasonable turnover to ensure that the most convenient parking spaces are available for visitors;
- Long-term parkers, who may abuse short-term parking policies;
- Employee/business owner parkers, for the purpose of rewarding those who park in designated long-term locations; and
- Residents of the City and nearby areas, who may receive some form of preferred parking status compared to general visitors; and
- Residents, to manage and facilitate the use of residential parking permits.

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PARKING MANAGEMENT RECOMMENDATIONS



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As noted earlier, to the extent possible we also wish to meet the following objectives:

- Improved parking for visitors and customers of Downtown businesses;
- Flexibility for visitors to stay as long as they want;
- A focus on habitual offenders not visitors;
- "Carrots and Sticks" for frequent users;
- Maintenance or reduction of visual impact;
- Reduction or elimination of employee movement of vehicles for the purpose of avoiding citations while not making short-term spaces available for visitors; and
- Financial neutrality.

In order to accomplish these goals, the parking technology must be capable of:

- Discouraging long-term parking in the highest demand locations;
- Providing reasonable flexibility for visitor parking, keeping the customer service experience in mind;
- Implementing policies to encourage long-term parking in lower demand locations; and
- Bringing underutilized privately owned parking spaces into the public system.

Based on our analysis of the challenges of the current parking operation and the identified criteria, we make the following recommendations that together would provide most of the "push" measures to increase the availability of visitor parking spaces. We specifically recommend a system that is flexible and that can manage the recommendations put forth regarding paid parking, the allocation of parking spaces, and time limits. Ultimately we recommend a system of paid parking and enforcement that would include a database of residential parking permits and employee license plate numbers.

AN INTEGRATED SOLUTION

Walker recommends the implementation of a system that would allow for:

- Paid on-street parking in the busiest locations downtown;
- Automated enforcement of paid parking, permits, and time limits;
- PbC payment capabilities; and
- A database of all parkers in the system.

This system was initially proposed in the 2013 Parking Study. Parking restrictions would be enforced via mobile license plate recognition (LPR) with fully integrated permit, multi-space meter, and PbC and mobile LPR software systems. The system described is similar to one recently put in place on several university campuses, including Loyola Marymount University (LMU) in Southern California. We believe that the same system will be useful in meeting the needs outlined by City Council and the Planning Commission Carmel-by-the-Sea.

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Walker typically recommends system capabilities and specifications but not systems themselves. However, the T2-based system at LMU is the only one on the market of which we are aware that incorporates all these capabilities. We note that since the time of the 2013 study, T2's capabilities with integrating multi-space meters into its system have improved through the acquisition of multi-space meter technology.²

The City currently has a much older version of vehicle-mounted license plate recognition (LPR) system of enforcement. The system we propose uses an updated LPR system with greater capabilities. With virtually all parking enforced via mobile LPR. The T2-based system is a cutting edge solution. Walker has identified only a handful of installations that have fully integrated permit, multi-space meter, and PbC and mobile LPR software systems. LMU contracted Digital Payment Technologies for pay-by-plate multi-space meters, Parkmobile USA for PbCphone payments, and Genetec (AutoVu) for mobile license plate recognition. They contracted with T2 Systems to manage their permit program.

LMU's system 'went live' in the fall of 2012 and while there have been a few glitches, the system is reportedly working fairly well; the challenges reportedly have been occasional and not insurmountable. LMU was an early adapter, and as such expected these "hiccups." The most complex part of the integration is the mobile LPR interfacing successfully with the permit, multi-space meter and PbC software.

Since the implementation of this system, similar systems have been installed at other locations. The college town of State College, Pennsylvania has implemented a similar, comprehensive system. Pittsburgh, Pennsylvania uses a different equipment brand but a multispace meter-enforced system using vehicle mounted LPR systems. Texas Tech University has also had a successful implementation of a similar system to LMU's on its campus.

It is true that PbC will be used more frequently when it is the same people parking on a daily basis. However, increasingly the presence of QR codes or other snapshot mechanisms on signs can make PbC more user friendly to visitors.

ADDRESSING POSSIBLE AESTHETIC CONCERNS OF PAID PARKING

It was expressed to Walker that aesthetic issues were a consideration in the City's decision as to whether or not to implement paid, on-street parking. In order to address these concerns, we note or recommend the following:

- Signage. Signage that indicates time limits and other restrictions for street parking is abundant along downtown streets. We suggest that no new additional signs may be necessary to implement paid parking, but rather a change in the content of some existing signage.

² T2 recently purchased multi-space meter manufacturer Digital Payment Solutions.

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- No single space parking meters. We recognize that a parking meter located at every parking space would likely not be acceptable in Downtown Carmel;
- Pay-by-cell (PbC) option for paying for parking. Using PbC exclusively as the method to pay for parking was considered as a recommendation. Although a few cities have adopted PbC as the exclusive method of payment for paid parking in some locations, we recommend a choice of payment methods;
- Pay-by-plate multi-space meters (MSMs). As noted in the 2013 Parking Study, Walker recommends pay-by-plate mode for the City of Carmel-by-the-Sea, as it would require the fewest on-street multi-space meters, and also offers the most efficient enforcement system (driving rather than walking). Such a system is compatible with PbC and parking permits, both of which can be enforced using pay-by-plate methodology.
- Minimization of multi-space meter visual impact. One multi-space meter can regulate as many individual parking spaces as needed, thus dramatically reducing the “visual clutter” that is sometimes associated with single space meters. The limitations on how many spaces a multi-space meter may regulate are based on the acceptable walking distances from a parking space and the number of drivers that are expected to use the multi-space meter at any given time. Both of these demands (close proximity and number of users) can be reduced when visitors have PbC technology available.
- In order to reduce visual impact multi-space meters may be able to be encased in a wood cabinet that is consistent with the design standards of Downtown Carmel. Suggestions have also been made to place multi-space meters in businesses, with signage on the outside of the business indicating the ability to pay for parking inside. These locations would need to be in businesses with operating hours that were consistent with the hours of meter enforcement.



ENFORCEMENT OF ON-STREET SPACES FOR VISITORS

Unlike previous generations of parking meters, today's single- and multi-space meters are computerized, solar powered, and wirelessly networked so that they can process credit card transactions and provide remarkable financial reporting and audit control. They are also self-diagnostic, enabling them to notify staff when maintenance or collection is required. Credit card acceptance reduces costly coin processing, and enables more people to pay (no more searching the car for quarters). Multi-space meters can also accept bills.

Pay-by-plate requires the customer to enter the license plate number into the meter. Enforcement is done with a License Plate Recognition (LPR) system. Enforcement can be done with a vehicle mounted CCTV system that scans the license plates of all parked cars, or with a hand held unit, either scanning or manually entering the license plate.

Pursuant to the 2013 Parking Study, Walker recommends a multi-space, pay-by-plate parking meter system for visitor parking in the busiest areas of the Downtown. This multi-space meter system will interface well with the license plate permit system; using the recommended system,

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the entire City could use license plates as a credential to enforce visitor, employee and permit parking. Virtually all parking can be enforced via mobile LPR.

The mobile LPR software can interface with permit and meter software so that all authorized license plates are accounted for. Prior to starting an enforcement session, the mobile LPR software downloads all the payment and permit data so that enforcement has up to the minute payment data. While enforcing, the payment data continues to be updated in real time.

Traditionally employees parking in the Downtown have reasoned that enforcement can't be everywhere, so they may challenge the system by moving their vehicle regularly and/or risking a citation. Mobile LPR enables enforcement to be conducted more frequently, causing long-term parkers to rethink the efficiency of the enforcement. Compliance will likely improve. If it does not, citations will increase.

PAY-BY-CELL (PbC)

PbC phone is an additional payment option now available, thanks to advances in wireless communication. PbC phone providers will set up a payment programs at no cost to the City, in exchange for user-paid convenience fees (usually 35 cents per transaction). Drivers register with the service provider, placing a credit card on file for payment, which enables them to use their cell phone to pay for parking. Smart phone users can use a mobile app. Cell phone users can call the vendor and enter the appropriate location code and/or their license plate number, and select the parking duration. The PbC vendor deposits the parking fees into the facility's established bank account, keeping the convenience fees.

Enforcement is done by viewing a web-based report of paid transactions provided by the PbC vendor, which can interface with multi-space meter payment reports and in this case, will interface with the mobile LPR software, as the license plate would be used as the identifying credential. PbC data can also be viewed on web-based enforcement handhelds.

RESIDENTIAL PERMITS, EMPLOYEE PARKING, AND PERMIT MANAGEMENT

A residential parking permit program has been in place in the City of Carmel for many years. The system is currently administered manually. Residents submit applications and receive a decal that they display, which allows residents to park twice as long as the posted time within the business district in 30 and 60 minute zones. The permit also allows for an additional one hour in the 2-hour stalls and to park on some streets that may be restricted for residents only.

The recommended system has the capability to store license plates in a data base and, through the LPR function, enforce vehicle privileges and restrictions. Once a resident registers their license plate number, whether on line, using PbC, or at a multi-space meter, a scan of the license plates at any given location will determine whether that vehicle is legally allowed to park in the location or the owner of the vehicle enjoys extended length-of-stay or free parking privileges. If paid, on-street parking is implemented, the possibility of special parking

MEMORANDUM

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privileges for parkers coming from adjacent jurisdictions has been discussed in order to encourage the patronizing of Carmel businesses by area residents. The recommended LPR system could store these residents' license plate information as well.

Earlier in the report we recommended the implementation of an incentives program that would identify employees' cars parked in peripheral locations (rather than in visitor spaces) and reward these employees through drawings or cash equivalent prizes. The recommended LPR system would be effective in recording employees' license plate numbers, which they would register.³

Walker recommends that Carmel by the Sea consider contracting with a professional permit management provider to set up and maintain its updated residential permit program. These companies specialize in permit management, sales, enforcement, citation management and collections. They will provide software that can accurately track and update multiple addresses and names for each permit holder. The firms also provide enforcement hardware and software to effectively enforce and collect citation revenue. Furthermore, they have experience with interfacing with other technologies such as mobile LPR and other technologies that will enhance the permit program and enable the expansion of transient parking on campus, as discussed below.

OPINION OF COSTS

Multi-space meters typically cost \$8,000 to \$11,000± per unit depending on the quantity ordered. The permit manager may also negotiate a percentage of permit and/or citation revenue. T2 would not provide specific cost information to Walker; these costs would likely be monthly charges, potentially a portion of permit and citation revenue, and depend on the specific program selected (whether continuing to focus on permits or potentially hourly parking).

Needed for implementation of downtown-wide paid parking program:

A significant advantage of the recommended paid parking system is the ability of the City to contract with one (service) provider for all equipment and services.

- Multi-space meters: \$9,000/unit @ 1.5 multispace meters per block face X estimated 80 block faces (20 square blocks) = \$1,080,000⁴
- Monthly fees for meters
- Handheld enforcement units: \$7,000 X 3 units = \$21,000

³ At this point we do not recommend registering employee and business owner license plates to exclude their vehicles from downtown parking locations, recognizing that these drivers will at times have a need for short-term parking that should be allowed if they are willing to pay the hourly rate. Additionally, we do not recommend employee-only parking locations. To the extent visitors are willing to park in peripheral locations, they should not be prohibited from doing so.

⁴ We recommend 2 multi space meters per block face along the City's longer blocks, but recognize that to reduce cost and visual impact 1 multi space meter per block face could be sufficient.

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- Handheld monthly fees: \$100/unit
- AutoVu unit installed: \$40,000 X 2 = \$80,000
- Required annual AutoVu software maintenance (SMA): \$400
- Optional hardware maintenance warranty (HMA) \$3900. - \$6500. per year depending on system
- Paid parking signage: \$140/new sign installed.

RECOMMENDATION FOR AN INTERMEDIATE STEP: PAID PARKING PILOT PROGRAM

A pilot program would allow the City to demonstrate the effectiveness of paid parking to visitors, residents and businesses. At the November 4, 2013 presentation to a joint meeting of the Planning Commission and City Council, it was suggested that the parking spaces along the north side of Ocean Avenue adjacent to Devendorf Park would be a helpful place to create a pilot program for paid, on-street parking. The assumption was that the visible location for visitors at the gateway to the downtown was a desirable location but also that the location would not unfairly impact businesses (as there are no businesses on that block). We agree with this suggestion.

Needed for (pilot program) implementation:

- Equipment. Normally it could take two to three months to order, ship and install multi-space meters, however for small pilots some manufacturers have them in stock and could have them up and running in six weeks. The limited pilot program area would not necessarily require the larger enforcement technical apparatus that a downtown-wide program may need. A downtown-wide program would ultimately be enhanced by a mobile LPR system. For a small pilot City enforcement staff could use "handhelds" on foot patrol. While some vendors will "loan" the meters assuming a purchase if they function properly, the City would pay installation and operating costs. In some cases a City may be credited these costs if the equipment is ultimately purchased, depending on quantities. As noted previously, for smaller numbers of equipment, the cost per unit is likely to be \$11,000±.
- Signage. Signage notifying parkers of the requirement to pay could replace the current time limit signage.
- Public outreach to inform the public of the pilot program. In addition to announcing the change on the City's website and through local media, we recommend coordination with the City's Chamber of Commerce.
- Ambassadors. During the "roll-out" phase of the program, ambassadors on the street would be useful if not necessary to explain the program to the public. In some cases, the equipment distributor can assist with this.

Below we present four potential gross revenue scenarios for paid parking in the downtown area and the associated assumptions. We note that the projections are order of magnitude in nature and not to be used for financial documentation.

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Table 7: Preliminary Potential Gross Revenue Scenarios

Scenario 1	12-hour operation	Scenario 2	9-hour operation	Scenario 3	\$1.00/hour	Scenario 4	(Pilot on Ocean Avenue)
1,050	spaces	1,050	spaces	1,050	spaces	45	spaces
	12 hours of operation daily		9 hours of operation daily		9 hours of operation daily		9 hours of operation daily
355	days of operation	355	days of operation	355	days of operation	355	days of operation
\$1.50	hourly	\$1.50	hourly	\$ 1.00	hourly	\$ 1.50	hourly
50%	average occupancy	60%	average occupancy	60%	average occupancy	65%	average occupancy
\$ 3,354,800		\$3,019,300		\$ 2,012,850		\$ 140,200	

Source: Walker Parking Consultants, 2014

ATTACHMENT D

Carmel-by-the-Sea

Draft-Community Engagement Plan

MRG Facilitator: Brian Uhler

Oct 4, 2022

DRAFT Engagement Plan

TYPE/STEPS	DESCRIPTION
Community Info Mailing	<p style="text-align: center;">(To be developed based on Council's direction)</p> Direct mail, one per residence Designed to convey draft program Info Communicates public meeting schedule Brochure-style Informational Document Included
Farmers Market Booth	<p>Table with Handouts and Display</p> Brochure, Kiosk Demo, Pay-by-Phone Info, staff present
Web portal	<p style="text-align: center;">Hub for Parking Info as Meetings Occur and Program Unfolds</p> Meeting Schedule/Agenda Reports/Data Maps/parking space counts Proposed kiosk locations (if any) Technology Connections (vendor videos)
<p style="text-align: center;">Meeting(s) with Business groups</p> 1-Conjoining a Roundtable Meeting 2-Joint Restaurant/Inn-keepers	<p style="text-align: center;">90 Minute Program</p> (Pre-meeting welcome, sign-in) 5 Minute Intro/agenda 30 Min Power Point 10 Min Show/Tell at Kiosk Sample 10 Min Map Review of Possible Parking Zones/Employee Parking 25 Min Q & A 10 Min parking Information Portal Demo
<p style="text-align: center;">Four Face-to-face community meetings</p> Location: Carpenter Hall Timeline: Two per week	<p style="text-align: center;">90 Minute Program</p> (Pre-meeting welcome, sign-in, distribute question forms) 5 Minute Intro/agenda/encourage questions (in writing) 30 Minute Power Point 10 Minute Break: <ul style="list-style-type: none"> (1) Gather Questions/Review (2) Show/Tell at Kiosk Sample (3) Map of Proposed Parking Zones 20 Minute Verbal Responses to Pre-Loaded Questions 10 Minute Parking Information Portal Demo (see item below)

TYPE/STEPS	DESCRIPTION
<p align="center">Council Parking Program Workshop Location: Carpenter Hall</p>	<p align="center">2 ½ Hour Program</p> <p>30 Min Staff Power Point (community input) 5 Min Show/Tell w/Kiosk Sample 5 Min Demo of Pay-by-phone process 10 Min Map Review Parking Zones/Employee Parking 10 Min parking Information Portal Demo (see item below) 10 Min Break 50 Min public input 30 Min City Council Discussion (and consensus building for staff)</p>
<p>Recurring reminders in Friday VLOG</p>	<p align="center">Continuously</p>
<p>Updates in Friday letter</p>	<p align="center">Continuously</p>
<p>Active engagement with Pine Cone</p>	<p align="center">As needed</p>
<p>Regular Council Meeting</p>	<p align="center">To Approve or Deny Paid Parking Program</p> <p>1-Data and key points in report or presentation 2-Language for City Code (from City Attorney) 3-Associated infrastructure purchasing materials (if above passes)</p>
<p>Implementation Plan</p>	<p>1-If paid parking program is approved by City Council 2-Community information on web portal and to the press</p>

Parking Engagement





CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Nova Romero, City Clerk

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: August 1, 2022, Special Meeting Minutes, and September 13, 2022, Regular Meeting Minutes

RECOMMENDATION:

Approve Draft Minutes.

BACKGROUND/SUMMARY:

The City Council routinely approves minutes of its meetings.

FISCAL IMPACT:

None.

PRIOR CITY COUNCIL ACTION:

None.

ATTACHMENTS:

Attachment 1) August 1, 2022, CC Special Meeting Minutes

Attachment 2) September 13, 2022 CC Regular Meeting Minutes

**CITY COUNCIL
SPECIAL MEETING
Monday, August 1, 2022**

**OPEN SESSION
4:30 PM**

CALL TO ORDER AND ROLL CALL

Mayor Potter called the meeting to order at 4:30 PM.

Roll Call: Council Members Baron, Ferlito, Theis, Mayor Pro-Tem Richards, and Mayor Potter were present.

OPEN SESSION

CONSENT AGENDA

Item 1: Resolution 2022-063 of the City Council of the City of Carmel-by-the-Sea Proclaiming the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953 (e)

Consent item #1 was pulled by Council Member Baron.

Public Comment: none.

Council Member Baron said he would like all of the City Commissioners to resume in-person meetings, and therefore will be voting no.

Motion to adopt Resolution 2022-063 by Mayor Potter, seconded by Council Member Ferlito. Roll Call Vote: Council Member Baron - no, Council Member Ferlito - yes, Council Member Theis – yes, Mayor Pro Tem Richards -yes, and Mayor Potter – yes.

Action: Resolution 2022-063 approved 4-1-0-0 (Council Member Baron voting no).

CLOSED SESSION

City Attorney Brian Pierik read the closed session agenda item titles for the record.

Public Comment:
None

Item A: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
(One potential case)

Item B: CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Agency designated representatives: City Administrator Chip Rerig, Katy Suttorp (Burke, Williams & Sorensen), Alan Ward, Public Safety Director, Brandon Swanson, Community Planning Building Director

Employee organization: General Employees Unit, an Affiliated Unit of LiUNA; Management Employees Unit, an Affiliated Unit of LiUNA; Police Officers Association (POA)

Item C: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957

Title: City Administrator

ADJOURNMENT

Council adjourned to Closed Session at 4:34 PM.

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk

CITY COUNCIL MINUTES
Regular Meeting
Tuesday, September 13, 2022

CALL TO ORDER AND ROLL CALL

Mayor Potter called the closed session meeting to order at 3:00 PM.

Roll Call: Council Members Baron, Ferlito, Theis, Mayor Pro Tem Richards and Mayor Potter were present.

CLOSED SESSION - 3:00 PM

Mayor Potter read the closed session title.

Item A: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO
GOVERNMENT CODE SECTION 54957
Title: City Administrator

Council adjourned to closed session at 3:04 PM.

OPEN SESSION - 4:30 PM

CALL TO ORDER AND ROLL CALL

Mayor Potter called the open session to order at 4:34 PM.

Roll Call: Council Members Baron, Ferlito, Theis, Mayor Pro Tem Richards and Mayor Potter were present.

PLEDGE OF ALLEGIANCE

Mayor Potter led the pledge of allegiance.

EXTRAORDINARY BUSINESS

Item A: Proclamation - Declaring September 2022 as Childhood Cancer Awareness Month in the City of Carmel-by-the-Sea

Mayor Pro Tem Richards read the proclamation.

Item B: Receive a report on the status of the City Council's Strategic Priority Projects

City Administrator Chip Rerig gave a presentation on the status of the Council Strategic Priority Projects and answered questions from Council.

Public Comments:

Girard Rose addressed the Council regarding the mask mandate and vaccine requirements to enter city hall. Maria Bennett inquired about purchasing an ambulance for the City and if that is still on the list of priorities. Richard Kreitman addressed the Council regarding the Scout House RFP. Tasha Witt inquired about when the Council will discuss the first draft of the cell tower Ordinance and requested a community meeting on the topic. Christy Hollenbeck requested a meeting to discuss the draft cell tower Ordinance written by citizen funded telecom attorney Andrew Campanelli. Dale Byrne inquired about a new fire engine for the City.

Council discussion followed and direction was given to staff.

PUBLIC APPEARANCES

Maria Bennett inquired about the City's emergency evacuation plan and how the City plans to direct traffic in the event of a forest fire in Carmel.

Mike Brown requested that the City consider donating to the Carmel High Mock Trial Team, who has won at the local, state, and national level and is currently fundraising to attend the world Championship in Chicago next month.

Nancy Twomey announced that there will be a Carmel City Council candidate forum at the Women's Club on September 21, 2022 at 7 p.m. and invited the public to attend.

Parker Logan addressed the Council regarding the parklet program.

ANNOUNCEMENTS

Item A: City Administrator – Announced that the City is receiving car week feedback via an online survey. He announced that Commander Watkins graduated from the FBI academy at Quantico. He announced that the Carmel High Homecoming Parade is Friday, and the Sand Castle Contest is this Saturday.

Item B: City Attorney - Stephen McEwen stated that there is no reportable action from Closed Session.

Item C: Council Member Ferlito - Reported that she attended an AMBAG meeting and reported that two other Cities in the County have appealed their RHNA numbers for housing, but both appeals were turned down. She invited the public to attend future AMBAG meetings to give comments. She reported that she serves on the Coast Walk Committee and they met recently to discuss a coastal walking trail that connects from one city to the next down the entire coast of California. She reported that she attended the Litter Abatement Task Force meeting which discusses the issues with illegal dumping in the area, and reported that there are more cameras around to catch illegal dumping which fortunately is not a big issue in Carmel but is in other nearby rural areas.

Council Member Baron - Announced that there is a Climate Committee meeting this Thursday to receive the draft consultant report on the effects of sea level rise on coastal resources, which will include how to educate the community on these effects as well as adaptation measures that can be implemented.

Mayor Pro Tem Richards - Congratulated the Carmel High Mock Trial Team on their success. He announced that the Carmel Varsity Girls Cross Country team is ranked #2 on the central coast and the Boys team is ranked #4, and will be running at Palo Corona this week. He also mentioned that he would like a future discussion on City cell phones and the cost.

Council Member Theis – No reports

Potter – No reports

CONSENT AGENDA

Council Member Baron pulled the Special Meeting Minutes of August 1, 2022, and said the minutes need correction to the vote results on Resolution 2022-063 stating that he voted no. He requested to continue the adoption of the August 1, 2022 Minutes to October so the correction can be made. He requested to pull Item #4 and #8 for comments.

Motion by Council Member Baron to approve the remaining consent items, seconded by Mayor Pro Tem Richards, and approved 5-0-0-0 with the following roll call vote:

AYES: Council Members Baron, Ferlito, Theis, Richards, and Mayor Potter

NOES: None

ABSENT: None

ABSTAIN: None

- Item 1 -** August 2, 2022, Regular Meeting Minutes, and August 29, 2022, Special Meeting Minutes
- Item 2 -** July 2022 Check Register Summary
- Item 3 -** July Monthly Reports
- Item 4 -** Pulled from Consent
- Item 5 -** Resolution 2022-075 authorizing the City Administrator to execute a Professional Services Agreement with 4Leaf, Inc. for Project Management Services, for a not-to-exceed fee of \$197,780, for delivery of four Capital Improvement Projects
- Item 6 -** Resolution 2022-076, authorizing the City Administrator to execute a Professional Services Agreement with the Carmel Area Wastewater District, for a not-to-exceed fee of \$71,647, to provide Stormwater Program Vector Truck Services
- Item 7 -** Resolution 2022-077 rescinding Resolution 2020-056 and re-establishing the list of designated classifications and the disclosure categories of the City's Conflict of Interest Code
- Item 8 -** Pulled from Consent
- Item 9 -** Resolution 2022-080 authorizing the City Administrator to modify the job description for Police Officer
- Item 10 -** Resolution No. 2022-081 to designate 2022 Holiday Closure from December 27 – December 30, 2022

ITEMS PULLED FROM CONSENT

Minutes of August 1, 2022

Council Member Baron made a motion to continue the Minutes of August 1, 2022, with the requested correction made, seconded by Council Theis, and approved 5-0-0-0 with the following roll call vote:

AYES: Council Members Baron, Ferlito, Theis, Richards, and Mayor Potter

NOES: None

ABSENT: None

ABSTAIN: None

Item 4 - Resolution 2022-074 of the City Council of the City Of Carmel-by-the-Sea Proclaiming the Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e)

Council Member Baron pulled this item and stated he will be voting no because he would like to see all of the boards and commissions return to in-person meetings. Mayor Potter questioned if the masking mandate inside of City Hall can be relaxed. City Administrator Rerig responded that the masking and vaccine requirements were put into place based on COVID-19 data from the County and the CDC's best practices. He added that by next week since the number of cases have finally gone down, people who have received the newest Omicron vaccine booster may be able to stop wearing masks inside City Hall. Council Member Baron noted that the Council adopted an urgency Ordinance that governs the conduct for inside of City Hall, including masking and vaccination requirements, and said it would be up to the Council to make a decision about whether to amend those requirements. Mayor Potter directed staff to return in October with a discussion regarding relaxing the masking requirements and whether to repeal urgency Ordinance 2022-002.

Motion to approve Resolution 2022-074 by Council Member Theis, seconded by Mayor Pro Tem Richards, approved 4-1-0-0 (Council Member Baron voting no), with the following roll call vote:

AYES: Council Members Ferlito, Theis, Richards, and Mayor Potter

NOES: Council Member Baron

ABSENT: None

ABSTAIN: None

Item 8 - Resolution 2022-078 authorizing the City Administrator to execute an agreement with the Monterey County Convention and Visitors Bureau for Destination Marketing for the term of July 1, 2022 to June 30, 2023 in an amount not to exceed \$210,010

Council Member Baron said he would like some clarity on what the marketing organizations are doing to minimize the impact of car week on the village. Council Member Ferlito commented that

she would like to see both Visit Carmel and the Visitor's Bureau continue to spread the same message about visitors taking care and respecting the area while visiting Carmel.

Public Comment:

Kevan Urquhart commented that better parking and traffic management is needed during car week.

Motion by Council Member Theis to approve Resolution 2022-078, seconded by Mayor Pro Tem Richards, and approved 5-0-0-0 with the following roll call vote:

AYES: Council Members Baron, Ferlito, Theis, Richards, and Mayor Potter

NOES: None

ABSENT: None

ABSTAIN: None

ORDERS OF BUSINESS

City Administrator Rerig requested that the next 3 items regarding employee MOU's be discussed as one item, but each Resolution be voted on separately, and Council agreed via consensus.

City Administrator Rerig gave a presentation on the 3 bargaining unit MOU's and answered questions from Council.

Council discussion followed.

Item 12 - Adopt Resolution 2022-082 authorizing the City Administrator to execute the Memorandum of Understanding between the City of Carmel-by-the-Sea and the Carmel by-the-Sea General Employees Unit, effective July 1, 2022

Motion by Mayor Potter to approve Resolution 2022-082, seconded by Mayor Pro Tem Richards, and approved 5-0-0-0 with the following roll call vote:

AYES: Council Members Baron, Ferlito, Theis, Richards, and Mayor Potter

NOES: None

ABSENT: None

ABSTAIN: None

Item 13 - Adopt Resolution 2022-083 authorizing the City Administrator to execute the Memorandum of Understanding between the City of Carmel-by-the-Sea and the Carmel by-the-Sea Management Employees Unit, effective July 1, 2022

Motion by Mayor Potter to approve Resolution 2022-083, seconded by Mayor Pro Tem Richards, and approved 5-0-0-0 with the following roll call vote:

AYES: Council Members Baron, Ferlito, Theis, Richards, and Mayor Potter

NOES: None

ABSENT: None

ABSTAIN: None

Item 14 - Adopt Resolution 2022-084 authorizing the City Administrator to execute the Memorandum of Understanding between the City of Carmel-by-the-Sea and the Carmel-by-the-Sea Police Officers Association, effective July 1, 2022

Motion by Mayor Potter to approve Resolution 2022-084, seconded by Mayor Pro Tem Richards, and approved 5-0-0-0 with the following roll call vote:

AYES: Council Members Baron, Ferlito, Theis, Richards, and Mayor Potter

NOES: None

ABSENT: None

Item 15 - Resolution 2022-085 ratifying appointments to the Forest and Beach Commission and the Historic Resources Board

Mayor Potter summarized the Ad Hoc Committee's process for selection for the vacancies on the Forest and Beach Commission and Historic Resources Board, and said the competition was very close. Mayor Pro Tem Richards agreed that it was a difficult decision to make due to the quality applicants, and thanked everyone who applied.

Council Member Baron thanked Erik Dyar and Kathryn Gualiteri for their many years of service on the Historic Resources Board, and Council Member Ferlito echoed the sentiments. She asked if the sphere of influence could be broadened to include more applicants. Mayor Potter agreed and said that this discussion would be added to next month's agenda.

Motion by Mayor Potter to approve Resolution 2022-085, seconded by Mayor Pro Tem Richards, and approved 5-0-0-0 with the following roll call vote:

AYES: Council Members Baron, Ferlito, Theis, Richards, and Mayor Potter

NOES: None

ABSENT: None

Council took a recess at 6:15 pm, and reconvened at 6:30 PM.

Item 16 - Receive a report and provide direction on the City's Beach Fire Management Pilot Program

City Administrator Rerig gave a brief summary of the item, and Community Planning and Building Director Swanson gave a presentation on the item. He gave background on the beach fire program, provided 2022 data, and requested direction from Council on how to move forward.

Public Comment:

Nancy Garcia, Nancy Twomey, Kevan Urquhart, Parker Logan, and Jeanne McCullough spoke in favor of beach fires.

Lynn Ross, Cindy Lloyd, Denise Sodersen, John Cromwell, Kathleen Bang, and Richard Kreitman, spoke against beach fires.

Closed public comment at 7:08 PM.

Council discussion followed.

Council provided consensus direction for staff to come back with a program for propane only beach fires, and that the propane fires would be user supplied and not supplied by the City, and the program would no longer be a pilot program. Staff will return before the current pilot program expires on November 30th with an interim action for the Council to consider prior to the new propane fire only program adoption.

Future Agenda Items

Mayor Pro Tem Richards - Requested a report on cost of City employee cell phones.

Council Member Ferlito - Requested to bring back a discussion on making Carmel a non-smoking city.

ADJOURNMENT

Mayor Potter wished former Carmel Mayor Ken White a happy birthday, and Council adjourned at 7:29 PM.

APPROVED:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Nova Romero, City Clerk

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: August 2022 Monthly Reports

RECOMMENDATION:

Review and receive monthly reports.

BACKGROUND/SUMMARY:

This is a monthly series of reports:

- 1) City Administrator Contract Log
- 2) Community Planning and Building Department Reports
- 3) Police, Fire, and Ambulance Reports
- 4) Public Records Act Requests
- 5) Public Works Department Reports

FISCAL IMPACT:

N/A

PRIOR CITY COUNCIL ACTION:

Monthly review and approval.

ATTACHMENTS:

- Attachment 1) City Administrator Contract Log
- Attachment 2) Community Planning and Building Department Reports
- Attachment 3) Police, Fire, and Ambulance Reports
- Attachment 4) Public Records Act Requests
- Attachment 5) Public Works Report

City Administrator Contract Log

FY 2022-23

Date entered Into	Contractor	Contract Amount	Purpose
8/12/2022	M3 ENVIRONMENTAL	\$24,999.00	Hazardous materials sampling

Attachment 1



CITY OF CARMEL-BY-THE-SEA Monthly Report

Community Planning and Building Department

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Leah Young, Administrative Coordinator
SUBMITTED ON:	September 13, 2022
APPROVED BY:	Brandon Swanson, Community Planning and Building Director

AUGUST 2022 – DEPARTMENT ACTIVITY REPORT

I. PLANNING PERMIT APPLICATIONS:

In August 2022, **47** planning permit applications were received.

II. BUILDING PERMIT APPLICATIONS:

In August 2022, **52** building permit applications were received.

III. CODE COMPLIANCE CASES:

In August 2022, **17** new code compliance cases were created.

IV. TRANSIENT RENTAL COMPLIANCE CASES:

In August 2022, **5** new code compliance cases were created.

V. ENCROACHMENT PERMIT APPLICATIONS:

In August 2022, **29** encroachment permit applications were received.

VI. YEAR-TO-DATE TRENDS

Table 1 includes the following August 2022 totals: planning and building permit applications, code compliance and transient rental compliance cases, and encroachments. August 2022 totals are provided alongside August 2021 totals for comparison.

Compared to the same time period in the year 2021, Table 1 denotes the following percentage changes in the year 2022:

- Planning Permit Applications – **13.28% increase**
- Building Permit Applications – **9.19% decrease**
- Code Compliance Cases – **140.58% increase**
- Transient Rental Compliance Cases – **766.67% increase**
- Encroachment Permit Applications – **5.79% decrease**

Table 1. Permit Application Totals

	PLANNING	BUILDING	CODE COMPLIANCE	TRANSIENT RENTAL COMPLIANCE	ENCROACHMENTS
2021 Totals	241	370	69	3	190
2022 Totals	273	336	166	26	179
% Difference	+13.28%	-9.19%	+140.58%	+766.67%	-5.79%



Planning Permit Report

08/01/2022 - 08/31/2022

Permit #	Permit Type	Project Description	Address/Location	Date Received	Date Approved	Status
22289	Design Study	Addition of 63 S.F. 2nd Fir. Bathroom above an (E) Laundry Room, Upgrade of plumbing fixtures and appliances to high efficiency units to comply w/ MPWMD fixture unit requirements, reframing 127 S.F. of roof o/(E) Master Bdrm; Constructon of an open timber frame trellis o/ (E) BBQ area & eyebrow o/ West exit of Living Rm to rear yard & ancillary Electrical, Plumbing, Framing, Roofing	Monte Verde St. 5 SW of 13th			In Review
22288	Design Study	Restore historic iron gate; Hire Carmel Valley Iron.	SW Corner of Guadalupe and 4th	8/30/2022		In Review
22287	Design Study	Repair Damage & Dry Rot at Roof eave and Roofing, Siding, Fencing, Decking, Trellis. Upgrade interior finishes, replace existing drywall, plumbing fixtures, interior doors, cabinets, counter-tops, floor finishes, and stair floor and railing.	MISSION 4 SW OF 10TH	8/26/2022		In Review
22286	Historic Evaluation	Historic Evaluation	Mt. View 2 NE of Carpenter			In Review
22285	Design Study	After-the-fact authorization to install a temporary fall protection fencing at sidewalk and entry ramp. Fence is a grape-stake style fence, 4' high and 40' long which matches the fence to north and south at adjoining properties. Intent is to remove and replace with new foundation and carmel stone wall when project commences in near future.	Monte Verde 4 SW of 8th	8/25/2022		In Review
22284	Design Review	New paint, exterior light fixtures & new roof.	NE Corner Junipero & Ocean	8/25/2022		In Review

22283	Design Review	New exterior paint and exterior light fixtures.	Junipero 2 NW & 8th	8/25/2022		In Review
22282	Historic Evaluation	Historic Determination	Casanova 2 SW of 8th	8/23/2022		In Review
22281	Historic Evaluation	Follow up to HE 21-007 (Sippel): want building permit to replace old/broken windows. Historical review required before permit issued.	San Carlos 2/3 SE of 5th	8/22/2022		In Review
22280	Design Review	Request to add exterior balconies on Buildings A & C per the provided elevation drawings. Per the photos provided there is evidence that Building A did have balcony(s) at one point in time. On building C the proposed balconies are on the rear 'secondary' elevation only..	12th and San Antonio	8/19/2022		In Review
22279	Design Study	2 story addition to existing SFD. Add bath, 6 C.Y. export for new footings, no site grading, no tree removal.	Pine Ridge 3 NE of Forest	8/19/2022		In Review
22278	Design Study	Demolish existing house and construct New single family residence and garage	Carmelo Street 2 SW of 11th	8/18/2022		In Review
22277	Design Review	Carmel Cares is proposing to make extensive landscape improvements to the Forest Theater, consisting of over 700 plants in four planting zones. Design was approved by the Forest and Beach Commission on 8/11/22.	NE Corner of Santa Rita & Mountain View	8/18/2022		In Review
22276	Design Study	Add approximately 188sf stone paver	Monte Verde 2 SE of 7th	8/17/2022		In Review
22275	Design Study	Paint exterior; replace all windows (existing aluminum and some wood) with Pella lifestyle. Replace fence (all sides except garage.) Replace Carmel Stone steps (front and back) with wood steps.	NW Corner of Torres & 3rd	8/16/2022		In Review

22274	Design Study	1. Remodel and existing one-story single family dwelling with new one-story addition, new siding, new windows, and new doors. 2. New detached garage on the front yard setback 3. Interior remodel replacing existing materials and modifying walls. 4. Two tree removal, one dead tree removal, and one stump removal on the front yard.	Monte Verde 3 NW of 11th			In Review
22273	Design Study	Fence	NW Corner of 8th Ave & Lincoln St	8/16/2022		In Review
22272	Design Study	Increase Deck / Roof Height. Revise walking deck elevation from 8'-2" to 8'-11.5" as measured from the existing finished driveway.	Junipero 4th SW of 8th			In Review
22271	Sign	Install one (1) double-sided, sand-blasted wood blade sign.	5th Ave 2 NW of San Carlos	8/12/2022	8/17/2022	Approved
22270	Historic Evaluation	Remodel existing bathroom. Add garage. Remodel one (1) bedroom. Add possible deck to top of garage.	Carmelo 2 NE of 8th	8/12/2022		In Review
22269	Historic Evaluation	Phase 1 historic evaluation	NE Corner of Camino Real & 4th	8/12/2022		In Review
22268	Design Study	INTERIOR REMODEL (714 SF) INCLUDING NEW MASTER BATH, CONVERT ONE FULL BATH INTO POWDER ROOM, RELOCATE LAUNDRY, RELOCATE ENTRY DOOR, REMOVE AND REPLACE EXTERIOR DOORS AND WINDOWS, REPLACE EXTERIOR SIDING ON SEVERAL SIDES- SEE ELEVATIONS, REPLACE EXISTING ROOFING MATERIALS WITH SAME MATERIALS	CAMINO REAL 1 SW OF OCEAN AVE	8/12/2022		In Review
22267	Preliminary Site Assessment	Excavation of basement & front remodel to provide ADU. Small rear addition to provide new stair. New free standing single-car garage.	Casanova 10 NE of Ocean	8/12/2022		In Review

22266	Reasonable Accommodation	New balusters and a new handrail for the east stair and front (south) deck, and Reasonable Accommodation for a wheel chair lift to provide access to the second-story front deck	4th Avenue 2 NE of Monte Verde	8/12/2022	8/23/2022	Approved
22265	Preliminary Site Assessment	Preliminary Site Assessment for a future Track 2 design study	Santa Fe 4 SE of 2nd Avenue	8/12/2022		In Review
22264	Preliminary Site Assessment	Preliminary Site Assessment for a future Track 2 design study	Carmelo 4 SE of 12th Avenue	8/12/2022		In Review
22263	Design Study	Remove concrete pavers in R.O.W. . Replace front entry gate with new, Clad (E) stucco wall with stone. Replace (E) brick patio with sand set flagstone	Camino Real 3 NW of 8th Ave.	8/12/2022		In Review
22262	Design Study	EXTEND EXISTING HOUSE BY 9 FEET TO ENCLOSE (E) WOOD DECK (231 SF). NEW WOOD DECK (160 SF). CONVERT PART OF ADU MECHANICAL ROOM TO A SAUNA (75 SF). NEW WOOD STAIR TO REPLACE (E) STONE STAIR. NEW LOWER TERRACE WITH PREFAB HOT TUB. MINOR INTERIOR REMODEL. REPLACE WOOD SHINGLES ROOF WITH ASPHALT SHINGLES. REPLACE (E) WOOD WINDOWS AND DOORS WITH METAL CLAD WOOD WINDOWS AND DOORS. COLORS AND FINISHES TO MATCH EXISTING.	ACACIA WAY 2 SW OF FLANDERS WAY	8/9/2022		In Review
22261	Historic Evaluation	Reroof a cedar shake roof with a composite material.	Casanova 3 NE of 8th	8/5/2022		In Review
22260	Design Study	Authorizes for the rearrangement of the site coverage and landscaping that includes reducing site coverage from 887 square feet to 566 square feet, with 342 square feet permeable, 117 square feet semi-permeable, and 108 square feet impermeable site coverage	2nd 2 SW of Carpenter	8/5/2022	8/18/2022	Approved
22259	Temporary Use Permit	Authorization of Temporary Use Permit for live music on August 18th, 2022 from 6pm to 9pm. Event not to exceed 50 guests and to include food and wine service and live music, one singer and one guitarist.	NEC of San Carlos St. & 5th Ave.	8/8/2022	8/8/2022	Approved

22258	Design Review	Plantings, irrigation, and low-level landscape lighting at 5th Avenue 2 NW of San Carlos in the Service-Commercial (SC) District as depicted in the plans prepared by RANA Landscape Architecture, stamped approved on September 1, 2022 and on file at the Community Planning & Building Department, unless modified by the conditions of approval. This approval also authorizes a slightly revised trellis design (previously approved under DR 22-170) three trellis-mounted heaters.	5th Ave 2 NW of San Carlos	7/29/2022	9/1/2022	In Review
22257	Historic Evaluation	Historic designation expired	Camino Real 3 SE of 4th	7/29/2022	8/19/2022	Approved
22256	Sign	Installation of 2 small window signs	SAN CARLOS AND OCEAN AVE			In Review
22255	Design Study	Installation of granite stone boundary to border the landscape island near 13th Ave on the Scenic Pathway. Condition: Concrete used to set the stones will be as minimally visible as possible to maintain a natural look. The curb should not have an appearance of a "concrete and stone" curb, but rather just a "stone" curb.	Scenic & 13th	8/2/2022		In Review
22254	Mills Act Request	Mills Act Contract	Monte Verde 2 NE of 9th Ave	8/2/2022		In Review
22253	Historic Evaluation	Overlay existing redwood siding with James Harie lap siding, blown-in insulation and paint new siding only.	2900 Santa Lucia	8/1/2022	8/22/2022	Approved

22252	Design Study	SHEET A 1.2: ADDITION OF 3 SKYLIGHTS W/ BLACKOUT SHADES; REDUCE ROOF OVERHANG ALONG NORTH SIDE OF HOUSE TO AVOID TREE; CUT 3' X 3' NOTCH AT ENTRY ROOF TO AVOID TREE,, AND DELETE OPENING OF ROOF: GRIDS 3 AND A.8 TO B.5. SHEET A2.3: REVERSE FRONT DOOR SWING; ADD STORAGE LOFT IN GARAGE; REDUCE CANTILEVER SECTION OF BR 1 BATH ALONG GRID LINE A FROM 2' TO 1 ' ; DELETE WINDOWS 20 & 23; RELOCATE BBQ & CABINET FROM SOUTH TO NORTH END OF LIVING RM. DECK; INCREASE DECK 21 SF; MODIFY GLASS GUARDRAIL LENGTH & WOOD CAP RAIL; DELETE LR WINDOW 14; SHEETS A3.2 & 3.3: ELEVATIONS ILLUSTRATING REVISIONS DESCRIBED ABOVE.	Casanova St 7 NW of Ocean Ave	7/28/2022		In Review

Total Records: 38

9/8/2022



Building Permit Report

08/01/2022 - 08/31/2022

Permit #	Date Submitted	Date Approved	Project Description	Valuation	Permit Type	Property Location
220336	9/1/2022		Modifications to an existing unmanned cell site-antenna upgrade.	20,000	Building	Ocean 2 SW of San Carlos
220335	8/31/2022		Addition of 2nd flr bath & BBQ Trellis	90,000	Building	Monte Verde 5 SW of 13th
220334	8/30/2022	8/31/2022	Rot repair, remove facia for inspection of damage. Contact: Tim Cordrey (831) 277-1792	200	Building	San Antonio 3 NE of Ocean
220333	8/29/2022		Replace deteriorating deck materials. Contact: David Castle (707) 365-0327	4,478	Building	SE Corner of San Carlos & 13th
220332	8/29/2022	8/29/2022	Replace leaking water heater for Apartment B. Contact: Marks Sewer and Drain (831) 224-8008	1,200	Plumbing	NW Corner of San Carlos & 8th
220331	8/26/2022	8/26/2022	Replace left side path facing the house with permeable sand set quarry pavers. Remove the existing carmel flagstone patio, add and compact 4" of base rock, level, and lay permeable pavers. Add sand on joints to stabilize, no sealant. Redo front carmel stone patio, remove and set aside the existing carmel flagstone, lay cement base, and reset carmel flagstone and mortar set joints. Contact: Ricardo Munoz (831) 402-5078	0	Exempt Work	NW Corner of Dolores & 10th
220330	8/26/2022		Install new Kolbe aluminum clad windows over garage. Update all guard rails for new deck & front porch extend new 126 permeble deck over existing 173sf lower deck.	30,000	Building	6023 San Carlos
220329	8/25/2022		Remodel & addition to an (e) 3-story single family home. Convert 563sf of ground floor level to a (n) ADU and add 759 sf. Add 474 sf to (e) main level & reduce (e) upper level by 275 sf. Add 16 sf to an (e) 1-car garage.	600,000	Building	Casanova 4 SW of 4th

220328	8/25/2022	8/31/2022	Replace about 160ft of damaged water line from meter to the house with new 1in. HDPE (High Density Polyethylene) water line. Contact: TrenchFree, Inc (408) 726-7926	10,000	Plumbing	Lincoln 4 SE of 13th
220327	8/24/2022	8/29/2022	Tear off (e) wood shake roof system down to original sheathing and haul away. Install Winterguard waterproofing membrane. Install 2700sf of Class A fire rated Landmark Pro shingles in color "Shenandoah". Contact: Scudder Roofing Co (831) 384-1500	28,052	Roofing	SW Corner of Junipero & 12th
220326	8/24/2022	8/24/2022	Remove (e) tar and gravel roofing and install 50 year Malarkey shingles and 3 layer torch down. Contact: Lord Roofing (831) 917-7289	11,000	Roofing	NW Corner of Monte Verde & 9th
220325	8/23/2022		Replace 100 amp panel with new 100 amp panel, move sub panel from closet to den wall, replace existing ceiling light fixtures in mater & guest bathrooms with a fan/light combo with humidifier switch, add GFI plugs in bathrooms, remove shower/tub combo & replace with shower, replace plumbing fixtures in kitchen and two bathrooms with new fixtures in the same location.	32,500	Building	Camino Real 3 SW of 10th
220324	8/23/2022		Replace (e) aluminum windows with new wood windows, no change to size or location. Replace (e) kitchen cabinets, counter tops, flooring, lighting, and appliances. No change in locations. Replace (e) guest bath vanity cabinet, counter top, sink, and flooring. Replace (e) master bath vanity cabinet, counter top, and flooring.	0	Exempt Work	Camino Real 3 SW of 10th
220323	8/23/2022	8/23/2022	Remove old tar & gravel roof and install new 50 year Presidential on 4/12 roof slope and tar and gravel on 2/12 roof slope. Contact: Stars & Stripes Roofing (831) 214-6218	10,000	Roofing	Lincoln 3 SW of 13th
220322			785sf Accessory Dwelling Unit. Attached to new home with DS21-362.	100,000	BP Revision	San Carlos 2SW of 1st

220321	8/22/2022		Remove rotten redwood deck, railing, and stairs. Replace with smaller balcony. Contact: Jeff Green (831) 269-1377	58,000	Building	Dolores 2 NE of 3rd
220320	8/22/2022	8/22/2022	Replace existing 100 amp panel with new 200 amp panel. Contact: Cate Electric (831) 594-5177	5,500	Electrical	Sunset Center North Lot
220319	8/22/2022	8/22/2022	Installation of lattice fence panels 6' tall with 6x6 pressure treated posts. 85 Linear feet along south side of property, not to enter into the front setback. Maintain existing white picket fence in front setback. Contact: Torres Landscape (831) 229-2273	0	Exempt Work	Vizcaino 4 NE of Flanders
220318	8/22/2022	8/22/2022	Tear off (e) wood shingle roof system to original sheathing. Install self-adheared waterproof membrane at all valley locations and roof penetrations. Supply & install one layer of Eco chief solar hide roof underlayment. Install 3,700 sf of DaVinci multi width slate in a straight course at 6" exposure to the weather. Contact: Scudder Roofing (831) 384-1500	121,500	Roofing	Camino Real 4 SW of 9th
220317	8/19/2022	8/19/2022	Paint exterior of hose in the same color as existing. Contact: Will Bullock Painting (831) 277-8952	0	Exempt Work	Vizcaino 4 NE of Flanders
220316	8/19/2022		DEMOLITION OF AN EXISTING 1617 SF RESIDENCE AND THE CONSTRUCTION OF A NEW TWO-STORY 1807 SF RESIDENCE. THE NEW RESIDENCE WILL BE 3-BEDROOM, 2-BATHROOM WITH A LIVING ROOM, DINING ROOM, AND KITCHEN. AN EXISTING APPROVED ONE-STORY ADU (PERMIT #BP21-301) WILL REMAIN IN THE REAR OF THE NEW RESIDENCE.	800,000	Building	San Carlos 2 SW of 1st
220315	8/19/2022		New detached single car garage.	100,000	Building	San Carlos 2 SW of 1st
220314	6/30/2022	9/2/2022	Replace handrails and posts of second floor deck, five posts total. Contact: Donna Carano (831) 747-4400	2,000	Building	San Antonio 5 NE of 11th
220313	8/19/2022	8/19/2022	In-kind water heater replacement. Contact: GP Piping Inc (831) 348-0123	7,982	Plumbing	Camino Real 2 NW of 12th

220312	8/19/2022		Sunset center North parking lot electrical panel replacement.	0	Electrical	
220311	8/18/2022	8/19/2022	Remove old composition roof and replace with new Landmark black shingles. Contact: John Elber (831) 574-8277	9,000	Roofing	San Carlos 3 SE of 10th
220310	8/18/2022	8/19/2022	Remove comp shingles and replace with comp shingles Landmark TL. Contact: D Cooper Roofing (831) 455-9168	15,200	Roofing	NE Corner of Santa Fe & 3rd
220309	8/18/2022		Replace 2 4'x2' existing aluminum windows with 4'x2' bronze windows. Contact: Russ Campbell (831) 238-7040	0	Exempt Work	Scenic 8 SE of Ocean
220308	8/17/2022	8/18/2022	REPAIR HEAT PUMP UNIT. Contact: Claudio Ortiz Design Group (831) 626-4146	18,000	Mechanical	Torres 2 SW of 9th
220307	8/17/2022		Replace existing deck. Contact: MAS Construction (831) 214-2965	20,000	Building	Lopez 6 NW of 4th
220306	8/17/2022	8/18/2022	Upgrade electrical panel. Changing from screw in fuse panel 100 amp to 200 amp panel. Contact: Larry Mariani (209) 401-5001	1,500	Electrical	NW corner of Torres & 3rd
220305	8/17/2022		Replace an 8' section of retaining wall that is 30" high with new pressure treated piling and lateral boards. The 6' fence above will be realigned.	0	Exempt Work	Casanova 3 NE of 8th
220304	8/17/2022	8/31/2022	Dining room porch/stair replacement and termite repair. Contact: Tom McKnight Construction (530) 523-3366	8,234	Building	NE Corner of Camino Real and Ocean Ave.
220303	8/15/2022		CONVERT GARAGE/PARKING PAD AND STUDIO TO ADU. REMOVE SHOWER FROM MAIN HOUSE BATH TOTAL REMODEL 20 S.F. (MAIN HOUSE), TOTAL ADDITION OF STUDIO/ADU 230 S.F., TOTAL REMODEL OF STUDIO/ADU 100 S.F.	150,000	Building	SWC of Mission and 11th
220302	8/15/2022		INTERIOR REMODEL OF KITCHEN; DINING; MASTER BATH; GUEST BATH AND LAUNDRY; REPLACE EXISTING WINDOWS AND DOORS; REPAIR EXISTING DECK.	48,490	Building	Torres 3 SE of Mountain View

220301	8/12/2022		Rewiring house, installing recessed lights, switches, outlets, & adding a sub panel.	12,000	Electrical	Junipero 5 NE of 2nd
220300	8/12/2022		Kitchen remodel, powder room addition, new closet configuration, master bathroom remodel, new electrical panel, and electrical upgrades.	200,000	Building	NW Corner of Mission & 3rd, Unit B3
220299	8/11/2022	8/11/2022	Addition of 30 amp 240v circuit for electrical water heater from existing main panel. Contact: Point Break Electrical (831) 747-7503	1,700	Plumbing	8th 2 NE of Carmelo
220298	8/11/2022	8/11/2022	Remove florescent lights and install new track lights, replace a wall fan. Contact: Hernandez Custom Builders (831) 229-9939	1,200	Electrical	NW Corner of San Carlos & 8th
220297	8/11/2022	8/11/2022	Remove 40 gallon natural gas water heater and install 40 gallon electric water heater. Contact: Marina Plumbing & Heating (831) 384-8206	5,000	Plumbing	8th 2 NE of Carmelo
220296	8/11/2022	8/11/2022	Remove carpet in loft and den. Install new hardwood floor to match existing wood floors, refinish all existing hardwood floors. Remove existing tile countertops in kitchen and replace with stone countertops. Contact: Acosta Builders (831) 915-8064	0	Exempt Work	SW Corner of Santa Fe & Mountain View
220295	8/10/2022	8/10/2022	Remove carpet and install new flooring, base boards, and interior paint. Contact: Hernandez Custom Builders (831) 229-9939	0	Exempt Work	NW Corner of San Carlos & 8th
220294	8/8/2022		Remodel (e) one story house and attached garage. Replace (e) kitchen, bathrooms, new powder room and laundry, new windows, doors, and roofs.	400,000	Building	Lincoln 2 NW of 13th
220293	8/5/2022	8/10/2022	Roof Mounted PV system using (25) LG 380s. Contact: Premo Roofing Company (831) 235-6453	32,700	Electrical	Torres 4 NE of 3rd
220292	8/4/2022	8/5/2022	Install a roof mounted 4.40KW solar PV system, 11 panels. No upgrade to main service panel. Installation of new storage system. Contact: SolarTecture (831) 233-3004	38,884	Electrical	6 Sand & Sea
220291	8/4/2022	8/18/2022	Removal of kitchen cabinets, wallboard on two walls and insulation, installation of new insulation,	30,000	Building	NE Corner of San Carlos & 8th #144

			wallboard, cabinets and flooring. Contact: Jerry Stepanek (831) 915-2730			
220290	8/4/2022		Remodel existing 73 s.f. master bathroom, replace shower window, patch over courtyard window.	42,000	Building	Casanova 7 SE of 13th
220289	8/3/2022	8/3/2022	Remove concrete slabs in the rear and the side and replace them with permeable sand-set quarry stone. Paver installation includes adding 5 to 7 inches of base rock and 1/2" to 3/7" bedding sand with no sealant added to the pavers. The site coverage will be reduced from 561 square feet to 519 square feet.	0	Exempt Work	NWC Dolores & 10th
220288	8/3/2022	8/4/2022	2 new tesla powerwalls 10kW, 1 new gateway 200A. Contact: Scudder Roofing (916) 765-2113	24,810	Electrical	San Antonio 2 NW of 13th
220287	8/2/2022	8/2/2022	Clean up existing, unused 100 amp panel, remove old 30 amp and 60 amp plugs, replace with 2 quad boxes with regular 20 amp circuits. Tie in inverter assembly to above 60 amp breaker in unused 100 amp panel. PacRep to supply the UL listed invert. Contact: Cate Electric (831) 624-5361	600	Electrical	NE Corner of Santa Rita & Mountain View
220286	8/2/2022	8/2/2022	Remove under wire cabinet electrical. Disconnect and box electrical in wall. Contact: Jim Zanardi (408) 888-3475	0	Electrical	NW Corner of Monte Verde & 5th
220285	8/1/2022		Demolition of trellis roof and stucco wall, construct new 518 SF garage, replace old generator, construct new trellis at garage, add 90 SF of new motor court, offset 608 SF of motor court and garage with 608 SF of new landscaping.	225,000	Building	10 Carmel Way



Code Compliance Report

08/01/2022 - 08/31/2022

Case #	Case Type:	Status	Location	Problem Description	Date Received	Date Closed
22167	Short-term Rental	1st NOV sent	Mountain View 2 NW of 8th	Transient Rental	8/30/2022	
22166	Planning Violation	1st NOV sent	NWC of San Carlos and 6th	Unpermitted exterior change	8/30/2022	
22165	Public Nuisance	Closed	Mission SW of 7th	Loud music	8/31/2022	
22164	Short-term Rental	1st NOV sent	San Carlos 2 SW of 13th	Transient Rental	8/25/2022	
22163	Short-term Rental	Potential STR identified	SWC Monte Verde and Santa Lucia	Transient Rental	8/17/2022	
22161	Planning/Building Violation	1st NOV sent	SE Corner of N Casanova and Palou	Unpermitted concrete pad, hot tub, electric	8/29/2022	
22160	Property Maintenance	Open	Mission 5 SW 12th	Life Safety Violations	8/26/2022	
22159	Building Violation	Open	Mission 5 SW of 12th	unpermitted water heater installation without permit causing immediate life safety hazard. Owner Sasan Teymouri notified 8/26/22 at approx. 9.35AM to correct by 3pm or Unsafe to Occupy will be issued and tenants will be required to vacate. Electrical and plumbing work done without permits.	8/26/2022	
22158	Planning/Building Violation	Open	Monte Verde 2 NW of 8th	Construction without permit	8/25/2022	
22157	Skin Care Complaint	Closed	Ocean SE of Monte Verde	Soliciting in sidewalk	8/16/2022	8/17/2022

22156	Planning Violation	Open	Ocean 3 SE of San Carlos	Sign Violation	8/20/2022	
22155	Planning Violation	Closed	Viscaino 9 SE of Mountain View	Painting without permit/review	8/19/2022	
22154	Public Nuisance	Open	NE Corner of Santa Rita and 2nd	Unscreened Porta-John	8/16/2022	
22153	Right of way Violation	Open	Ocean 2 SE Monte Verde	Display Case in ROW	8/9/2022	
22152	Skin Care Complaint	Closed	Ocean 2 NE Dolores	Conducting business outside of business space	8/7/2022	
22145	Planning/Building Violation	Open	Scenic 3 SE of 12th	Unpermitted Construction	8/4/2022	
22144	Public Nuisance	Closed	NE Corner Scenic and 10th	Food truck in ROW and noise	8/2/2022	

Total Records: 17

9/8/2022



Transient Rental Report

01/01/2022 - 07/31/2022

Case #	Street	Status	Date Received	Last Status Date	Date Closed
22151	Forest	1st NOV sent	7/21/2022	7/22/2022	
22146	Carmelo	1st NOV sent	7/20/2022	7/20/2022	
22138	Casanova	Potential STR identified	7/5/2022	7/5/2022	
22134	Junipero	Closed	6/28/2022	8/3/2022	8/3/2022
22133	Junipero	1st NOV sent	6/27/2022	7/1/2022	
22132	Valley Way	Closed	6/24/2022	7/5/2022	7/5/2022
22103	Dolores	Closed	5/24/2022	5/26/2022	5/26/2022
22098	Santa Rita	Closed	5/25/2022	7/20/2022	7/20/2022
22097	Carmelo	Closed	5/22/2022	6/21/2022	6/21/2022
22096	Mission	Closed	5/22/2022	7/5/2022	7/5/2022
22091	Junipero	Closed	5/15/2022	6/21/2022	6/21/2022
22090	Dolores	Closed	5/15/2022	7/6/2022	7/6/2022
22070	Junipero	Closed	4/12/2022	6/24/2022	6/24/2022
22068	N Carmelo	Closed	4/6/2022	5/3/2022	5/3/2022
22067	N San Antonio	Closed	4/5/2022	5/10/2022	5/10/2022
22063	Carmelo	Closed	3/22/2022	5/15/2022	5/15/2022
22062	Casanova	Closed	3/17/2022	3/17/2022	4/20/2022
22042	San Carlos	Closed	2/22/2022	4/5/2022	4/5/2022
22039	Ocean	Closed	2/15/2022	4/4/2022	4/4/2022
22033	Dolores	Closed	2/10/2022	2/10/2022	2/10/2022
22024	Dolores	Closed	2/3/2022	2/10/2022	2/11/2022
22013	Junipero	Closed	2/1/2022	4/11/2022	4/11/2022
22007	Lopez	Closed	1/11/2022	3/15/2022	3/15/2022

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Total Records: 23

8/5/2022



Encroachment Permit Report

08/01/2022 - 08/31/2022

Permit #	Permit Type	Date Submitted	Project Description	Property Location	Date Issued	Status
220181	Temp Ench	8/31/2022	Replace sewer lateral using pipe bursting. CONDITIONS: FLAGGER REQUIRED FOR TRAFFIC CONTROL. Contact: Rooter King (831) 394-5315	2836 Santa Lucia	8/31/2022	Issued
220180	Temp Ench	8/31/2022	Sewer lateral replacement. CONDITION: PUBLIC WORKS SUPERINTENDENT MUST BE ON SITE TO APPROVE TRAFFIC CONTROL MEASURES ONCE INSTALLED. Contact: Easy Drains Plumbing (831) 521-6882	Mission 3 NE of 8th	9/7/2022	Issued
220179	Temp Ench	8/31/2022	Sewer lateral replacement. CONDITION: PUBLIC WORKS SUPERINTENDENT MUST BE ON SITE TO APPROVE TRAFFIC CONTROL MEASURES ONCE INSTALLED. Contact: Easy Drains Plumbing (831) 521-6882	Junipero 3 NW of 7th	9/7/2022	Issued
220178	Temp Ench	8/30/2022	Remove & replace existing asphalt driveway with new Calstone quarry stone. Contact: Noe Dorantes Landscaping (831) 915-9580	Sand & Sea Road		In Review
220177	Temp Ench	8/30/2022	Replace sewer lateral using pipe bursting. Contact: Rooter King (831) 394-5315	Dolores 2 SE of 9th	8/30/2022	Issued
220176	Temp Ench	8/26/2022	PG&E to replace pole due to stub & install new 110' underground service to applicant. Install SEC box. Applicant to trench, backfill & install electric substructures. PM# 35310279. Contact: PG&E (408) 478-1894	NE Corner of San Antonio & 13th		In Review
220175	Temp Ench	8/24/2022	Replace 50' of sewer pipe 6' deep in the street. Install BWV & 2-way clean out. Contact: Chris Wilson Plumbing & Heating (831) 393-9321	Casanova 2 NE of 8th	8/29/2022	Issued
220174	Temp Ench	8/24/2022	Short-term storage of materials in the right of way and expansion of fence to cover the area. 8/23/22 - 9/6/22. Contact: Stoker & Allaire (831) 262-5918	Lincoln 5 SW of 10th	8/24/2022	Issued

220173	Temp Ench	8/24/2022	Replace sewer lateral using pipe bursting. Contact: Rooter King (831) 394-5315	Guadalupe 2 SE of 3rd	8/24/2022	Issued
220172	Temp Ench	8/19/2022	Replace sewer lateral using pipe bursting. Contact: Rooter King (831) 394-5315	SW Corner of Scenic & Ocean	8/23/2022	Issued
220171	Temp Ench	8/18/2022	Locate existing duct & clear blocked conduit in asphalt 10' from existing SB #15. Job #A02DW3X. Contact: AT&T (408) 807-3662	NW Corner 7th & San Carlos	8/18/2022	Issued
220170	Temp Ench	8/18/2022	Temporary installation of 20'x8' storage container to move furniture and fixtures from house prior to construction.	Monte Verde & Santa Lucia	8/23/2022	Issued
220169	Temp Ench	8/17/2022	REPAIR HEAT PUMP UNIT AND PLACE ON STREET CRANE IF NEEDED TO REPAIR HEAT PUMP UNIT. Contact: Claudio Ortiz Design Group Inc (831) 626-4146	TO BE PARKED IN FRONT OF HOUSE ON STREET TO BE USED WHEN NEED TO REPAIR HEAT PUMP UNIT	8/18/2022	Issued
220168						
220167	Temp Ench	8/17/2022	Install new pole, trim tree. PM# 35363575. Contact: PG&E (831) 713-6019	2nd 96' NE of San Carlos		In Review
220166	Temp Ench	8/15/2022	Center 2 boxes with meter for CalAm Job #1087. Contact: Coastal Paving & Excavating (831) 262-1425	Ocean 2 SW of Dolores	8/17/2022	Issued
220165	Temp Ench	8/15/2022	Replace sewer lateral using pipe bursting. Contact: Rooter King (831) 394-5315	SW Corner of Lobos & 2nd	8/15/2022	Issued
220164	Temp Ench	8/15/2022	Replace sewer lateral using pipe bursting. Contact: Rooter King (831) 394-5315	Scenic 5 SE of 13th	8/23/2022	Issued
220163	Temp Ench	8/11/2022	Excavate a 3'x3' pit in asphalt to locate gas main. CONDITION: SUFFICIENT ROOM FOR EMERGENCY VEHICLES AND RESIDENTS AT END OF STREET MUST BE LEFT OPEN FOR ACCESS. Contact: West Valley Construction (408) 640-8913	2nd Ave 60' West of Lincoln	8/12/2022	Issued
220162	Perm Ench	8/11/2022	Addition of a ramp to the Nicolas unit to 7th avenue for exiting requirements.	Carmel Plaza - Suite 111		In Review

220161	Temp Ench	8/9/2022	Installation of temporary handrail placement in the public right-of-way. Installation not to exceed 1 year for fall protection at property line.	Monte Verde 4 SW of 8th		In Review
220160	Temp Ench	8/8/2022	PG&E to excavate 4'x5' bellhole for gas maintenance. PM# 47019923. CONDITION: FINAL CONCRETE RESTORATION MUST BE DOWELED INTO THE EXISTING AND POURED BACK WITH "SEQUOIA SAND" CONCRETE DYE. Contact: PG&E (408) 510-1660	SW Corner of Ocean & Forest	8/9/2022	Issued
220159	Temp Ench	8/5/2022	Installation of granite stone boundary to border the landscape island near 13th Ave on the Scenic Pathway. Condition: Concrete used to set the stones will be as minimally visible as possible to maintain a natural look. The curb should not have an appearance of a "concrete and stone" curb, but rather just a "stone" curb.	Scenic & 13th	8/5/2022	Issued
220158	Temp Ench	8/4/2022	Excavate a 4'x4' pit to repair water leak damage. CONDITION: NO WORK ALLOWED FROM AUGUST 15 - AUGUST 19. FINAL RESTORATION OF CONCRETE STREET SHALL BE SEQUOIA SAND COLOR. Contact: West Valley Construction (408) 640-8913	San Carlos 200' N of 6th	8/4/2022	Issued
220157	Temp Ench	8/3/2022	Encroachment for MH's and aerial placement. Traffic control plans for rod and rope, fiber placement and splicing. AT&T Job# A02E48F.	3rd from Junipero to Carpenter		In Review
220156	Temp Ench	8/2/2022	Long-term placement of trailer on mostly private property to store materials for upcoming bath and kitchen remodel. Contact: R.C. Benjanin (831) 236-8437	Guadalupe 4 SE of 5th	8/9/2022	Issued
220155	Temp Ench	8/1/2022	Replace sewer lateral using pipe bursting. Contact: Rooter King (831) 394-5315	SW Corner of Mission & 7th	8/2/2022	Issued
220154	Driveway	8/1/2022	Replace 559 sf asphalt driveway on property and 326 sf asphalt driveway in right-of-way with new asphalt driveway. Contact: Patrick James Construction (831) 915-8076	SE Corner of Monterey & 2nd		In Review
220153	Temp Ench	8/1/2022	Removal of hedge, closing of sidewalk for public safety. Contact: Gates Tree Service (831) 595-1274	NW Corner of Lincoln & 8th	8/1/2022	Issued

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Total Records: 29

9/8/2022



CITY OF CARMEL-BY-THE-SEA

Monthly Report

August 2022

TO: Honorable Mayor and City Council Members
SUBMITTED BY: Alan Ward, Public Safety Director
SUBMITTED DATE: September 20, 2022
APPROVED BY: Chip Rerig, City Administrator

AMBULANCE REPORT

Summary of Carmel Fire Ambulance August Calls for Service

AMBULANCE PERFORMANCE MEASURE

The performance goal for Code-3 (life threatening emergency-lights & siren) ambulance calls in the City of Carmel-by-the-Sea with a response time of 5 minutes or less from dispatch to arrival is 95%. For the month of August 2022 the ambulance did not meet the performance measure. The response time was 90% with (3) code-3 calls over 5 minutes.

28 Calls for service in CBTS Average response time: 3:13 min.

27 Code 3 calls for service –Three calls were over 5:00 min. with a 3:04 min average response.

08/11/22; 4:18 pm; (5:04 min); Dolores (responded from CHOMP)

08/17/22; 2:37 pm; (6:06 min); Dolores (responded from Cypress)

08/25/22; 4:34 am; (5:20 min); Can Carlos (Early morning response)

MONTEREY FIRE REPORT

Summary of Monterey Fire August Calls for Service

FIRE PERFORMANCE MEASURE

The performance goal for Code-3 (life threatening emergency-lights & siren) fire calls with a response time of 5 minutes or less from dispatch to arrival is 95%. For the month of August 2022 the fire department did not meet the performance measure. The response time was 92% with (4) code-3 calls over 5 minutes.

60 total calls for service in CBTS Average response time: 3:36 min.

51 total Code-3 calls – There were 4 responses over 5:00 min.

BEACH FIRES

There were 7 illegal beach fires recorded during the month of August 2022.



RESPONSE SUMMARY REPORT BY INCIDENT TYPE
 27060 CARMEL-BY-THE-SEA
 Alarm Date From: 8/1/2022 To: 8/31/2022



Incident	Alarm Date	Incident Number	Response Time	Combined Address	Cross Street	Priority
300-321 Series (EMS)						
Medical assist, assist EMS crew	8/1/2022 4:48 PM	220824-MNT05830	0:03:22	CARPENTER ST	4TH AVE	3
Medical assist, assist EMS crew	8/5/2022 12:28 PM	220805-MNT05359	0:02:25	JUNIPERO AVE	OCEAN AVE	3
Medical assist, assist EMS crew	8/7/2022 12:30 PM	220803-MNT05325	0:03:31	FOREST RD	OCEAN AVE	3
Medical assist, assist EMS crew	8/15/2022 1:56 PM	220826-MNT05886	0:05:41	11TH AVE	SAN ANTONIO AVE	3
Medical assist, assist EMS crew	8/15/2022 4:52 PM	220827-MNT05911	0:03:56	5TH AVE	DOLORES ST	3
EMS call, excluding vehicle accident with injury	8/1/2022 2:50 PM	220801-MNT05252	0:02:12	JUNIPERO AVE	6TH AVE	3
EMS call, excluding vehicle accident with injury	8/7/2022 6:01 AM	220807-MNT05400	0:05:29	SANTA FE ST	3RD AVE	2
EMS call, excluding vehicle accident with injury	8/10/2022 1:21 AM	220810-MNT05464	0:04:07	FOREST RD	7TH AVE	3
EMS call, excluding vehicle accident with injury	8/15/2022 4:20 PM	220801-MNT05255	0:03:31	SAN ANTONIO AVE	11TH AVE	3
EMS call, excluding vehicle accident with injury	8/16/2022 1:14 PM	220805-1235-MNT	0:03:12	JUNIPERO AVE		3
EMS call, excluding vehicle accident with injury	8/17/2022 2:36 PM	220817-MNT05651	0:02:07	DOLORES ST	7TH AVE	3
EMS call, excluding vehicle accident with injury	8/18/2022 5:30 PM	220818-MNT05687	0:02:48	OCEAN AVE	DEL MAR AVE	3
EMS call, excluding vehicle accident with injury	8/18/2022 11:08 PM	220818-MNT05694	0:02:42	SAN CARLOS ST	7TH AVE	3
EMS call, excluding vehicle accident with injury	8/23/2022 11:45 PM	220809-MNT05456	0:03:19	LINCOLN ST	OCEAN AVE	3
EMS call, excluding vehicle accident with injury	8/24/2022 9:06 AM	220823-MNT05816	0:03:50	2946 FRANCISCAN WAY		3
EMS call, excluding vehicle accident with injury	8/26/2022 8:09 AM	220830-MNT05989	0:04:11	CAMINO REAL ST	7TH AVE	3
EMS call, excluding vehicle accident with injury	8/26/2022 12:52 PM	220806-MNT05387	0:05:15	LINCOLN ST	12TH AVE	3
EMS call, excluding vehicle accident with injury	8/27/2022 12:55 PM	220826-MNT05883	0:03:18	LINCOLN ST	7TH AVE	3
EMS call, excluding vehicle accident with injury	8/27/2022 3:01 PM	220808-MNT05421	0:03:51	SANTA RITA ST	2ND AVE	3
EMS call, excluding vehicle accident with injury	8/28/2022 6:39 PM	220828-MNT05944	0:02:29	DOLORES ST	4TH AVE	3
EMS call, excluding vehicle accident with injury	8/28/2022 8:27 PM	220828-MNT05947	0:01:05	JUNIPERO AVE	6TH AVE	3
EMS call, excluding vehicle accident with injury	8/29/2022 4:14 PM	220811-MNT05509	0:02:53	DOLORES ST	8TH AVE	3
22			0:03:25			
322-399 Series (Rescues)						
Motor vehicle accident with injuries	8/30/2022 7:13 PM	220811-MNT05514	0:04:00	2ND AVE	SANTA FE ST	3
Motor vehicle/pedestrian accident (MV Ped)	8/11/2022 11:55 AM	220811-MNT05505	0:02:08	SAN CARLOS ST	5TH AVE	3
2			0:03:04			
400 Series (Hazardous Material)						
Carbon monoxide incident	8/12/2022 7:03 AM	220828-MNT05929	0:05:39	SAN CARLOS ST	1ST AVE	3
Power line down	8/6/2022 10:55 PM	220815-MNT05600	0:06:19	MARTIN WAY	SCENIC RD	3
Accident, potential accident, other	8/18/2022 8:32 PM	220821-MNT05772	0:03:17	LINCOLN ST	7TH AVE	3
Explosive, bomb removal (for bomb scare, use 721)	8/16/2022 4:51 PM	220816-MNT05635	0:02:14	5104 MONTEREY ST		2
4			0:04:22			

Incident	Alarm Date	Incident Number	Response Time	Combined Address	Cross Street	Priority
500 & 600 Series (Service Calls)						
Water problem, other	8/6/2022 12:49 PM	220827-MNT05907	0:03:18	SANTA FE ST	2ND AVE	3
Water or steam leak	8/13/2022 12:06 PM	220813-MNT05547	0:03:48	CASANOVA ST	OCEAN AVE	2
Smoke or odor removal	8/6/2022 5:23 PM	220812-MNT05518	0:04:57	OCEAN AVE	SCENIC RD	3
Smoke or odor removal	8/12/2022 7:53 PM	220829-MNT05970	0:02:53	LINCOLN ST	7TH AVE	3
Public service	8/8/2022 10:27 AM	220802-MNT05273	0:03:50	5TH AVE	MISSION ST	3
Assist invalid	8/1/2022 6:02 PM	220801-MNT05258	0:02:03	MISSION ST	5TH AVE	3
Assist invalid	8/3/2022 10:30 PM	220825-MNT05855	0:04:39	SAN CARLOS ST	1ST AVE	3
Assist invalid	8/5/2022 12:28 PM	220812-MNT05535	0:03:00	GUADALUPE ST	6TH AVE	3
Assist invalid	8/9/2022 6:12 PM	220806-MNT05384	0:03:19	CAMINO REAL ST	9TH AVE	3
Assist invalid	8/19/2022 6:37 AM	220819-MNT05699	0:03:27	SAN CARLOS ST	4TH AVE	2
Assist invalid	8/24/2022 2:59 PM	220824-MNT05841	0:01:39	CASANOVA ST	12TH AVE	3
Assist invalid	8/24/2022 6:36 PM	220824-MNT05847	0:03:39	SAN CARLOS ST	13TH AVE	2
No incident found on arrival at dispatch address	8/8/2022 10:17 PM	220815-MNT05607	0:03:58	CARMEL WAY	2ND AVE	3
No incident found on arrival at dispatch address	8/11/2022 9:26 AM	220811-MNT05500	0:04:46	CAMINO DEL MONTE	JUNIPERO AVE	2
No incident found on arrival at dispatch address	8/11/2022 8:48 PM	220819-MNT05714	0:03:57	4TH AVE	GUADALUPE ST	3
No incident found on arrival at dispatch address	8/16/2022 3:21 PM	220815-MNT05605	0:03:35	MISSION ST	7TH AVE	3
No incident found on arrival at dispatch address	8/21/2022 4:50 PM	220816-MNT05626	0:03:12	JUNIPERO AVE	4TH AVE	3
No incident found on arrival at dispatch address	8/23/2022 10:03 AM	220823-MNT05814	0:02:15	DOLORES ST	5TH AVE	3
No incident found on arrival at dispatch address	8/24/2022 8:25 PM	220824-MNT05852	0:02:00	DOLORES ST	5TH AVE	3
No incident found on arrival at dispatch address	8/30/2022 3:02 AM	220830-MNT05978	0:05:40	25962 MISSION ST		2
CO Investigation with no CO found	8/2/2022 7:11 AM	220807-MNT05408	0:03:41	SANTA RITA ST	3RD AVE	3
Citizen complaint	8/29/2022 4:53 PM	220829-MNT05973	0:04:26	25962 MISSION ST		2

22 0:03:33

700 Series (False Alarms)

False alarm or false call, other	8/28/2022 2:09 AM	220826-MNT05880	0:05:00	12TH AVE	CASANOVA ST	3
Smoke detector activation due to malfunction	8/13/2022 10:28 PM	220813-MNT05567	0:02:08	SAN CARLOS ST	5TH AVE	3
Smoke detector activation due to malfunction	8/25/2022 4:33 AM	220808-MNT05434	0:04:06	SAN CARLOS ST	5TH AVE	3
Alarm system sounded due to malfunction	8/19/2022 2:27 PM	220819-MNT05706	0:03:59	DOLORES ST	8TH AVE	2
Smoke detector activation, no fire - unintentional	8/12/2022 6:43 PM	220812-MNT05534	0:01:58	SAN CARLOS ST	5TH AVE	3
Smoke detector activation, no fire - unintentional	8/23/2022 11:21 AM	220816-MNT05632	0:03:41	SAN ANTONIO AVE	8TH AVE	3
Smoke detector activation, no fire - unintentional	8/25/2022 2:26 PM	220825-MNT05867	0:01:45	JUNIPERO AVE	6TH AVE	3
Alarm system activation, no fire - unintentional	8/11/2022 4:17 PM	220806-MNT05393	0:02:52	MISSION ST	OCEAN AVE	3
Alarm system activation, no fire - unintentional	8/19/2022 9:28 PM	220824-MNT05832	0:03:56	13TH AVE	CAMINO REAL ST	3
Medical Alarm device activation, no medical	8/26/2022 10:20 AM	220818-MNT05691	0:03:18	MONTE VERDE ST	9TH AVE	3

10 0:03:16

Over 5 Minute Response Times Cause of Delay: Code 3 Responses

- 220826-MNT05886 E15 responded, normal response time
- 220806-MNT05387 E15 responded, normal response time
- 220828-MNT05929 E15 responded, normal response time
- 220815-MNT05600 Delay due to distance

Code 2 Calls	9
Code 3 Calls	51
Total # of Incidents	60
% Under 5 Minute Response Time	92%

Carmel Police Department Records Log - August 2022

Request Number	Date Rec'd	10 day response date	Date completed	Requestor	Records Requested	Attachment 4 Notes
2022-0006	8/22/22 jd	9/1/2022	08/22/22 jd	Sadia khan	CC2200393	picked up (JD)
2022-0007	8/23/22 mw	9/2/2022	see notes	Brittany Costello	Skin Care info	responded to requestor to get info, has not called me back
2022-0008	8/26/22 da	9/6/2022	8/30 da	Lexis Nexis	CG2200358	mailed by DA
2022-0009	8/26/22 da	9/9/2022	8/30 da	Lexis Nexis	CA2200353	mailed by DA
2022-0010	8/26/22 da	9/6/2022	8/30 da	Lexis Nexis	CA2200351	mailed by DA
2022-0011	8/30/22 da	9/9/2022	8/30 DA	Cary Ostrie	CG2200368	denial letter mailed by DA
2022-0012	8/30/22 JD	9/9/2022	9/10 DA	Aran Nafisi-Movaghar	CC2200403	mailed by DA
2022-0013	8/29/22 jd	9/7/2022	9/2 DA	Samuel Beiderwell	CG2200346	denial letter mailed by DA
2022-0014	8/30/22 da	9/10/2022	8/30 DA	Leonardo Antonio	CC2200401	released at front counter by DA
2022-0015	8/30/22 da	9/10/2022	9/10 da	Diane Demars	CG2200158, CG2200359, CG2200383	mailed by DA

2022 PRA Log - August

request number	Date Requested	10-day response date	records requested	requestor	date completed	notes
2022-040	8/11/2022	8/22/2022	permit records for the property located at San Antonio NE corner of 8th, Carmel, APN 010-269-013-000	Lance Holt	8/11/2022	available online
2022-041	8/12/2022	8/23/2022	any recent communications (last 6 months) between Jeannette Witten and the city, concerning the Golden Bough project.	anonymous	8/15/2022	sent records
2002-042	8/22/2022	9/1/2022	Any complaints from 2016 regarding the 4 skin care businesses on Ocean Ave: Gold Elements, Skin Frenzy, SenseLife, and Ocean Skin Care.	Brittany Costello	8/29/2022	sent records
2022-043	8/29/2022	9/8/2022	request for all postcards turned into the city for SCTCN Attachment September 14th meeting.	Christy Hollenbeck	8/29/2022	sent google drive link with postcards received 7-1-22 - 8-22-22
2022-044	8/29/2022	9/8/2022	any contracts the City of Carmel has entered into with BB&K/Gail Karish and Telecom Law Firm, PC /Tripp May from January1, 2021-August 29, 2022.	Christy Hollenbeck	9/1/2022	sent BBK and Telecom contracts
2022-045	8/29/2022	9/8/2022	checks written in the past year to BB&K, Gail Karish, Telecom Law Firm, PC, and Tripp May from January 1, 2021-August 31, 2022	Christy Hollenbeck	9/8/2022	sent records
2022-046	8/29/2022	9/8/2022	request the records for ALL notice of violation letters (NOV) that have been mailed, emailed, texted verbally delivered, or hand delivered for any and all code violations in carmel by the sea for the period of February 1, 2022 - August 27, 2022.	Parker Logan		deadline extended to 9/23/22
2022-047	8/22/2022	9/1/2022	A list of planning department employees no longer working for the city going back to 2010. Please include their full name (including middle name), job title, and, if you can, any contact information you have for them.	Daniel Dokhanian	8/31/2022	gave names and titles of past CPB employees going back 3 years



CITY OF CARMEL-BY-THE-SEA

Monthly Report

Public Works Department Report August 2022

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Robert M. Harary, P.E., Director of Public Works
SUBMITTED ON:	September 2, 2022
APPROVED BY:	Chip Rerig, City Administrator

City Council Meeting of August 2, 2022

- Adopted Resolution 2022-064, adopting the Climate Action Plan and the Climate Adaptation Plan. These Plans now move into the implementation phase with a number of initial projects underway.
- Adopted Resolution 2022-068, awarding a Professional Services Agreement to Ausonio, Inc. for \$125,000 for Project Management services to implement nine facility renovation capital projects.
- Adopted Resolution 2022-066, approving a 5-year Vehicle Maintenance Services Agreement with the City of Monterey for fleet services at well below commercial labor rates.
- Adopted Resolution 2022-067, approving a FY 2022/23 Budget Amendment of \$20,395 for the CalRecycle SB1383 Local Assistance Grant.
- Adopted Resolution 2022-068, awarding a Professional Services Agreement to Davey Resource Group for \$150,000, for preparation of the Urban Forest Management Plan funded by a Cal Fire grant.

Forest and Beach Commission Meeting of August 11, 2022

- Approved a removal permit for a City-owned pine tree blocking a Stop sign at the southeast corner of Carmelo Street and Eleventh Avenue, and required the applicant to plant one tree on adjacent property.
- Approved pruning of three oak trees for home construction on Mission Street, 3 northeast of Tenth Avenue. Another oak was initially requested to be removed to accommodate the second floor of an accessory dwelling unit, but the applicant redesigned the project to allow for this tree to remain.
- Approved a removal permit for four Eucalyptus trees leaning across San Carlos Street north of Fourth Avenue. Commission requested that the applicant and City share the costs of removals and replanting of four suitable replacement trees in the vicinity.
- Carmel Cares and Alan Wheat, professor of horticulture at MPC, presented the Forest Theater Landscape Renovation Project. Broken into zones of Maritime Chaparral, Coastal Scrub, and Oak Woodland, the proposed project includes over 700 plants and would be entirely funded by the Rotary, Carmel Cares, and donations. Commissioners enthusiastically supported the project contingent on a planning Design Review Study, issuance of an encroachment permit, and support from Pac Rep.
- Presented draft recommendations from the Forest and Beach Commission to the Planning Commission regarding the Scenic Pathway Benches, which included: zero additional benches; if more benches are approved, prefer variety of styles with emphasis on redwood backing; place new benches on the Ocean side of the Pathway in clusters of no more than two; and request that the Bench Policy be updated and a draft reviewed by the F&B Commission. Additional recommendations included requesting a bench policy for other park sites, developing maintenance guidelines, and submitting all documentation considered by the Commission to the Planning Commission.

Climate Committee Meeting of August 18, 2022

- Meeting canceled.

Public Works Administration

- Maintenance Worker/Gardener Rene Aldama was promoted to Senior Maintenance Worker.
- Administrative Coordinator, Yvette Oblander, returned full time to Public Works after two years.
- For the third round of recruiting for Project Manager, two more candidates were offered the position, but both declined. Consideration being given to hiring an executive search firm.
- Updated the City Council's Strategic Priorities tracking matrix for 10 initiatives lead by Public Works. Two priorities were completed since Council's last review. Forest Theater management is well underway, and Council adopted the Climate Action and Climate Adaptation Plans.
- The building/structural permit for the new, \$54k lighting box truss system for Forest Theater was signed off. Minor electrical work was also completed by the City to power Pacific Repertory Theater's prop-moving rigging apparatus. Pac Rep was also notified that the City has expended its \$60k obligation for initial capital investment as provided in the Lease Agreement.
- Ranked Statements of Qualifications received for on-call hazardous materials testing and consulting services. Selected M3 Environmental, and a Professional Services Agreement is being prepared.
- Developing a Game Plan to more proactively oversee numerous volunteers, support groups, and other local organizations. One of the next steps will be to compile a full menu of volunteer options as a page on the City's website.

Carmel Cares

- Finished upgrading the Carmel stone edging around a landscaped island along the Scenic Pathway near Thirteenth Avenue, as approved by the Forest and Beach Commission.
- Planted donated succulents in three street bump outs on Dolores Street, between Ocean and Sixth.
- Installed railings at the back of the restrooms at Forest Theater.
- Upgraded the map display case at Sunset Center.
- Continued planning for replacement of barrier railing along the Scenic Pathway.
- Continued to improve the Scenic Pathway and Forest Theater site, and maintain Vista Lobos Park, Sunset Center grounds, and numerous landscaped medians.

Environmental Programs

- Completed negotiations and preparation of a Professional Services Agreement with 4Leaf for Project Management Services for the Police Building – Additional Scope design, construction of the prior year Annual Paving project, and planning/design of the Resilience Infrastructure Pilot Project and the Electrical Panel Upgrades. Agreement scheduled for award at September Council meeting.
- Prepared a three-year contract with the Carmel Area Wastewater District to provide Vector truck services to clean out four storm drain CDS units for a not-to-exceed fee of \$71,646.
- After further reviews with staff, the City Attorney's office substantially completed the final edits on the updated Stormwater Ordinance. The proposed ordinance will next be sent to the Coastal Commission and Regional Water Quality Control Board for comments before Council's 1st Reading later this year.
- For the \$175k Coastal Engineering Study/Beach Sand Survey projects, continued to negotiate the scope of work and fees for the combined consulting team of Integral Consulting for climate change impacts, Haro/Kashunich for coastal engineering, and EMC for environmental services. Also continued to research the non-competitive, \$100k Local Coastal Program grant to fund Phase 2.
- Ranked Statements of Qualifications received for on-call environmental consulting services. Selected Nikki Nedeff for biological services associated with the Mission Trail Nature Preserve and an Agreement is being prepared. Tentatively selected other consultants for the North Dunes Habitat Restoration Project and for other on-call environmental services.
- Processed 12 commercial waivers per SB1383 requirements, and approved 10 applications, mainly due to di minimus organics generation.

Facility Maintenance

- At Sunset Center, contractor installed a fire pump pipeline to discharge weekly test flows into the sewer.

- At Sunset Center, an electrician replaced burned-out conductors below the service meter. Until additional upgrades can be made to this electrical panel, at least one Electric Vehicle charging station in the North Lot must remain out of service.
- Replaced sodium halide bulbs around the Vista Lobos parking lot with energy-efficient LED bulbs.
- Painted exterior window trim at the Harrison Memorial Library (HML) following replacement of broken window panes.
- Repaired restroom exhaust fan motors on the roof, and installed some window screens at City Hall.
- Replaced the termite-damaged rear door at the Public Works Director's office.
- Replaced electrical devices for the vehicle exhaust safety system at the Fire Station.
- 12 new lockers were ordered by Facilities Maintenance, delivered to the Fire Station after a long delay, and assembled and installed by the firefighters.
- Initiated a list and obtaining quotes for other needed facility projects for potential mid-year budget augmentation, including Sunset Center electrical panel upgrade, repainting both restrooms at Forest Hill Park, decommissioning the dumbwaiter at Park Branch Library, fire system upgrades, and others.

Project Management (PM) for Capital Improvement Program

- Notice to Proceed was issued Ausonio, Inc. to provide PM services for 9 facility renovation projects. Key initial accomplishments included:
 - City Hall Retaining Wall structural design plans were reviewed, and bid proposal documents are being prepared. Reached out to geotechnical and structural engineers for assessment.
 - Ausonio recommended that the following 6 projects be bundled into one project for efficiency, cost-effectiveness, and to advance some projects: Sunset Center exterior paint and cottage window repairs, HML exterior/interior paint, carpeting, and generator, and City Hall roof replacement.
 - Reviewed qualifications and short-listed firms to provide on-call architectural services and to prepare the Facilities Condition Assessments for 4 buildings.
- For the City-Wide Drainage System Repair Project, during scope of work negotiations with Neill Engineers to design this project, it was determined that an additional hydraulic analysis must be done for the Storm Drain Master Plan previously prepared by Schaaf and Wheeler. Specifically, the Plan needs to include a 20-year storm event analysis to reflect Climate Change, in addition to the 10-year storm event included in the original Plan, based on the current capacity of the drainage system.
- BKF was selected to design the Concrete Street Repairs Project, including the proposed bike path along lower Ocean Avenue, and scope of work and fee negotiations are underway.
- City and Wallace Group met with TAMC to discuss Complete Street options for the Ocean Avenue pedestrian/bicycle pathway, as well as a potential future project to leverage Measure X funding to apply for RSTP funding to provide a north-south bike path from Camino del Monte, along San Carlos Street, and out of the City via Rio Road.
- Wayfinding Signs: Discovered that TAMC previously hired a consultant to identify and locate the City's signs without our knowledge nor input. Working on rectifying City-intended project with the plan generated by TAMC's consultant for TAMC's consideration.
- Held pre-proposal meetings with two, short-listed architectural firms to prepare the Libraries Master Plan, and received their proposals on August 31st.

Street Maintenance

- Supported Car Week events, including scrubbing sidewalks, leveling tree wells, roping off Ocean Avenue median islands, setting vehicle barriers, posting no parking signs, and supporting Police.
- As recommended at the July 28th meeting of the Traffic Safety Committee, installed a straight and right turn arrow on southbound Junipero Street near Seventh Avenue, and, as a pilot project, installed sidewalk crossings on Carmelo Street, just north and south of Ocean Avenue.
- After decades of storing materials at the Carmel Middle School yard, relocated usable materials to the re-organized Rio Park site, recycled materials where appropriate, and discarded broken items.
- Replenished beach sand around boulders near the base of the Eighth and Ninth Avenue access stairs.

- With a large stump recently removed, installed the final segment of a storm drain pipe at the southeast corner of Santa Fe Street and Second Avenue.
- Repaired traffic signs and a number of special signs.
- Replaced tires and installed a new windshield for the Carmel Cares-donated Gator. Saved roughly 50% by ordering these auto parts on Amazon.

Forestry Parks and Beach Report (Forester's Report)

- **As part of the Cal Fire grant, 108 new trees will be planted. The initial round of tree planting is planned to begin in October.**
- Following City Council's approval of their Professional Services Agreement for the Urban Forest Management Plan, Davey Resources Group requested a number of modifications to the contractual terms. Some minor changes were approved by the City Attorney's office, but issues are ongoing.
- Due to a change in personnel at PG&E, trees were removed by PG&E's contractor without prior clearance by the City Forester as has been prior practice. This resulted in four remnant "totem pole" trees and the removal of a Cypress tree on Scenic Road. Stern conversations with PG&E's new personnel are ongoing and resulting in mitigation for prior damage and assurance for proper City notifications going forward. The matter will be presented to the Forest & Beach Commission in October.
- After a two-year hiatus due to reduced pandemic-related funding, the on-call landscape maintenance bidding documents were completed and advertised for bids. A pre-bid meeting was held in late August.
- Preparation of on-call tree care services contract and bid documents are in progress.
- Peter Quintanilla, a horticulture professor at MPC, planted a rare silk tree in Devendorf Park.
- We had our first local contractors use an Airspade and a hydro vac on projects in town.
- The HML is getting a new backflow installed so that the irrigation runs efficiently and without leaks.
- The cypress on Scenic have Trentephoia, a naturally-occurring algae. The amount of it collecting on trees is concerning. We are working with Cal Fire's pathologist to determine if corrective action is needed.

Private and Development Activities

2022 Permitted Removals and Required Planting

	Removals	Plant Upper	Plant Lower	No room for New Tree	Meets Density Recommendation	Total Number of Trees Required
January	2	1	1	0	0	2
February	14	4	5	0	3	9
March	13	4	4	0	4	8
April	7	2	5	3	2	7
May	19	8	4	3	4	12
June	11	3	1	0	6	4
July	8	1	1	4	1	2
August	41	16	10	5	3	26
September						
October						
November						
December						
2022 Totals	115	39	31	10	23	70

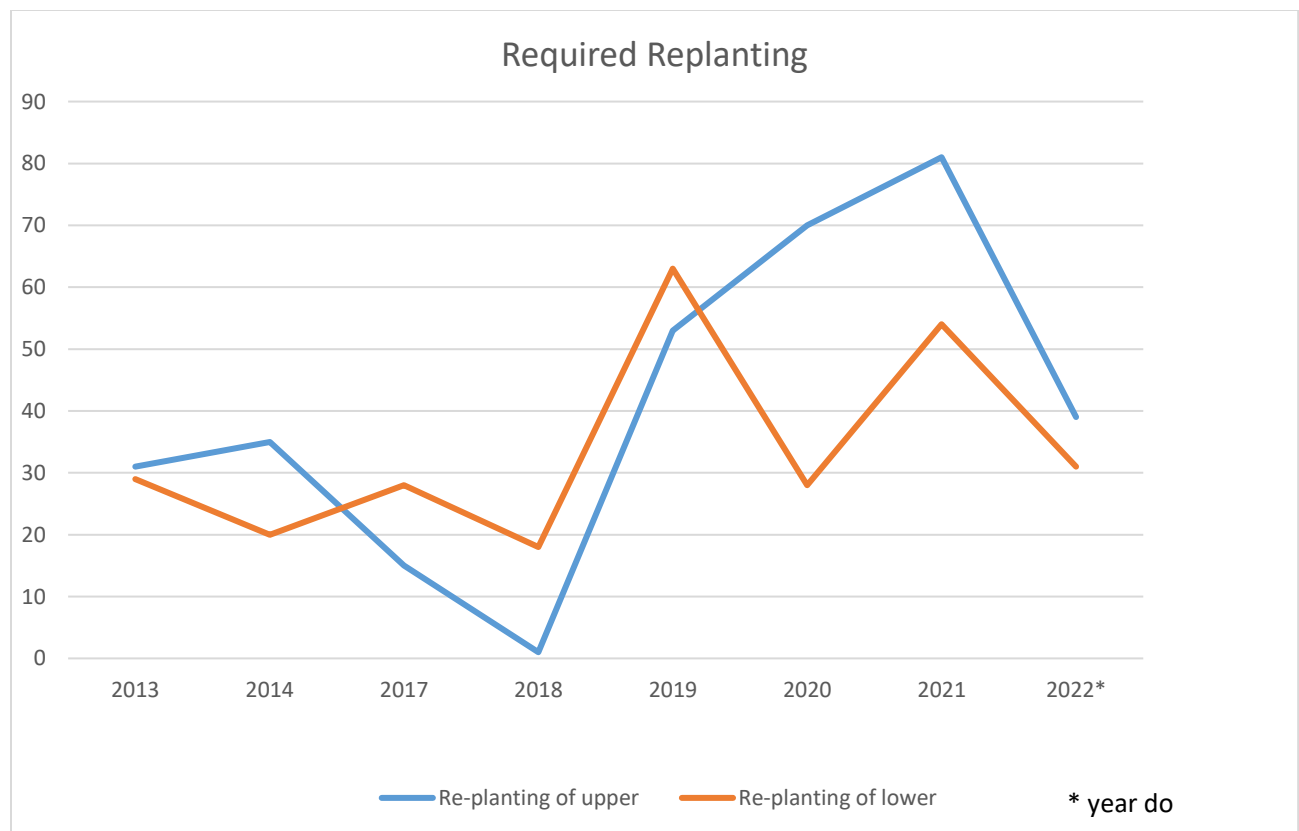
Historic Permitted Removals and Required Planting

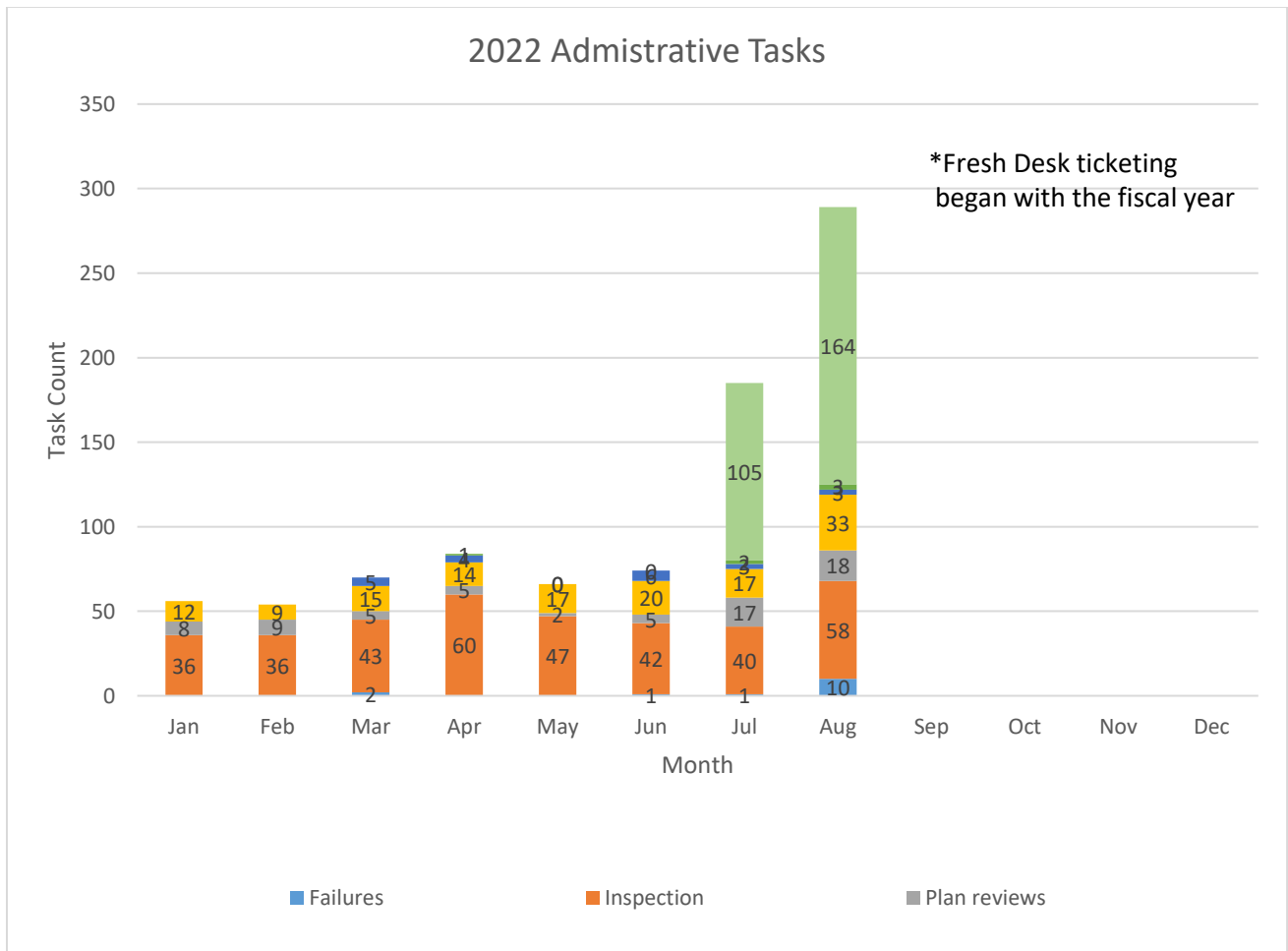
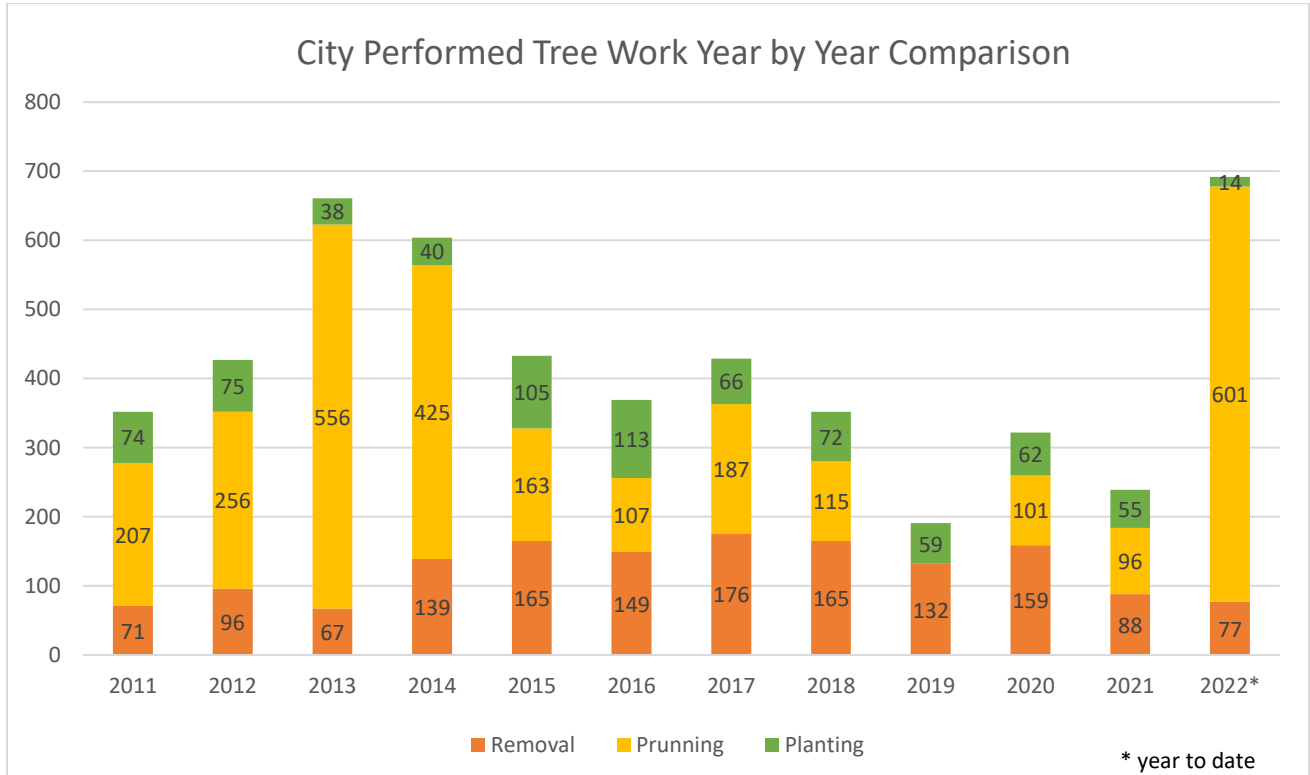
	Removal Permits	Removal of Upper	Removal of Lower	Replanting Required	Replanting of Upper	Replanting of Lower	Replanting %
2012	96			20			20.83%
2013	123	60	63	59	31	29	47.97%
2014	145	64	81	49	35	20	33.79%
2016	90			37			41.11%
2017	119	50	69	43	15	28	36.13%
2018	77	37	60	20	1	18	20.62%
2019	170	107	63	116	53	63	68.24%
2020	98	57	41	93	67	26	94.90%

	Permitted removals	Removal of upper	Removal of lower	Replanting Required	Replanting of upper	Replanting of lower	Replanting %	Applications processed
2021	204	81	123	135	81	54	66.18%	213
2022*	115	59	56	70	39	31	60.87%	135

*year to date

City Forestry, Parks, and Beach Activities







CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Thomas Levandowski, Finance Manager

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: August 2022 Check Register Summary

RECOMMENDATION:

Approve the check register for August 2022.

BACKGROUND/SUMMARY:

The check register is produced from the City's financial system. The report groups the checks by the respective department or function. The check register includes the check number, the name of the vendor, a description of the purchase, the check issue date and the amount of the check.

Per the California Supreme Court's decision in the case of Los Angeles County Board of Supervisors v. Superior Court (Dec. 29, 2016) (2016 WL 7473802), the check register excludes the specific invoice payments for legal services incurred for pending and active investigations, pending and active litigation, as well as recently concluded matters. The Supreme Court has ruled that these specific invoices are protected under attorney-client privilege and need not be disclosed under the Public Records Act.

On the last page of the report, staff have included the contract balance for the respective vendors that were paid in August.

FISCAL IMPACT:

The check register summary for August 2022 totals \$1,083,418.28.

PRIOR CITY COUNCIL ACTION:

Council ratified the July 2022 check register at its September 13 regular meeting.

ATTACHMENTS:

Attachment 1) August 2022 Check Register Summary

August 2022 Check Register

Attachment 1

Check No.	Vendor/Employee	Transaction Description	Date	Amount
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Department: 000 ____

49532	Division of the State Architect	Apr-Jun 2022 ADA Quarterly remittance	08/02/2022	32.80
49697	Monterey County Convention & Visitors Bu	TID May-Jun 22 remittance - Admin fee	08/30/2022	55,023.21
49698	Visit Carmel	Remittance May-Jun CHID	08/30/2022	363,752.71

Total for Department: 000 ____	418,808.72
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Department: 110 City Council

49591	Peninsula Messenger LLC	Mail service sorting and delivery	08/08/2022	4,560.00
49642	Community Human Services	CHS JPA Allocation FY 2022-23	08/18/2022	17,625.00
49650	Monterey Bay Air Resources District	Per Capita assessment FY 22-23	08/18/2022	1,520.50
49665	Carmel Residents Association	City Discretionary Fund Grant FY 22-23	08/18/2022	3,000.00
49669	Community Human Services	City Discretionary Grant Casa de Noche Buena	08/18/2022	3,000.00

Total for Department: 110 City Council	29,705.50
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Department: 111 City

49528	Carmel Pine Cone	Legal noticing	08/02/2022	300.00
49529	Comcast	City Hall business cable service	08/02/2022	73.31
49531	Corbin Willits System	MOM Financial system monthly fee	08/02/2022	720.79
49533	Jocelyn E. Roland Ph.D., ABPP	Pre-emp psych screening PD	08/02/2022	475.00
49536	Office Depot, Inc.	Business office supplies-Admin/Finance	08/02/2022	216.03
49537	Robert Half	Temporary payroll assistance services	08/02/2022	4,560.00
49538	Ryan Ranch Printers	Envelopes, stationary, business card and business license pr	08/02/2022	517.84
49540	Toshiba Financial Service	Toshiba Copier lease Estudio 5506	08/02/2022	373.06
49542	Wageworks,Inc	Healthcare monthly Admin and Compliance Fee	08/02/2022	150.00
49576	Amazon Web Services Inc	Data and cloud storage fees	08/08/2022	828.39
49577	AT&T	Telephone service citywide	08/08/2022	2,997.46
49580	Carmel Pine Cone	Legal noticing	08/08/2022	369.00
49582	Digital Deployment	Website support:Maint, training, security	08/08/2022	700.00
49584	Granicus, Inc.	NovusAgenda, NovusAgenda Video streaming	08/08/2022	13,837.59
49585	Image Sales	Employee ID Badges	08/08/2022	44.14
49586	Iron Mountain	Records storage service	08/08/2022	970.31
49588	Office Depot, Inc.	Business office supplies-Admin/Finance	08/08/2022	391.26
49593	Sprint	Cell service fees, usage and purchases	08/08/2022	29.99
49596	T-Mobile	Monthly cell service, usage and purchases	08/08/2022	1,464.04
49598	Verizon Wireless	Cell phone usage and sales	08/08/2022	779.45
49634	Alliant Insurance Services	Public Official Bond Premium-N Romero	08/18/2022	250.00
49636	Baystar Express	Copy paper Business Office (Non-jamming)	08/18/2022	480.70
49638	Carmel Pine Cone	Legal noticing	08/18/2022	510.00
49640	CDW-Government Inc	12 ViewSonic monitors	08/18/2022	2,360.42
49643	Copies By-The-Sea	Agenda printing services	08/18/2022	933.46
49652	Netkiller, Inc.	G Suite Enterprise 12 months subscription	08/18/2022	18,000.00
49655	Robert Half	Temporary payroll assistance services	08/18/2022	4,560.00
49658	Traffic Patterns	Recruitment services, NEOGOV, On-call HR	08/18/2022	3,148.75
49659	Zoom Imaging Solutions, Inc.	Business office copier usage fees	08/18/2022	371.64
49662	Alan Ward	Reimburse for moving expenses	08/18/2022	2,500.00
49668	Comcast Business	NonNGEN internet and recurring charges	08/18/2022	644.82

Total for Department: 111 City Administration	63,557.45
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Department: 112 City Attorney

49543	Burke,Williams & Sorensen, LLP	City Attorney-June 2022 General Services	08/02/2022	16,137.37
49543	Burke,Williams & Sorensen, LLP	City Attorney-June 2022 Labor Negotiations	08/02/2022	14,691.00
49690	Sloan Sakai Yeong & Wong	Legal services - Human Resources	08/18/2022	92.00

Total for Department: 112 City Attorney	30,920.37
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Check No.	Vendor/Employee	Transaction Description	Date	Amount
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Attachment 1

Department: 115 Community

49558	Carmel Towing & Garage	Building Dept. - Gas & Oil - June Fuel	08/08/2022	111.01
49560	CSG Consultants, Inc.	Building Dept. - Plan Review Svcs.	08/08/2022	402.00
49561	De Lage Landen Financial	Planning Dept. - Financial Svcs.	08/08/2022	202.11
49562	Duane Dauphinee	Boot allowance - Bldg. Dept. - FY 22-23	08/08/2022	183.08
49563	Engineered Fire Systems	Fire Inspection Plan Reviews	08/08/2022	687.50
49564	FedEx	Planning Dept. - Shipping Fees, Volume Studies	08/08/2022	28.52
49565	Granicus, Inc.	Host compliance, short-term rental enforcement	08/08/2022	9,041.55
49567	Monterey County Assessor	Custom Data Report - community report, ownership	08/08/2022	100.00
49569	Office Depot, Inc.	Office Supplies	08/08/2022	176.93
49570	Past Consultants LLC	Historic Context Statement Update	08/08/2022	26,100.00
49572	US Bank	Online Live Webinar, including supplies/materials	08/08/2022	442.08
49574	Trowbridge Enterprises	Ergonomic office chairs	08/08/2022	2,604.19
49630	De Lage Landen Financial	Planning Dept. - Financial Svcs.	08/18/2022	212.22
49632	Trowbridge Enterprises	Ergo Chair - Brandon S.	08/18/2022	583.45

Total for Department: 115 Community Planning &	40,874.64
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Department: 116 Police

49525	American Messaging	PD: PGCOPY Followers Cell Services	08/02/2022	2.70
49529	Comcast	Police Dept cable services	08/02/2022	253.18
49530	Community Hospital of the Monterey Penins	Testing services for Police Dept	08/02/2022	54.00
49534	Mission Linen Service	Fire Dept laundry service	08/02/2022	137.34
49535	MOGO Urgent Care	PD Substance testing services	08/02/2022	583.00
49539	Sirchie Finger Print Labs	PD Evidence and fingerprinting supplies	08/02/2022	219.44
49575	Alhambra	Water service-PD	08/08/2022	193.00
49579	Caltronics/J.J.R Enterprises. Inc	Police Dept copier usage fees	08/08/2022	150.60
49587	Lemos Service Inc	Police Dept auto repairs	08/08/2022	115.88
49592	Same Day Shred	PD-Document shredding services	08/08/2022	135.00
49594	T2 Systems Canada Inc.	PD:Digital iris services	08/08/2022	75.00
49597	US Bank	FBI Training expense/meeting expense	08/08/2022	398.52
49598	Verizon Wireless	Air cards for MDT's	08/08/2022	327.32
49639	Carmel Towing & Garage	Police Dept-Fuel expense	08/18/2022	5,568.23
49641	Comcast	Police Dept cable services	08/18/2022	55.59
49644	Cypress Coast Ford/Lincoln	PD Auto repairs	08/18/2022	2,840.58
49645	De Lage Landen Financial	Police Dept copier lease	08/18/2022	161.70
49646	Interstate All Battery Center	Batteries/Police Dept vehicles	08/18/2022	87.40
49647	Lemos Service Inc	Police Dept auto repairs	08/18/2022	96.94
49648	MCCLEOA	Dues-Chief Alan Ward	08/18/2022	300.00
49649	Mission Linen Service	Fire Dept laundry service	08/18/2022	143.59
49656	Same Day Shred	PD-Document shredding services	08/18/2022	45.00
49657	Summit Uniforms	PD Uniform purchases	08/18/2022	390.47
49679	Mission Linen Service	Fire Dept laundry service	08/18/2022	151.72
49680	Monterey Tire Service Inc	Tires for Gator 8/4/22 #1-107523	08/18/2022	110.59
49689	Same Day Shred	PD-Document shredding services	08/18/2022	225.00
49694	Transunion Risk & Alterna	PD: Monthly fee for information services	08/18/2022	75.00
49700	County of Monterey IT Dept	1.Fire Dept:Cellular access/telephone calling and access 2. I	08/30/2022	6,465.06
49702	United Public Safety, Inc	Ticketing Platform for PD:Hardware, software, tech support	08/30/2022	5,850.00

Total for Department: 116 Police	25,211.85
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Department: 117 Fire

49581	City Of Monterey	Monthly fee:Fire Admin/Emerg Incident Mgmt	08/08/2022	236,620.21
49633	Alhambra	Water service Fire Dept	08/18/2022	153.93
49635	American Supply Company	Housekeeping supplies-Fire Dept	08/18/2022	299.84
49639	Carmel Towing & Garage	Fire Dept gas expense (E15)	08/18/2022	566.62
49664	Caltronics/J.J.R Enterprises. Inc	Fire Dept copier usage fees	08/18/2022	11.59
49699	City Of Monterey	Vehicle repairs June 2022	08/30/2022	14,551.18
49700	County of Monterey IT Dept	1.Fire Dept:Cellular access/telephone calling and access 2. I	08/30/2022	868.42

Total for Department: 117 Fire	253,071.79
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Check No.	Vendor/Employee	Transaction Description	Date	Amount
Department: 118 Ambulance				
49526	Bound Tree Medical LLC	Medical supplies	08/02/2022	1,766.73
49541	Verizon Wireless	Machine to machine activity	08/02/2022	14.04
49578	Bound Tree Medical LLC	Medical supplies	08/08/2022	193.84
49581	City Of Monterey	FY 2022-23 Ambulance Administration fee	08/08/2022	1,996.96
49583	Dr. James Stubblefield	Medical director Fire Agency Provider Controlled	08/08/2022	6,500.00
49595	Teleflex LLC	Amb Dept-Medical supplies	08/08/2022	2,419.00
49637	Bound Tree Medical LLC	Medical supplies	08/18/2022	845.60
49639	Carmel Towing & Garage	Amb Dept gas expense (7166)	08/18/2022	1,306.22
49654	Peninsula Welding & Medical Supply, Inc.	Ambulance Dept-Oxygen/hazardous materials transport serv	08/18/2022	181.02
49671	De Lage Landen Financial	Ambulance Copier lease	08/18/2022	75.01
49696	Wittman Enterprises, LLC	Ambulance billing service	08/18/2022	5,192.97
49701	Dept of Health Care Services-Accounting/Ca	GEMT QAF	08/30/2022	5,458.70
Total for Department: 118 Ambulance				25,950.09
Department: 119 Public Works				
49544	US Bank	Masks	08/02/2022	52.38
49610	Always Under Pressure	Oil Water Seperator	08/18/2022	297.50
49611	American Lock & Key	Locksmith ervice for City Facilities	08/18/2022	39.83
49612	Cintas Corporation	PW Uniform Service 21/22 FY	08/18/2022	708.50
49613	Core Management Services, LLC	Annual Smart Inspection 3/17/22 #16175	08/18/2022	600.00
49614	Edges Electrical Group	Electrical supplies for City Facilities	08/18/2022	188.51
49615	Ferguson Enterprises, Inc.	Plumbing supplies for city facilities	08/18/2022	316.09
49616	Golden State Portables	Porta-Potties FT & Events	08/18/2022	1,062.19
49617	Martins Irrigation Supply, INC.	Acacia Way Stromdrain box. 7/18/22 #615570	08/18/2022	196.03
49618	Mirage Window Cleaning	Window cleaning service for City Facilites	08/18/2022	650.00
49619	Monterey County Health Department	Helath permit fees for FY 22/23	08/18/2022	1,210.00
49620	Monterey Regional Waste Management Distr	Grant Program Funding for FY22/23	08/18/2022	20,395.00
49621	Monterey Sanitary Supply	PW/FM janitorial supplies cleansers/COVID	08/18/2022	571.64
49622	Overhead Door Co of Salinas	Garage door service for City Facilities	08/18/2022	1,432.04
49623	Poe's Plumbing & Backflow	Plumbing repairs City facilities	08/18/2022	493.05
49624	Rene Aldama	New Boots Rene Aldama FY 22/23 per MOU 250 Max	08/18/2022	250.00
49625	Safeway Sign Co.	Stop signs 7/12/22 #53234	08/18/2022	851.06
49626	Scarborough Lumber & Building	PW Streets - Supplies	08/18/2022	274.69
49627	Tope's Tree Service Inc.	Tree services citywide as directed by City Forester	08/18/2022	2,340.00
49628	Tree Stuff Lockbox No 639707	Forestry safety equipment and supplies	08/18/2022	1,088.62
49629	Underground Service Alert Nor Cal	811 USA Tickets 7/26/22 #112607USB22	08/18/2022	699.31
49661	Ailing House Pest Control	City Wide Pest Control	08/18/2022	354.00
49663	American Supply Company	PW/FM Janitorial supplies	08/18/2022	231.94
49664	Caltronics/J.J.R Enterprises. Inc	Copier Contract PUBLIC WORKS - FY22/23	08/18/2022	84.26
49666	Carmel Towing & Garage	PW Streets - Fuel for PW vehicles	08/18/2022	2,397.60
49667	Cintas Corporation	PW Uniform Service 21/22 FY	08/18/2022	138.37
49670	Cypress Painting & Decorating, Inc.	Painting project at Carmel Fire Dept.	08/18/2022	11,090.00
49671	De Lage Landen Financial	PW Copier monthly lease-	08/18/2022	215.67
49672	Edges Electrical Group	Electrical supplies for City Facilities	08/18/2022	34.13
49673	Eric Miller	Milage reinbursement for Tree conf.	08/18/2022	191.26
49674	GCS Environmental Equipment Services	Set of Sweeper Curtains 8/9/22 #25526	08/18/2022	387.13
49675	Granite Fire Protection, Inc	Sunset Center cooling linework 08/21/22 #082122	08/18/2022	5,200.00
49676	John Ley's Tree Service	Tree pruning at Best Western Hotel	08/18/2022	3,300.00
49678	Michael Wood	Treetopia Confeence training-mileage	08/18/2022	191.26
49681	Mutt Mitt	80 Cases of Mutt Mitts - 8/9/22 #499661	08/18/2022	5,592.73
49682	Napa Auto Parts	PW Streets - Vehicle Supplies	08/18/2022	298.34
49683	National Stock Sign Company	4 cases of NO PARKING signs. 8/5/22 #113780	08/18/2022	1,037.88
49684	Ono Consulting	Arboriculture Consulting	08/18/2022	525.00
49686	PSTS, Inc.	Services:Pumping oil-water separator	08/18/2022	640.00
49687	Pureserve Building Service	Janitorial services	08/18/2022	42,282.70
49688	Rene Aldama	Treetopia Conference training	08/18/2022	158.76
49691	Stages Unlimited	Engineering for truss structure. 8/2/22 #2202-185	08/18/2022	4,600.00
49692	TNT Painting and Decorating Inc	Esterior window painting at CH 8/3/22 #5217	08/18/2022	3,675.00
49693	Tope's Tree Service Inc.	Watering at MTNP-	08/18/2022	420.00
49695	US Bank	PW Supplies & Material, training (Forestry & Fac)	08/18/2022	6,699.05
Total for Department: 119 Public Works				123,461.52

Check No.	Vendor/Employee	Transaction Description	Date	Amount
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Attachment 1

Department: 120 Library

49590	Pacific Grove Self Storage	Storage Unit - Document storage	08/08/2022	307.00
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Total for Department: 120 Library				307.00
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Department: 121 Community

49528	Carmel Pine Cone	Calling All Crafters! ad 7/15/2022	08/02/2022	800.00
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49544	US Bank	Tents, soil, rock cover & A-frame sign holders	08/02/2022	1,359.07
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Total for Department: 121 Community Activities				2,159.07
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Department: 130 Non-

49527	Cal-Am Water Company	Water service citywide	08/02/2022	13,574.86
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49589	Pacific Gas & Electric	Video cameras citywide	08/08/2022	247.46
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49645	De Lage Landen Financial	Property tax/Prop tax admin fee	08/18/2022	100.55
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49653	Pacific Gas & Electric	Citywide gas & electric services	08/18/2022	11,482.78
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49685	Prism Public Risk Innovation	General Liability, Program I	08/18/2022	1,409.20
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Total for Department: 130 Non-Departmental				26,814.85
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Department: 311 Capital

49660	4Leaf, Inc	Traffic Eng. Services 5/26/22 #J4030B	08/18/2022	2,388.75
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49677	Mayone Structural Engineering	Engineering plans for CH retaining wall parking lot. 4/202	08/18/2022	2,540.00
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49691	Stages Unlimited	Forest Theater work. 7/14/22 #2022-165	08/18/2022	26,836.71
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Total for Department: 311 Capital Projects				31,765.46
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Department: 513 Veh & Equip

49651	Motorola Solutions Credit Co. LLC	CIP:Police Radios lease 122PS-PDRADIO	08/18/2022	10,809.97
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Total for Department: 513 Veh & Equip Replacem				10,809.97
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Grand Total				1,083,418.28
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Schedule of Contract Payments - August

Vendor	Contract Amt	Paid thru Aug	Contract Balance	
Pen Messenger	\$ 122,000.00	\$ 65,830.00	\$ 56,170.00	
City of Monterey *	\$ 2,839,443.00	\$ 236,620.21	\$ 2,602,822.79	Fire admin
Tope's Tree Service	\$ 65,000.00	\$ 64,936.15	\$ 63.85	
West Coast Arborists	\$ 160,000.00	\$ 121,024.08	\$ 38,975.92	
John Ley's Tree Service	\$ 70,000.00	\$ 47,058.67	\$ 22,941.33	
J4 Systems	\$ 38,840.70	\$ 26,179.00	\$ 12,661.70	
Pureserve *	\$ 250,000.00	\$ 42,282.70	\$ 207,717.30	
Rincon	\$ 50,500.00	\$ 45,167.75	\$ 5,332.25	
Dudek	\$ 75,000.00	\$ 50,600.92	\$ 24,399.08	
LSA Associates	\$ 22,820.00	\$ 21,516.25	\$ 1,303.75	
4Leaf Inc.	\$ 24,999.00	\$ 24,491.25	\$ 507.75	

* FY2022-2023 Budget



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Robert Harary, P.E, Director of Public Works

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Resolution 2022-088, awarding a Professional Services Agreement to Schaaf & Wheeler to amend the City's Storm Drain Master Plan

RECOMMENDATION:

Adopt Resolution 2022-088, awarding a Professional Services Agreement to Schaaf & Wheeler to amend the City's Storm Drain Master Plan.

BACKGROUND/SUMMARY:

In September 2019, the City Council adopted Resolution 2019-064, awarding a Professional Services Agreement to Schaaf & Wheeler Consulting Civil Engineers to prepare the City's first Storm Drain Master Plan (SDMP) for a not-to-exceed fee of \$174,910. This Capital Improvement Project was successfully completed on budget in the fall 2020.

The purpose of the SDMP was to provide an examination of flooding and drainage risks within the City limits and recommend actions necessary to accomplish appropriate level-of-service and reliability for the City's storm drain system. The SDMP is available on the City's website under the Public Works main page at: [complete_final_sdmp_report_september_2020_small.pdf](https://www.carmel.ca.us/complete_final_sdmp_report_september_2020_small.pdf) ([carmel.ca.us](https://www.carmel.ca.us))

The Public Works Director presented the results of the SDMP to the Climate Committee in December 2020 and to the City Council in February 2021. As discussed at these meetings, a majority of the City's existing storm drainage system was designed to handle a once in 10-year storm event, rather than a 20-year storm event that is far more common in other municipalities. Coupled with increased storm events due to Climate Change, Council and the Climate Committee requested that future drainage upgrades and repairs be sized for 20-year events while also recognizing that repairs and upgrades will require significant funding over a long period of time to minimize the potential of flooding.

At the June 7, 2022 meeting, Council adopted Resolution 2022-048, approving 25 new Fiscal Year (FY) 2022/23 Capital Improvement Projects, including the Citywide Drainage System Repair Design, Phase II. This project, which is part of that multi-year drainage improvement program, allocated \$500,000 to continue the development of drainage system improvement plans to fix the highest and moderate priority broken pipes and bottlenecks, based on the findings of the SDMP. This funding supplements the Drainage System

Repairs, Phase I project's \$100,000 carryover funds from FY 2021/22. Nearly \$7.5 million will be needed to complete the highest and moderate priority repairs.

In July 2022, Council adopted Resolution 2022-058, awarding a Professional Services Agreement to Wallace Group for Project Management Services for delivery of four Capital Improvement Projects including the Drainage System Repair Design.

In April 2022, requests for Statements of Qualifications (SOQs) were advertised, from San Jose to Sacramento to San Luis Obispo, seeking qualifications from consultants covering 14 professional service areas, including civil engineering services for drainage projects. In May 2022, five SOQs were received for civil engineering services, and a selection committee consisting of the Wallace Group Project Manager, Public Works Director, and Environmental Programs Manager selected Neill Engineers as best qualified to provide drainage system design services, and Schaaf & Wheeler for storm drain master planning services.

During scope of work and contract negotiations with Neill Engineers to design the Project, it was determined that additional analyses needs to be addressed and included into the SDMP as an Addendum before the design and construction drawings of the drainage repairs could proceed.

As shown in Attachment #2, a new Professional Services Agreement was prepared and negotiated with Schaaf & Wheeler to amend the SDMP. Specifically, the scope of work includes the following key elements:

- Amend the SDMP by modeling a 20-year storm event and identifying modifications to previously-recommended drainage system upgrades.
- Evaluate the potential of constructing a buried detention/storage tank below or nearby Devendorf Park to reduce the need to upsize piping downstream into the Mission Trail Nature Preserve stream and potentially saving millions of construction dollars.
- Evaluate the option of installing additional smaller pipelines along portions of Junipero, below Rio Road and outletting into the Carmel River, and at other locations, in lieu of more costly removal of existing pipelines and installing larger pipelines along the same alignments.

The fee to provide these services is \$37,625 and has the potential to save significant construction costs. A supplemental services budget of \$12,375 is included to provide additional technical support during the engineering work, for a total not-to-exceed fee of \$50,000. The analysis is anticipated to be completed within six weeks of a Notice to Proceed.

FISCAL IMPACT:

The total budget for the Drainage System Repair Project is \$600,000. Of that amount, \$58,827 is allocated for Wallace Group for Project Management for this project. The proposed fee for Schaaf & Wheeler to amend the SDMP, including the Supplemental Services budget, of \$50,000 leaves a remaining balance of \$491,173. All fees for this Project are funded in the Capital Projects Fund, Account No. 301-311-00-43008.

While negotiations have not yet concluded with Neill Engineers, the balance appears more than adequate to design 7 or 8 of the highest priority storm drain upgrades and repairs. The end goal will be to have "shovel ready" construction plans ready as future funding becomes available. Additional funding for construction of the first few of these projects is anticipated to be requested as part of the FY 2023/24 Capital Improvement Program.

PRIOR CITY COUNCIL ACTION:

In September 2019, the City Council adopted Resolution 2019-064 awarding a Professional Services Agreement to Schaaf & Wheeler Consulting Civil Engineers for the SDMP project. In February 2021, the Public Works Director presented an overview of the completed SDMP to the City Council.

In June 2022, Council adopted Resolution 2022-048 approving 25 new FY 2022/23 Capital Improvement Projects, including the Citywide Drainage System Repair Design, Phase II, in the total amount, including the prior year carry-over, of \$600,000. In July 2022, Council adopted Resolution 2022-058 awarding a Professional Services Agreement with Wallace Group for Project Management Services for delivery of four Capital Improvement Projects, including the Drainage System Repair Design Project.

ATTACHMENTS:

Attachment 1) Resolution 2022-088

Attachment 2) Professional Services Agreement with Schaaf & Wheeler

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2022-088

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A PROFESSIONAL SERVICES
AGREEMENT TO SCHAAF & WHEELER TO AMEND THE CITY'S STORM DRAIN MASTER
PLAN**

WHEREAS, in September 2019, the City Council awarded a Professional Services Agreement to Schaaf & Wheeler to prepare the City's first Storm Drain Master Plan (SDMP) for a fee of \$174,910; and

WHEREAS, the purpose of the SDMP was to analyze flooding risks within the City and recommend actions to accomplish appropriate level-of-service and reliability for the City's storm drainage system, and the results of the SDMP were presented to Council and the Climate Committee in late 2020 - early 2021; and

WHEREAS, on June 7, 2022, Council adopted Resolution 2022-048 approving Fiscal Year 2022/23 Capital Improvement Projects including the Citywide Drainage System Repair Design Phase II, in the amount of \$500,000, and carried-over \$100,000 of funding for the Project's Phase I design; and

WHEREAS, in May 2022, Statements of Qualifications were received for civil engineering services for drainage projects, and an evaluation committee selected Schaaf & Wheeler as best qualified to provide storm drain master planning services; and

WHEREAS, negotiations with Schaaf & Wheeler, as well as with another firm selected to design the drainage improvements for construction, revealed that the City's SDMP should be amended for the following key reasons: a) to model a 20-year storm event in addition to the 10-year event included in the SDMP, to reflect climate change, b) to consider detention options in the vicinity of Devendorf Park to reduce the cost of upsizing the downstream piping into the Mission Trail Nature Preserve, and c) to evaluate options of installing additional, smaller pipelines in lieu of more costly removals of existing pipelines and replacements with larger pipelines; and

WHEREAS, a Professional Services Agreement was developed with Schaaf & Wheeler to provide the required services, in a timely manner, for a fee, including a budget for supplemental services, not-to-exceed \$50,000, and sufficient funding is available in the Capital Projects Fund.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF
CARMEL-BY-THE-SEA DOES HEREBY:**

Authorize the City Administrator to execute a Professional Services Agreement to Schaaf & Wheeler to amend the City's Storm Drain Master Plan for a not-to-exceed fee of \$50,000.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 4th day of October, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk

PROFESSIONAL SERVICES AGREEMENT
for the
Storm Drain Master Plan Update Project
Agreement # PWD-S&W-___-22-23

THIS AGREEMENT is executed this ____ day of October, 2022, by and between the City of Carmel-By-The-Sea, a municipal corporation, (hereinafter "City"), and Schaaf & Wheeler Consulting Civil Engineers, (hereinafter "Consultant"), collectively referred to herein as the "parties".

WHEREAS, the City wishes to engage Consultant to perform the services required by this Agreement; and

WHEREAS, Consultant is willing to render such professional services, as hereinafter defined, on the following terms and conditions; and

WHEREAS, Consultant represents that it is trained, experienced and competent and holds all necessary licenses and certifications to perform the services required by this Agreement.

NOW, THEREFORE, in consideration of the terms and conditions herein contained, the parties hereby covenant and agree as follows:

1. SERVICES

- A. **Scope of Services.** Consultant agrees to provide to the City, as the scope of services ("Scope of Services") under this Agreement, the following: Updates to the *Carmel-by-the-Sea Storm Drain Master Plan* dated September 2020, and CIP Project Updates. The Scope of Services is attached hereto as Exhibit "A." The Scope of Services under this Agreement should include, but is not limited to, a project description, project phases, task descriptions, identification of key personnel, identification of subconsultants, their key personnel and general description of services that will be performed, as further set forth in this Agreement and attachments hereto. Consultant agrees to all of the following:
- i. Consultant will furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculations, and all other means whatsoever, except as otherwise expressly specified in this Agreement, necessary to perform the services required of Consultant under this Agreement.
 - ii. Consultant's designated representative(s) who are authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement are listed in Exhibit "B," Key Personnel, Compensation, and Hourly Rates, which is made a part of this Agreement.
 - iii. Consultant must make every reasonable effort to maintain the stability and continuity of Consultant's key personnel and subcontractors, if any, listed in Exhibit B to perform the services required under this Agreement. Consultant must notify City and obtain City's written approval with respect of any changes in key personnel prior to the performance of any services by replacement personnel.

- iv. Consultant must obtain City's prior written approval before utilizing any subcontractors to perform any services under this Agreement. This written approval must include the identity of the subcontractor and the terms of compensation.
- v. Consultant represents that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant will at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described in this Agreement. In meeting its obligations under this Agreement, Consultant must employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.
- vi. City may inspect and accept or reject any of Consultant's work under this Agreement, either during performance or when completed. Acceptance of any of Consultant's work by City will not constitute a waiver of any of the provisions of this Agreement.
- vii. The Consultant must maintain any work site in the City in a safe condition, free of hazards to persons and property resulting from its operations.

B. Change Orders.

- i. Agreements and Change Orders exceeding \$24,999 require City Council approval to be valid.
- ii. The City may order changes to the Scope of Services, consisting of additions, deletions, or other revisions, and the compensation to be paid Consultant will be adjusted accordingly. All such changes must be authorized in writing, and executed by Consultant and City. The cost or credit to City resulting from changes in the services will be determined by the written agreement between the parties. However, any increase in compensation beyond the compensation limit amount approved by the City Council must be authorized in advance by the City Council and any service provided by Consultant in the absence of such approval are at Consultant's sole risk.
- iii. Consultant will not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to or outside of those set forth in the Scope of Services or otherwise required by this Agreement, unless such additional services are authorized in advance and in writing by City.
- iv. If Consultant believes that additional services are needed to complete the Scope of Services, Consultant will provide the City Administrator with written notification describing the proposed additional services, the reasons for such services, and a detailed proposal regarding cost.

C. Familiarity with Services and Site.

- i. By executing this Agreement, Consultant represents that Consultant:
 - a. has thoroughly investigated and considered the Scope of Services to be performed;

- b. has carefully considered how the services should be performed;
 - c. understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement; and
 - d. possesses all licenses required under local, state or federal law to perform the services contemplated by this Agreement, and will maintain all required licenses during the performance of this Agreement.
- ii. If services involve work upon any site, Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing its services. Should Consultant discover any latent or unknown conditions that may materially affect the performance of services, Consultant will immediately inform District of such fact and will not proceed except at Consultant's own risk until written instructions are received from City.

2. COMPENSATION

- A. **Total Fee.** Subject to any limitations set forth in this Agreement, the City agrees to pay and Consultant agrees to accept as full and fair consideration for the performance of this Agreement, hourly fees as set forth in Consultant's Key Personnel, Compensation, and Hourly Rates (Exhibit "B"). The total fee is not-to-exceed Thirty-Seven Thousand Six Hundred Twenty-Five Dollars (\$37,625). Supplemental Services may be requested by the City, in writing, with a limit of an additional Twelve Thousand Three Hundred and Seventy Five Dollars (\$12,375). The "Maximum Authorized Expenditure" under this Agreement is Fifty Thousand Dollars (\$50,000. The Fee Schedule includes, but is not limited to, fees for each phase and task, not-to-exceed total fee, hourly rates, reimbursable rates and subconsultant mark-up rates. The use of subconsultants will not be considered a reimbursable expense, and such costs must be applied towards the approved budgeted amount. Payment of any compensation to Consultant is contingent upon performance of the terms and conditions of this Agreement to the satisfaction of the City. If the City determines that the Services set forth in the written invoice have not performed in accordance with the terms of this Agreement, the City is not responsible for payment until the Services have been satisfactorily performed.
- B. **Invoicing.** Consultant must submit to the City monthly written invoices to the City's Project Representative, identified in Section 5 below. Invoices must be prepared in a form satisfactory to the City, describing the services rendered and associated costs for the period covered by the invoice. The City will provide invoicing format upon request. Consultant may not bill the City for duplicate services performed by more than one person. Consultant's invoices must include, but are not limited to, the following information:
- i. Project Title, the City's Purchase Order number and City's Project Code(s) for each project;
 - ii. Invoice number and date;
 - iii. A brief description of services performed for each project phase and/or task;
 - iv. The budgeted amount for each phase, task and item, including the total amount, with the same for approved Change Orders, if any;

- v. Amount invoiced to date divided by the agreed total compensation, expressed as a percentage, with the same for approved Change Orders, if any;
- vi. The amount earned and invoiced to date for each phase, task and/or item, including the total amount, with the same for approved Change Orders, if any;
- vii. The amount previously invoiced for each phase, task and/or item, including the total amount, with the same for approved Change Orders, if any;
- viii. The amount due for the period covered by this invoice for each phase, task, and/or item, including the total amount, with the same for approved Change Orders, if any;
- ix. For time and materials authorizations, the number of hours spent, by whom and their hourly rate for each phase, task and/or item, including the total amount;
- x. The costs incurred, including reimbursables, for each phase, task, and/or item for the agreed total compensation and approved Change Orders, if any, along with a brief description of those costs;
- xi. The total amount due for the period covered by this invoice, including subconsultants and vendors of services or goods;
- xii. Copies of subconsultant, vendor, and reimbursable invoices including hourly breakdowns when requested by City.
- xiii. Copies of subconsultant and vendor lien releases.

Any such invoices must be in full accord with any and all applicable provisions of this Agreement. Consultant must submit invoices to the City on or before the sixteenth (16th) day of each month for services performed in the preceding month.

The City will review each invoice submitted by Consultant to determine whether the work performed and expenses incurred are in compliance with this Agreement. In the event that no charges or expenses are disputed, the invoice will be approved and paid.

Except as to any charges for work performed or expenses incurred by Consultant that are disputed by City, the City will pay on each such invoice within thirty (30) days of receipt; provided, however, that if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement. If any charges or expenses are disputed by City, the invoice will be returned by City to Consultant for correction and resubmission, and the City will not be obligated to process any payment to Consultant until thirty (30) days after a correct and complying invoice has been submitted by Consultant. Payment to Consultant for services performed under this Agreement may not be deemed to waive any defects in the services performed by Consultant, even if such defects were known to City at the time of payment. City reserves the right to withhold future payment to Consultant if any aspect of the Consultant's work is found to be non-conforming to the terms of this Agreement.

The City is not obligated to pay Consultant a greater percentage of the Maximum Authorized Expenditure than the actual percentage of services completed as of the invoice date.

Consultant agrees to remit and is responsible for all withholding taxes, income taxes, unemployment insurance deductions, and any other deductions required by applicable federal, state or local laws and regulations for Consultant, its employees, subconsultants and vendors of services or goods.

- C. **Adjustment of Maximum Authorized Expenditure.** The City may increase or decrease the Maximum Authorized Expenditure by issuing a Change Order to the Agreement in accordance with Section 1.B "Change Orders" above. Should Consultant consider that any request or instruction from the City's Project Representative constitutes a change in the scope of services, Consultant will advise the City's Project Representative, in writing, within fourteen (14) calendar days of such request or instruction. Without said written advice within the time period specified, the City is not obligated to make any payment of additional compensation to Consultant.
- D. **Hourly Rates.** Payment for all authorized services, including payment for authorized on-call, as-needed services, will be made by the City to Consultant in accordance with the various hourly rates as set forth in the Consultant's Key Personnel, Compensation and Hourly Rates (Exhibit "B").
- E. **Subconsultants and Vendors.** Invoices for subconsultants and vendors of services or goods will be paid by the City to Consultant in accordance with the various rates as set forth in the Consultant's Compensation & Fee Schedule (Exhibit "C"). All reimbursable expenses will be considered as included within the Maximum Authorized Expenditure. Consultant is solely responsible for payment to subconsultants and vendors of services or goods, and the City is not responsible or liable for any payments to subconsultants and vendors, either directly or indirectly.
- F. **Audit and Examination of Accounts:**
- i. Consultant must keep and will cause any assignee or subconsultant under this Agreement to keep accurate books of records and accounts, in accordance with sound accounting principles, which pertain to services to be performed under this Agreement.
 - ii. Any audit conducted of books of records and accounts must be kept in accordance with generally accepted professional standards and guidelines for auditing.
 - iii. Consultant must disclose and make available any and all information, reports, books of records or accounts pertaining to this Agreement to the City and any city of the County of Monterey, or other federal, state, regional or governmental agency which provides funding for these Services.
 - iv. Consultant must include the requirements of Section 2F, "Audit and Examination of Accounts", in all contracts with assignees or subconsultants under this Agreement.
 - v. All records provided for in this Section are to be maintained and made available throughout the performance of this Agreement and for a period of not less than four (4) years after full

completion of the Services. All records, which pertain to actual disputes, litigation, appeals or claims, must be maintained and made available for a period of not less than four (4) years after final resolution of such disputes, litigation, appeals or claims.

3. AGREEMENT TERM

- A. **Term.** The work under this Agreement will commence by October 4, 2022 and must be completed by June 30, 2025 unless sooner terminated or the City grants an extension of time in writing pursuant to the terms of this Agreement, except for provisions in this Agreement that will survive the termination or completion of this Agreement. Consultant will perform Change Order services as set out in Section 1.B, "Amendment of Services (Change Orders)", in a timely manner or in accordance with the agreed upon Change Order Project Schedule.
- B. **Timely Work.** Consultant will perform all Services in a timely fashion, as set forth more specifically in Section 3.A, "Term", and Section 3.C, "Project Schedule", of this Agreement. Failure to perform is deemed a material breach of this Agreement, and the City may terminate this Agreement with no further liability hereunder, or may authorize, in writing, an extension of time to the Agreement.
- C. **Project Schedule.** Services must be completed by Consultant in accordance with the Project Schedule set forth in Exhibit "C". The parties may, from time to time, by Change Order, alter the Project Schedule. Consultant will provide the Services pursuant to the Project Schedule or any applicable Project Schedule Change Order. If at any time Consultant discovers that the Project Schedule cannot be met, Consultant must promptly notify the City in writing and provide a revised Project Schedule for review and consideration by City.
- D. **Notice to Proceed.** Upon execution of this Agreement by both parties and the receipt of all documentation required by this Agreement to be provided by Consultant to the City, including proof of insurance and tax identification numbers, the City will issue a written Notice to Proceed to the Consultant. The City may, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the work. Upon receipt of such notices, Consultant will diligently proceed with the Services authorized and complete those Services within the agreed time specified in said notice. Consultant will not proceed with any of the Services unless they have received a Notice to Proceed from the City.

4. CONSULTANT'S EMPLOYEES AND SUBCONSULTANTS

- A. **Listed Employees and Subconsultants.** Consultant will perform the Services using the individuals listed in the Key Employees and Subconsultants List attached hereto in Exhibit "B".
- B. **Substitution of Employees or Subconsultants:**
 - i. Consultant may not substitute any key employee or subconsultant listed in Exhibit "B" without the prior written approval of the City, and such approval will not be unreasonably withheld. The City will not approve removal or substitution of employees or subconsultants for the reason that Consultant or its affiliates has called on such individuals to perform services for another client of the Consultant.

- ii. If, at any time, the City reasonably objects to the performance, experience, qualifications or suitability of any of Consultant's employees or subconsultants, then Consultant may, upon written request from the City, replace such employee or subconsultant. Consultant must, subject to scheduling and staffing considerations, make reasonable efforts to replace the individual with an individual of similar competency and experience.
 - iii. Whether or not the City consents to, or requests a substitution of any employee or subconsultant of Consultant, the City will not be liable to pay additional compensation to Consultant for any replacement or substitution.
- C. **Sub-agreements with Subconsultants.** Consultant will incorporate the terms and conditions of this Agreement into all sub-agreements with subconsultants in respect of the Services necessary to preserve all rights of the City under this Agreement. Consultant is fully responsible to the City of all acts and omissions of subconsultants and of persons employed by any subconsultant.
- D. **Not an Agent of the City.** Nothing in this Agreement will be interpreted to render the City the agent, employer, or partner of Consultant, or the employer of anyone working for or subcontracted by Consultant, and Consultant must not do anything that would result in anyone working for or subcontracted by Consultant being considered an employee of the City. Consultant is not, and must not claim to be, an agent of the City.
- E. **Independent Contractor:**
- i. Consultant is an independent contractor. This Agreement does not create the relationship of employer and employee, a partnership, or a joint venture. The City may not control or direct the details, means, methods or processes by which Consultant performs the Services. Consultant is responsible for performance of the Services and may not delegate or assign any Services to any other person except as provided for in this Agreement. Consultant is solely liable for the work quality and conditions of any partners, employees and subconsultants.
 - ii. No offer or obligation of permanent employment with the City or particular City department or agency is intended in any manner, and Consultant may not become entitled by virtue of this Agreement to receive from the City any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. Consultant will be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Consultant's performance of Services under this Agreement. Consultant will defend, indemnify and hold the City harmless from any and all liability, which the City may incur because of Consultant's failure to pay such taxes.

5. REPRESENTATIVES AND COMMUNICATIONS

- A. **City's Project Representative.** The City appoints the individual named below as the City's Project Representative for the purposes of this Agreement ("City's Project Representative"). The City may unilaterally change its project representative upon notice to Consultant.

Name: Robert M. Harary, PE
Title: Director of Public Works
Address: P.O. Box CC, Carmel, CA 93921
Telephone: 831.620.2021
Email: rharary@ci.carmel.ca.us

- B. **Consultant's Project Manager.** Consultant appoints the person named below as its Project Manager for the purposes of this Agreement ("Consultant's Project Manager").

Name: Daniel J. Schaaf, PE
Title: Vice President
Company: Schaaf & Wheeler Consulting Civil Engineers
Address: 870 Market Street, Suite 1278
San Francisco, CA 94102
Telephone: 415.433.4848
Email: dschaaf@sww.com

- C. **Meet and Confer.** Consultant agrees to meet and confer with the City's Project Representative, its agents or employees with regard to Services as may be required by the City to insure timely and adequate performance of this Agreement.
- D. **Communications and Notices.** All communications between the City and Consultant regarding this Agreement, including performance of Services, will be between the City's Project Representative and Consultant's Project Manager. Any notice, report, or other document that either party may be required or may wish to give to the other must be in writing and will be validly given to and received by the addressee, if delivered personally, on the date of such personal delivery, if delivered by email, on the date of transmission, or if by mail, seven (7) calendar days after posting.

6. INDEMNIFICATION

Consultant hereby agrees to the following indemnification clause:

To the fullest extent permitted by law (including, without limitation, California Civil Code Sections 2782 and 2782.6), Consultant will defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless the City and its officers, designated agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against claims, loss, cost, damage, injury expense and liability (including incidental and consequential damages, Court costs, reasonable attorneys' fees as may be determined by the Court, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) to the extent they arise out of, pertain to, or relate to, the negligence, recklessness, or willful misconduct of Consultant, any subconsultant or subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify any Indemnitee will not apply to the extent that such Liabilities are caused in part by the active negligence or willful misconduct of such Indemnitee.

Notwithstanding the provisions of the above paragraph, Consultant agrees to indemnify and hold harmless the City from and against all claims, demands, defense costs, liability, expense, or damages

arising out of or in connection with damage to or loss of any property belonging to Consultant or Consultant's employees, subconsultants, representatives, patrons, guests or invitees.

In no event will the obligation of the Consultant exceed the limitations on the duty to defend and indemnify as set forth in Civil Code Sections 2782, 2782.6, and 2782.8.

7. INSURANCE

Consultant must submit and maintain in full force all insurance as described herein. Without altering or limiting Consultant's duty to indemnify, Consultant must maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

- A. Commercial General Liability Insurance including but not limited to premises, personal injuries, bodily injuries, property damage, products, and completed operations, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
- B. Professional Liability Insurance with limits of not less than \$1,000,000 per occurrence or claim and \$2,000,000 in the aggregate. Consultant will have a policy for professional liability coverage that provides coverage on an occurrence basis or obtain extended reporting (tail) coverage (with the same liability limits) for at least three years following the City's acceptance of the work.
- C. Automobile Liability Insurance covering all automobiles, including owned, leased, non-owned, and hired automobiles, used in providing Services under this Agreement, with a combined single limit of not less than \$1,000,000 per occurrence.
- D. Workers' Compensation Insurance. If Consultant employs others in the performance of this Agreement, Consultant must maintain Workers' Compensation insurance in accordance with California Labor Code section 3700 and with a minimum of \$1,000,000 per occurrence.
- E. Other Insurance Requirements:
 - i. All insurance required under this Agreement must be written by an insurance company either:
 - a. admitted to do business in California with a current A.M. Best rating of no less than A:VI; or
 - b. an insurance company with a current A.M. Best rating of no less than A:VII. Exception may be made for the State Compensation Insurance Fund when not specifically rated.
 - ii. Each insurance policy required by this Agreement may not be canceled, except with prior written notice to the City.
 - iii. All liability and auto policies must:
 - a. Provide an endorsement naming the City of Carmel-by-the-Sea, its officers, officials, employees, and volunteers as additional insureds. General liability coverage can be provided in the form of an endorsement to the Consultant's

- insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).
- b. Provide that such Consultant's insurance is primary as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Carmel-by-the-Sea is excess to the Consultant's insurance and will not contribute with it.
 - c. Contain a "Separation of Insureds" provision substantially equivalent to that used in the ISO form CG 00 01 10 01 or their equivalent.
 - d. Provide for a waiver of any subrogation rights against the City via an ISO CG 24 01 10 93 or its equivalent.
- iv. Prior to the start of work under this Agreement, Consultant will file certificates of insurance and endorsements evidencing the coverage required by this Agreement with the City. Consultant will file a new or amended certificate of insurance promptly after any change is made in any insurance policy which would alter the information on the certificate then on file.
 - v. Neither the insurance requirements hereunder, nor acceptance or approval of Consultant's insurance, nor whether any claims are covered under any insurance, may in any way modify or change Consultant's obligations under the indemnification clause in this Agreement, which will continue in full force and effect. All coverage available to the Consultant as named insured will also be available and applicable to the additional insured. Notwithstanding these insurance requirements, Consultant is financially liable for its indemnity obligations under this Agreement.
 - vi. All policies must be written on a first dollar coverage basis or contain a deductible provision. Any deductibles or self-insured retentions ("SIR") must be declared to and approved by the City. At the option of the City, either: the insured will reduce or eliminate such deductibles or SIR as respects the City, its officers, officials, employees and volunteers; or Consultant will provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. In no event will any SIR or insurance policy contain language, whether added by endorsement or contained in the policy conditions, that prohibits satisfaction of any self-insured provision or requirement by anyone other than the named insured, or by any means including other insurance, or which is intended to defeat the intent or protection of an additional insured.
 - vii. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
 - viii. Consultant must require and verify that all subconsultants and subcontractors maintain insurance meeting all the requirements in this Agreement.
 - ix. If Consultant, for any reason, fails to have in place at all times during the term of this Agreement all of the required insurance coverage, the City may, but is not obligated to,

obtain such coverage at Consultant's expense and deduct the cost from the sums due Consultant. Alternatively, City may terminate the Agreement.

- x. The existence of the required insurance coverage under this Agreement will not be deemed to satisfy or limit Consultant's indemnity obligations under this Agreement. Consultant acknowledges that the insurance coverage and policy limits set forth in this Agreement constitute the minimum coverage and policy limits required. Should any coverage carried by the Consultant or any subcontractor of any tier have limits of liability that exceed the limits or have broader coverage than required in this Agreement, those higher limits and that broader coverage are deemed to apply for the benefit of any person or organization included as an additional insured and those limits and broader coverage will become the required minimum limits and insurance coverage in all sections of this Agreement. Any insurance proceeds available to City in excess of the limits and coverages required by this Agreement, and which is applicable to a given loss, must be made available to City to compensate it for such losses.
- xi. Consultant must give City prompt notice of claims made of lawsuits initiated that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability insurance policies.
- xii. The Consultant hereby waives any right of subrogation that any of its insurers may have or that they may accrue out of the payment of any claim related to the Consultant's performance of this Agreement, regardless of whether any endorsements required by this section are obtained.

8. PERFORMANCE STANDARDS

- A. Consultant warrants that Consultant and Consultant's agents, employees, and subconsultants performing Services under this Agreement are specially trained, experienced, and competent and have the degree of specialized expertise contemplated within California Government Code Section 37103, and further, are appropriately licensed to perform the work and deliver the Services required under this Agreement.
- B. Consultant, its agents, employees, and subconsultants must perform all Services in a safe and skillful manner consistent with the usual and customary standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields in accordance with sound professional practices. All work product of Consultant must comply with all applicable laws, rules, regulations, ordinances and codes. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and will advise City of any changes in any laws that may affect Consultant's performance of this Agreement. All Services performed under this Agreement that are required by law to be performed or supervised by licensed personnel must be performed in accordance with such licensing requirements.
- C. Consultant must furnish, at its own expense, all materials, equipment and personnel necessary to carry out the terms of this Agreement. Consultant may not use the City premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

- D. Consultant agrees to perform all work under this Agreement to the satisfaction of City and as specified herein. The City's Project Representative or his or her designee will evaluate the work. If the quality of work is not satisfactory, City in its discretion may meet with Consultant to review the quality of work and resolve the matters of concern, and may require Consultant to repeat the work at no additional fee until it is satisfactory.

9. CITY INFORMATION AND RESOURCES

- A. **Available Information.** The City will make available to Consultant all relevant information, plans, maps, reports, specifications, standards and pertinent data which is in the hands of the City and is required by Consultant to perform the Services. Consultant may rely upon the accuracy and completeness of such information and data furnished by the City, except where it is stated otherwise or unreasonable.
- B. **City Resources.** The City acknowledges that Consultant's ability to provide the Services in accordance with this Agreement may be dependent on the City providing available information and resources in a prompt and timely manner as reasonably required by Consultant. To the extent that the City fails to provide City resources, Consultant will not be liable for any resulting delay in the Services or failure to meet the Project Schedule, but in no event will such delay or failure to provide City resources constitute a breach of this Agreement by the City, nor will Consultant be entitled to extra compensation for same. Consultant's sole remedy shall be an extension of time to complete the Scope of Services.
- C. **Obligations of Consultant.** No reviews, approvals, or inspections carried out or supplied by the City will derogate from the duties and obligations of Consultant, and all responsibility related to performance of the Services will be and remain with Consultant.

10. OWNERSHIP AND USE OF MATERIALS

- A. **Ownership of the Materials.** All data, studies, reports, calculations, field notes, sketches, designs, drawings, plans, specifications, cost estimates, manuals, correspondence, agendas, minutes, notes, audio-visual materials, photographs, models, software data, computer software (if purchased on the City's behalf) and other documents or products produced by Consultant under this Agreement (collectively, "the Materials") are and will remain the property of the City even though Consultant or another party may have physical possession of them or a portion thereof. Consultant hereby waives, in favor of the City, any moral rights Consultant, its employees, subconsultants, vendors, successors or assignees may have in the Materials.
- B. **No Patent or Copyright Infringement.** Consultant guarantees that in its creation of the Materials produced under this Agreement, no federal or state patent or copyright laws were violated. Consultant agrees that all copyrights, which arise from creation of the work or Services pursuant to this Agreement, will be vested in the City and waives and relinquishes all claims to copyright or intellectual property rights in favor of the City. Consultant covenants that it will defend, indemnify and hold City harmless from any claim or legal action brought against the City for alleged infringement of any patent or copyright related to City's use of Materials produced by Consultant and its employees, agents and subconsultants under this Agreement.

- C. **Delivery and Use of the Materials.** All Materials will be transferred and delivered by Consultant to the City without further compensation following the expiration or sooner termination of this Agreement, provided that the City may, at any time prior to the expiration or earlier termination of this Agreement, give written notice to Consultant requesting delivery by Consultant to the City of all or any part of the Materials in which event Consultant must forthwith comply with such request. The Materials created electronically must be submitted in a format and medium acceptable to the City. The Materials may be used by the City in any manner for the intended purpose or as part of its operations associated with the Materials.
- D. **Survival of Ownership and Use Provisions.** The provisions contained in Section 10, Ownership and Use of Materials survives the expiration or earlier termination of this Agreement, and that this Section is severable for such purpose.
- E. **Additional Copies.** If the City requires additional copies of reports, or any other material that Consultant is required to furnish as part of the Services under this Agreement, Consultant must provide such additional copies, and the City will compensate Consultant for the actual costs related to the production of such copies by Consultant.

11. CONFIDENTIALITY

- A. **No Disclosure.** Consultant must keep confidential and may not disclose, publish or release any information, data, or confidential information of the City to any person other than representatives of the City duly designated for that purpose in writing by the City. Consultant may not use for Consultant's own purposes, or for any purpose other than those of the City, any information, data, or confidential information Consultant may acquire as a result of the performance of the Services under this Agreement. Consultant must promptly transmit to the City any and all requests for disclosure of any such confidential information or records. The obligations under this Section will survive the expiration or earlier termination of this Agreement.
- B. **California Public Records Act.** Consultant acknowledges that the City is subject to the California Public Records Act (Government Code Section 6250 et seq.), known as the "PRA", and agrees to any disclosure of information by the City as required by law. Consultant further acknowledges that it may have access to personal information as defined under the PRA, and Consultant will not use any such personal information for any purposes other than for the performance of Services under this Agreement without the advance written approval of the City.

All Scopes of Services and related documents received will be public records, with the exception of those elements, identified by the Consultant as business trade secrets and are plainly marked "Trade Secret", "Confidential" or "Proprietary". If disclosure is required under the PRA or otherwise by law, the City will not be liable or responsible for the disclosure of any such records and the Consultant will indemnify, defend, and hold the City harmless for any such disclosure.

12. CONFLICT OF INTEREST

Consultant covenants that neither Consultant, nor any officer, principal or employee of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the interests of City relating to this Agreement or that would in any way hinder Consultant's performance of

services under this Agreement. Consultant's attention is directed to the conflict of interest rules applicable to governmental decision-making contained in the Political Reform Act (California Government Code Section 87100 and following) and its implementing regulations (California Code of Regulations, Title 2, Section 18700 et seq.), and California Government Code section 1090.

Consultant is required to file a Form 700 in compliance with the City's Conflict of Interest Code unless a written determination by the City Administrator is made modifying or eliminating said requirement, or unless otherwise exempted by law.

In addition, Consultant, Consultant's employees, and subconsultants agree as follows:

- A. That they will conduct their duties related to this Agreement with impartiality, and must, if they exercise discretionary authority over others in the course of those duties, disqualify themselves from dealing with anyone with whom a relationship between them could bring the impartiality of Consultant or its employees into question;
- B. May not influence, seek to influence, or otherwise take part in a decision of the City knowing that the decision may further their private interests;
- C. May not accept any commission, discount, allowance, payment, gift, or other benefit connected, directly or indirectly, with the performance of Services related to this Agreement, that causes, or would appear to cause, a conflict of interest;
- D. May have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of the Services related to this Agreement, and if such financial interest is acquired during the term of this Agreement, Consultant must promptly declare it to the City, and;
- E. May not, during the term of this Agreement, perform a service for, or provide advice to, any person, firm, or corporation, which gives rise to a conflict of interest between the obligations of Consultant under this Agreement and the obligations of Consultant to such other person, firm or corporation.

13. DISPUTE RESOLUTION

- A. **Dispute Resolution Procedures.** The parties will make reasonable efforts to promptly resolve any dispute, claim, or controversy arising out of or related to this Agreement ("Dispute") using the Dispute Resolution Procedures set forth in this Section.
- B. **Negotiations.** First, the City's Project Representative and Consultant's Project Manager will make reasonable efforts to resolve any Dispute by amicable negotiations and will provide frank, candid, and timely disclosure of all relevant facts, information, and documents to facilitate negotiations. Should these negotiations be unsuccessful in resolving the Dispute, the matter will be promptly referred to the City Administrator or designee, and the Consultant's Principal, who will meet and confer, in good faith, to resolve the Dispute to mutual satisfaction of the parties.
- C. **Mediation.** If all or any portion of a Dispute cannot be resolved by good faith negotiations as set forth above within thirty (30) days of the date that the matter was referred to the City

Administrator pursuant to subsection B above, either party may, by notice to the other party, submit the Dispute for formal mediation to a mediator selected mutually by the parties from the Monterey Superior Court's Court-Directed Mediator Panel list. The duration of any such mediation may not exceed 2 hours unless otherwise agreed to by the parties. The cost of the mediation (including fees of mediators) will be borne equally by the parties, and each party will bear its own costs of participating in mediation. The mediation will take place within or in close proximity to the City of Carmel-by-the-Sea.

In any mediation conducted pursuant to this section, the provisions of California Evidence Code section 1152 will be applicable to limit the admissibility of evidence disclosed by the parties in the course of the mediation. In the event the parties are unsuccessful in resolving the dispute through the mediation process, then the parties agree that the dispute will be submitted to Binding Arbitration to a single Arbitrator in accordance with the existing Rules of Practice and Procedure of the Judicial Arbitration and Mediation Services, Inc. (JAMS) within thirty (30) days of the close of mediation as declared by the mediator.

- D. **Arbitration.** The submission to Mediation and Arbitration in accordance with the requirements of this section of any and all agreements, differences, or controversies that may arise hereunder is made a condition precedent to the institution of any action or appeal at law or in equity with respect to the controversy involved. The award by the arbitrator will have the same force and effect and may be filed and entered, as a judgment of the Superior Court of the State of California and is subject to appellate review upon the same terms and conditions as the law permits for judgments of Superior Courts. A "Prevailing Party" will be determined in the Arbitration, and the prevailing party will be entitled to reasonable attorney's fees and costs incurred, and accrued interest on any unpaid balance that may be due. Costs will include the cost of any expert employed in the preparation or presentation of any evidence. All costs incurred and reasonable attorney fees will be considered costs recoverable in that proceeding, and be included in any award.

14. TERMINATION OF AGREEMENT

- A. **Termination for Cause or Default.** The City reserves the right to immediately terminate this Agreement, in whole or in part, if Consultant or any subconsultant defaults or fails to deliver the Services in accordance with the terms and conditions of this Agreement. Such termination must be in writing, setting forth the effective date of termination, and will not result in any penalty or other charges to the City, and may be issued without any prior notice. Without limitation, Consultant is in default of its obligations contained in this Agreement if Consultant, or any subconsultant:
- i. Fails to perform the required Services within the term and/or in the manner provided under this Agreement;
 - ii. Fails to supply sufficient, properly skilled workers or proper workmanship, products, material, tools and equipment to perform the Services;
 - iii. Fails to observe or comply with all laws, ordinances, including all requirements of governmental or quasi-governmental authorities, including federal, state, and local

government enactments, bylaws, and other regulations now or, following the date of this Agreement, in force that pertain to;

- iv. Fails to observe or comply with the City's reasonable instructions;
- v. Breaches the Conflict of Interest provisions of this Agreement; or
- vi. Otherwise violates any provision of this Agreement.

B. **Termination for Convenience.** The City may, at its option and sole discretion, terminate this Agreement, in whole or in part, with or without cause, at any time during the Agreement Term for the convenience of the City, upon ten (10) days written notice to the Consultant.

C. **Steps after Termination:**

- i. Upon termination of this Agreement by the City for any reason, the City will pay Consultant for satisfactorily performed Services and disbursements incurred by Consultant to the date of termination pursuant to this Agreement, less any amounts necessary to compensate the City for damages or costs incurred by the City arising from Consultant's default. Termination will be without prejudice to any other rights or remedies the City may have.
- ii. Upon receipt of written notice of termination of this Agreement by the City for any reason, Consultant must:
 - a. Promptly cease all Services, including Services provided by any subconsultant, unless otherwise directed by the City; and
 - b. Deliver to the City all the Materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement. Such Materials are to be delivered to the City in completed form; however, notwithstanding the provisions of Section 10, Ownership and Use of Materials, herein, the City may condition payment for services rendered to the date of termination upon Consultant's delivery to the City of such Materials.
- iii. If this Agreement is terminated by the City for any reason, the City is hereby expressly permitted to assume the projects and Services, and to complete them by any means including, but not limited to, an agreement with another party.

15. LEGAL ACTION / VENUE

- A. Should either party to this Agreement bring legal action against the other, the validity, interpretation and performance of this Agreement will be controlled by and construed under the laws of the State of California, excluding California's choice of law rules.
- B. Venue for any such action relating to this Agreement will be in Monterey County.

- C. If any legal action or proceeding, including action for declaratory relief, is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement, the prevailing party may recover reasonable attorneys' fees as may be determined by the Arbitrator, experts' fees, and other costs, in addition to any other relief to which the party may be entitled.

16. MISCELLANEOUS PROVISIONS

- A. **Non-discrimination**. During the performance of this Agreement, Consultant, and its subconsultants, may not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age, or sexual orientation, either in Consultant's employment practices or in the furnishing of services to recipients. Consultant further acknowledges that harassment in the workplace is not permitted in any form, and will take all necessary actions to prevent such conduct.
- B. **Acceptance of Services Not a Release**. Acceptance by the City of the Services to be performed under this Agreement does not operate as a release of Consultant from professional responsibility for the Services performed.
- C. **Force Majeure**. Either party is absolved from its obligation under this Agreement when and to the extent that performance is delayed or prevented, and in the City's case, when and to the extent that its need for vehicles, materials, or Services to be supplied hereunder are reduced or eliminated by any course, except financial, for reasons beyond its control. Such reasons include, but are not limited to: earthquake, flood, epidemic, fire, explosion, war, civil disorder, act of God or of the public enemy, act of federal, state or local government, or delay in transportation to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.
- D. **Headings**. The headings do not govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement. The headings are for convenience only.
- E. **Entire Agreement**. This Agreement, including the Exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the terms, conditions, and Services and supersedes any and all prior proposals, understandings, communications, representations and agreements, whether oral or written, relating to the subject matter thereof pursuant to Section 1B, "Change Order of Services". Any Change Order to this Agreement will be effective only if it is in writing signed by both parties hereto and will prevail over any other provision of this Agreement in the event of inconsistency between them.
- F. **Conflict between Agreement and Exhibits**. In the event of a conflict between a provision in this Agreement and a provision in an Exhibit attached to this Agreement, the provisions in this Agreement will take precedence.
- G. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and may be signed in counterparts, but all of which together will constitute one and the same Agreement.

- H. **Multiple Copies of Agreement.** Multiple copies of this Agreement may be executed, but the parties agree that the Agreement on file in the office of the City's City Clerk is the version of the Agreement that governs should any difference exist among counterparts of this Agreement.
- I. **Authority.** Any individual executing this Agreement on behalf of the City or Consultant represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- J. **Severability.** If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired thereby. Limitations of liability and indemnities will survive termination of the Agreement for any cause. If a part of the Agreement is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Agreement is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.
- K. **Non-exclusive Agreement.** This Agreement is non-exclusive and both the City and Consultant expressly reserve the right to enter into agreements with other Consultants for the same or similar services, or may have its own employees perform the same or similar services.
- L. **Assignment of Interest.** The duties under this Agreement are not assignable, delegable, or transferable without the prior written consent of the City. Any such purported assignment, delegation, or transfer constitutes a material breach of this Agreement upon which the City may terminate this Agreement and be entitled to damages.
- M. **City Business License.** Prior to receiving a Notice to Proceed from the City, Consultant will obtain and maintain a valid City of Carmel-by-the-Sea Business License for the duration of the Agreement. Costs associated with the license are the responsibility of Consultant.
- N. **Laws.** Consultant agrees that in the performance of this Agreement it will comply with all applicable federal, state and local laws and regulations. This Agreement will be governed by and construed in accordance with the laws of the State of California and the City of Carmel-by-the-Sea.

IN WITNESS WHEREOF, the parties enter into this Agreement hereto on the day and year first above written in Carmel-by-the-Sea, California.

CITY OF CARMEL-BY-THE-SEA

CONSULTANT

City Administrator

Consultant Signature

Chip Rerig Date

Printed Name Date

Title

Consultant Legal Company Name

APPROVED AS TO FORM:

By: _____
Brian Pierik, Esq. City Attorney

Date: _____

ATTEST:

By: _____
Nova Romero, MMC, City Clerk

Date: _____

- Exhibit "A" Scope of Services
- Exhibit "B" Key Personnel, Compensation, and Hourly Rates
- Exhibit "C" Project Schedule

Exhibit A Scope of Work

Task 1: Update Master Plan

- 1.1 Update the modeling results and CIP recommendations for a 20-year event. The effective 10-year CIP Mike-Urban model will be run with 20-year rainfall to determine the system limitations under this event. Additional CIP projects will be identified and costed.
- 1.2 Schaaf & Wheeler will determine if there is potential to add detention at Devendorf Park to reduce the requirements for upsizing downstream storm drain pipes. This will be completed for both the 10-year and 20-year scenarios.

Task 2: CIP Updates

- *5th Ave CIP*
Schaaf & Wheeler will determine what size pipe is recommended if a new parallel line is installed together with the existing 24" RCP along Junipero Ave. instead of replacing the existing 24" RCP with an upsized 30" line along Junipero Ave. from 5th Ave. to 6th Ave.
- *Junipero CIP*
Schaaf & Wheeler will determine what pipe size is recommended if a separate line is installed to supplement the existing 30" and 24" lines already in place instead of replacing the existing 30" and 24" lines along Junipero Ave. between 6th Ave. and 7th Ave. with an upsized 36" line.
- *Mission Street Bypass*
Schaaf & Wheeler will determine if the proposed new 24" by-pass line along Junipero Ave. from 7th Ave. to 9th Ave. (closed street) intended to drain the entire Junipero Ave. storm drain watershed, or if this bypass line is intended to supplement and reduce the flow into the storm drain system that runs down 7th Ave. to Mission St.
- *Rio Road #1 CIP*
Schaaf & Wheeler will determine what size pipe(s) would be required if a new parallel line is installed adjacent to the existing 2 - 36" pipes in lieu of replacing the existing 2 - 36" RCP lines with proposed twin 5' x 3" box culverts.

Schaaf & Wheeler will determine if the proposed twin 5' x 3' box culverts should be extending all the way to the river outfall.

Schaaf & Wheeler will include tailwater modeling for the Rio Road culverts.
- *Rio Road #2 CIP*
Schaaf & Wheeler will clarify the intended scope of work under Rio Rd. #2, if it is to remove sediment and repair the bottom of box culvert under Rio Rd. Schaaf & Wheeler will also determine if Rio Rd. #1 capital improvements are implemented, if Rio Rd. #2 is still applicable.
- *Santa Rita #2 CIP*

Schaaf & Wheeler will clarify the location for Santa Rita #2.

Task 3: Master Plan Addendum

- 3.1 Schaaf & Wheeler will prepare a draft Storm Drain Master Plan Addendum summarizing the findings of Tasks 1 and 2. The report will be submitted to the City for review and discussed in a meeting.
- 3.2 Schaaf & Wheeler will incorporate the City's feedback on the draft addendum and revise the document. The final addendum will be submitted in electronic and hard copies along with all computer files.

Exhibit B
Key Personnel, Compensation, and Hourly Rates

	Task Name	Hourly Rates			Total
		Project Manager - Daniel J. Schaaf, PE	Senior Engineer - Justin Maynard, PE	Assistant Engineer	
Task 1: Update Master Plan		\$2,500	\$10,560	\$8,660	\$19,720
1.1	Update the modeling results and CIP recommendations for a 20-year event	8	40	32	
1.2	Determine if storage at Devendorf Park would reduce the requirements for upsizing storm drain pipes	2	8	4	
Task 2: CIP Updates	5th Ave CIP	\$250	\$440	\$185	\$875
	Determine what size pipe is recommended if a new parallel line is installed together with the existing 24" RCP along Junipero Ave	1	2	1	
	Junipero CIP	\$250	\$440	\$185	\$875
	Determine what pipe size is recommended if a separate line is installed to supplement the existing 30" and 24" lines already in place	1	2	1	
	Mission Street Bypass	\$250	\$440	\$185	\$875
	Determine if the proposed new 24" by-pass line along Junipero Ave. from 7th Ave. to 9th Ave. (closed street) is intended to drain the entire Junipero Ave. storm drain watershed, or if this bypass line is intended to supplement and reduce the flow into the storm drain system that runs down 7th Ave. to Mission St.	1	2	1	
	Rio Road #1 CIP	\$500	\$1,320	\$370	\$2,190
	Determine what size pipe(s) would be required if a new parallel line is installed adjacent to the existing 2 - 36" pipes	1	2	1	
	Determine if the proposed twin 5' x 3' box culverts should be extending all the way to the river outfall.	1	2	1	
	Determine if trailwater was considered in modeling Rio Road culverts		2		
	Rio Road #2 CIP	\$250	\$880	\$0	\$1,130
	Clarify intended scope of work under Rio Rd. #2, if it is to remove sediment and repair the bottom of box culvert under Rio Rd. and if Rio Rd. #1 capital improvements are implemented, if Rio Rd. #2 is still applicable	1	4		
	Santa Rita #2 CIP	\$0	\$440	\$0	\$440
	Clarify location for Santa Rita #2		2		
Task 3: Report Addendum		\$1,500	\$4,840	\$5,180	\$11,520
3.1	Draft Addendum	4	16	20	
3.2	Final Addendum	2	6	8	
	Total				\$37,525
Supplemental Services	Upon Prior Written Authorization				\$12,375
	Grand Total Not To Exceed	\$4,000	\$14,520	\$7,585	\$50,000

FORM G – HOURLY RATE SHEET

No.	Key Personnel from FORM C	Role	Fully Burdened Hourly Rates		
			7/1/2022 to 6/30/2023	7/1/2023 to 6/30/2024	7/1/2024 to 6/30/2025
1.	Charles D. Anderson, PE	Principal-in-Charge	\$250	\$255	\$260
2.	Daniel J. Schaaf, PE	Project Manager	\$250	\$255	\$260
3.	Justin Maynard, PE	Project Engineer – Storm Drain Master Planning	\$235	\$240	\$245
4.	Robin J. Lee, PE	Project Engineer – Hydrology & Hydraulics	\$235	\$240	\$245
5.	Caitlin J. Gilmore , PE, LEED AP, QSD/QSP, CPSWQ	Project Engineer – Water Quality Trash Capture and NPDES (C.3 Compliance)	\$250	\$255	\$260
No.	Other Staff (or Classifications)	Role	Fully Burdened Hourly Rates		
			7/1/2022 to 6/30/2023	7/1/2023 to 6/30/2024	7/1/2024 to 6/30/2025
7.	Associate Engineer	Design, Modeling	\$200	\$205	\$210
8.	Assistant Engineer	Design, Modeling	\$185	\$190	\$195
9.	Junior Engineer	Design, Modeling	\$175	\$180	\$185
10.	Designer	Design, Drafting	\$160	\$165	\$170
11.	Technician	Project Assistance	\$155	\$160	\$165
12.					
13.					
14.					

Does your firm's fully burdened hourly rates include:

Software Yes No

Vehicles Yes No NA

Phone / cell Yes No

Printing Yes No

Mileage Yes No

Postage/Courier Yes No

Please initial here to acknowledge that markups for subconsultants and other direct costs shall not exceed 10.0% _____

Exhibit C
Project Schedule

It is estimated the analysis will take 4 to 6 weeks to complete and prepare the draft addendum. Consultant will conduct the project kick-off meeting on or before October 21, 2022.



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
CONSENT AGENDA

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Robert Harary, P.E, Director of Public Works
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Resolution 2022-089, waiving a bid irregularity and awarding a three-year, on-call Landscape Maintenance Services contract to Town & Country Gardening & Landscaping, with a not-to-exceed fee for Fiscal Year 2022/23 of \$140,000

RECOMMENDATION:

Adopt Resolution 2022-089, waiving a bid irregularity and awarding a three-year, on-call Landscape Maintenance Services contract to Town & Country Gardening & Landscaping, with a not-to-exceed fee for Fiscal Year 2022/23 of \$140,000.

BACKGROUND/SUMMARY:

Following the expiration of the City's prior landscape services contract at the end of Fiscal Year (FY) 2019/2020, funding restrictions during the Covid-19 Pandemic resulted in the City ceasing funding for contracted landscape maintenance services throughout FY 2020/21 and FY 2021/22. Landscape maintenance was performed to the extent possible by Public Works/Forestry staff, but which also experienced staff vacancies.

During the Pandemic, Carmel Cares volunteers, including their Median Minders group, provided significant help to partially cover the gap of contracted services, and went above and beyond in improving the Scenic Pathway, Devendorf Park, Vista Lobos Park, the Forest Theater site, and the grounds around other City buildings and facilities. The Friends of Mission Trail Nature Preserve, Garden Club, and other volunteers also provided landscape care. Even with outstanding efforts of Carmel Cares, other volunteers, and Forestry staff, there is still more landscape maintenance work to be performed on an ongoing basis throughout the City. As the City returns to pre-pandemic funding, we can resume contracted landscape maintenance services to supplement work by staff and our partners.

Bid documents and technical specifications were prepared by Public Works, and the Contract was extensively advertised for bids. Legal announcements were placed in the Carmel Pine Cone and The Weekly, and posted on industry, public bidding, and City's websites. In addition, courtesy calls were made to many local landscaping contractors.

Four landscape contractors attended the Pre-Bid meeting on August 31st; however, only one bid

was received and announced at a public Bid Opening held on September 20, 2022.

The sole bidder is Town & Country Gardening & Landscaping. Town & Country was the City's prior contractor before the Pandemic. Because of the on-call nature of the services, the bid proposal for this new Contract did not include a total cost, but rather fully-burdened hourly rates for the various types of on-call, as-needed services to be performed. These hourly rates include prevailing wages, administrative costs, insurance, bonds, equipment, tools, incidental landscape maintenance materials, vehicles, disposal fees, and profit.

The hourly rates ranged from \$45 per hour for general labor for mowing, pruning, weeding, and basic services, \$50 to \$55 per hour for planting and Scenic Pathway landscaping services, and up to \$65 to \$75 per hour for irrigation repairs. Work in this Contract will also include: irrigation maintenance, bedding preparation, planting, turf aeration, reseeding, fertilizing, mulch installation; and removal of sand, soil, debris, and litter.

Individual Task Orders will be issued as needed for work at any of 35 job sites, including in and around all City parks, medians, open spaces, pathways, City buildings and parking lots, beach stairs, North Dunes Habitat Restoration Area, Mission Trails Nature Preserve, and along the Scenic Pathway. Public Works will have a dedicated staff member to oversee and manage this contract.

The bid proposal from Town & Country was responsive except for potentially one issue. Specifically, the bidder did not acknowledge receipt of Addendum #1 prior to the Bid Opening. Upon further review, it was discovered that the City posted Addendum #1 on the City's website in one location, but it was not properly linked to another website location. Thus, it is possible, as the bidder contends, that they did not see the Addendum posted on the City's website prior to bidding.

Furthermore, the Public Works Director's opinion is that Addendum #1 provided only general clarifications and answers to questions asked and answered at the Pre-Bid Meeting which was attended by the bidder; thus, nothing in the Addendum would have made a difference in the hourly rates provided. We discussed this matter with Town & Country who reviewed the Addendum and confirmed, in writing, that none of the hourly rates provided change due to the Addendum. The bid documents also provides a clause that states, *"The City reserves the right to reject any or all bids as the best interests of the City may dictate and, to the extent permitted by law, waive any irregularity in any bid."* Therefore, it is appropriate that the City Council formally waive the bid irregularity at the time of Contract award.

FISCAL IMPACT:

In June 2022, Council adopted the FY 2022/23 Annual Operating and Capital Budget which allocated \$149,000 for landscape maintenance services in the Public Works Department/Forestry Division contractual services Account No. 101-119-45-42001. This amount included up to \$24,000 to reimburse Carmel Cares for their contractor who is currently performing landscaping work along the Scenic Pathway, at approximately \$2,000 per month.

Assuming the City's contractor takes over this work on the Pathway in November, the City would reimburse Carmel Cares for the first four months of FY 2022/23, or approximately \$8,000, leaving a balance in the Forestry budget of \$141,000. The proposed contract value for Town & Country is \$140,000.

PRIOR CITY COUNCIL ACTION:

In June 2022, Council adopted the FY 2022/23 Annual Operating and Capital Budget which allocated \$149,000 for landscape maintenance services in the Public Works Department/Forestry Division budget.

ATTACHMENTS:

Attachment 1) Resolution 2022-089

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2022-089

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA WAIVING A BID IRREGULARITY AND AWARDING A THREE-YEAR, ON-CALL LANDSCAPE MAINTENANCE SERVICES CONTRACT TO TOWN & COUNTRY GARDENING & LANDSCAPING, WITH A NOT-TO-EXCEED FEE FOR FISCAL YEAR 2022/23 OF \$140,000

WHEREAS, prior to the Covid-19 Pandemic, the City contracted for landscape maintenance services through the end of Fiscal Year (FY) 2019/2020; however, funding was unavailable for these services during FY 2020/21 and FY 2021/22 until now; and

WHEREAS, during the Pandemic, Carmel Cares, Median Minders, Friends of Mission Trail Nature Preserve, Garden Club, and other volunteers supported Public Works Forestry crews by maintaining the City's landscaping and upgrading certain locations, notably the Scenic Pathway and Devendorf Park, for which the City is grateful; and

WHEREAS, despite these combined best efforts, contracted landscape maintenance services are still warranted to supplement ongoing grounds care across the City; and

WHEREAS, bid documents were prepared by Public Works and extensively advertised for bids; and

WHEREAS, despite four bidders attending the pre-bid meeting, only one bid, submitted by Town & Country Gardening & Landscaping, was received at the public Bid Opening held on September 20, 2022; and

WHEREAS, the bid consisted of fully-burdened hourly rates for all services anticipated under the Contract and ranged from \$45 to \$75 per hour, and will be the basis for individual Task Orders to be issued on an on-call, as-needed basis for work at over 35 job sites; and

WHEREAS, the bid proposal did not acknowledge an Addendum; however, the Addendum was not posted by the City on the City's website in both locations as required. Regardless, the bidder and staff subsequently agreed that the Addendum listed only general clarifications and answers to questions already answered at the pre-bid meeting and would not have changed any hourly rates in the proposal; and

WHEREAS, the City reserves the right to waive any irregularity in any bid, and

WHEREAS, the FY 2022/23 operating budget for Public Works/Forestry allocated \$149,000 for contracted landscape maintenance, for which approximately \$8,000 will reimburse Carmel Cares for their contracted landscaping services along the Scenic Pathway during FY 2022/23, and \$140,000 will be encumbered for this Contract.

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

Waive a bid irregularity and award a three-year, on-call Landscape Maintenance Services contract to Town & Country Gardening & Landscaping, with a not-to-exceed fee for Fiscal Year 2022/23 of \$140,000.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 4th day of October, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
CONSENT AGENDA

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Jane Wilson, Sr. Human Resources Analyst
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Resolution 2022-090 authorizing the City Administrator to execute an agreement with Public Risk Innovation, Solutions, and Management (PRISM) risk management for the term of October 15, 2022 to June 30, 2023 in an amount not to exceed the \$50,000 approved in the FY22-23 budget

RECOMMENDATION:

Adopt Resolution 2022-090 authorizing the City Administrator to execute an agreement with Public Risk Innovation, Solutions, and Management (PRISM) risk management for the term of October 15, 2022 to June 30, 2023 in an amount not to exceed the \$50,000 approved in the FY22-23 budget.

BACKGROUND/SUMMARY:

The City of Carmel-by-the-Sea continues to create and maintain industrial safety programs to adhere to safety standards throughout the organization. Due to Human Resources workload, the City budgeted funds in the Fiscal Year 22/23 operating budget specifically for risk management to keep the City up-to-date and in compliance with all standards. Based on a Request for Qualifications (RFQ), the City received five (5) proposals. The City selected PRISM based on their pre-screened, highly-qualified risk management consultants that have worked with multiple municipalities and have proven track record of developing and implementing successful risk management workplans. PRISM contracts with multiple risk management consultants that the City will work with to develop, fine-tune and implement safety training, tracking processes and tools for the City based on Cal/OSHA regulations. This is to ensure timely and up-to-date management of the City's safety program with a goal to prevent and mitigate occupational hazards and comply with regulatory requirements.

FISCAL IMPACT:

The Fiscal Year 2022-2023 Adopted Budget includes funding for this purpose.

PRIOR CITY COUNCIL ACTION:

None

ATTACHMENTS:

Attachment 1) Resolution 2022-090

Attachment 2) PRISM Agreement - Member

Attachment 3) PRISM Agreement - Consultant

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2022-090

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AN AGREEMENT WITH PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) RISK MANAGEMENT FOR THE TERM OF OCTOBER 15, 2022 TO JUNE 30, 2023 IN AN AMOUNT NOT TO EXCEED THE \$50,000 APPROVED IN THE FY22-23 BUDGET.

WHEREAS, the City wishes to enhance their Illness and Injury Prevention Plan to include more robust employee training and usage protocols; and

WHEREAS, the City wishes to expand and further implement a robust safety training matrix for each department and monitoring processes therein; and

WHEREAS, the City wishes to expand Safety Committee practices and processes to create and maintain industrial safety programs; and

WHEREAS, the City wishes to audit existing safety programs and expand training protocols for these programs; and

WHEREAS, the City wishes to enter into an agreement with PRISM for services related to the City’s safety program not to exceed \$50,000 that requires Council approval in accordance with the Carmel Municipal Code.

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

Authorize the City Administrator to execute an agreement with Public Risk Innovation, Solutions, and Management (PRISM) risk management for the term of October 15, 2022 to June 30, 2023 in an amount not to exceed the \$50,000 approved in the FY22-23 budget.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 4th day of October, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk



**Public Risk Innovation, Solutions, and Management (PRISM)
Enterprise Risk Consultant Services
Member Agreement**

Consultant: _____

Member: _____

Assignment No. _____

This AGREEMENT is entered into by and between _____ (“Member”) and the undersigned **Public Risk Innovation, Solutions, and Management (“PRISM”)** and governs the procurement and ongoing use of the Enterprise Risk Consultant Services (hereinafter “Program”) described in this AGREEMENT. This AGREEMENT is effective for the term as outlined in Exhibit A (Scope of Services and Fees), pursuant to the termination provisions set forth under paragraph 6 of this AGREEMENT.

1. Scope of Services: The Consultant will provide services to Member as specified under the AGREEMENT between the Consultant and PRISM. The Consultant and Member shall determine the specific scope of work Member desires, as outlined in Exhibit A, Assignment No. _____. PRISM shall take no role in determining or advocating any specific scope of work for the Consultant, unless specifically requested by the Member.

2. Fees: PRISM shall be responsible for direct payment of the fees to _____ (“Consultant”) on behalf of Member receiving services. Payments for services rendered by the Consultant under this Program shall be invoiced to PRISM with a copy to the Member. Once the Member has confirmed the invoice is accurate, PRISM will process the invoice for payment to the Consultant. PRISM shall submit to Member an invoice for fees, costs, or expenses connected with services provided under this Program for the total cost of services accessed by Member (See Exhibit A, Assignment No. _____). The fee shall be due and payable to PRISM on or before 30 days from the invoice date. The total invoiced amount for this Assignment shall not exceed \$ _____ without prior written approval from the Member.

3. Supplemental Engagement(s): Should Member elect to retain the Consultant separately for services that are supplemental to those provided under the AGREEMENT, Member and the Consultant shall establish a separate engagement with scope of work and deliverables to be determined at the time of said engagement. Fees and/or costs for any supplemental services shall be determined at the time of engagement. These services will not be subject to oversight or administration by PRISM under the Enterprise Risk Consultant Program.

4. Independent Contractor: While performing services, the Consultant will be acting as an independent contractor and not an employee of PRISM or any Member.

5. Insurance and Indemnity:

5.1.a. CONSULTANT shall procure the following required insurance coverage at his/her sole cost and expense. Such insurance coverage, in the minimum limits as specified below, shall be maintained during the term of this AGREEMENT and shall name both PRISM and the Member as additional named insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT.

CONSULTANT shall maintain in force and effect the required workers' compensation insurance, comprehensive general liability insurance, professional liability (errors and omissions) insurance, and coverage required by PRISM during the term of this AGREEMENT and shall provide proof of insurance in the form and manner specified by PRISM.

i. Workers' Compensation Insurance: CONSULTANT shall provide and maintain for all employees of CONSULTANT engaged in work under this AGREEMENT Workers' Compensation insurance as required by Labor Code Section 3700. CONSULTANT shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this AGREEMENT. To the extent that CONSULTANT may have principals performing work under this AGREEMENT who are not covered by Workers' Compensation insurance CONSULTANT shall indemnify and hold harmless PRISM and Member, its officers and directors from any and all liabilities for injuries or illness incurred, or claimed to be incurred by those individuals while performing work hereunder. Should CONSULTANT not have any employees, or subcontractors, CONSULTANT must certify that fact to PRISM and PRISM shall waive any requirement for Workers' Compensation insurance under this provision.

ii. Comprehensive General Liability Insurance: Minimum coverage of \$2,000,000 combined single limit to include:

- Premises/Operations
- Independent Contractors
- Products/Completed Operations
- Blanket Contractual
- Broad Form Property Damage Endorsement

iii. Professional Liability (Errors and Omissions) Insurance: Minimum limit of \$2,000,000 per occurrence.

iv. Comprehensive Automobile Liability Insurance with a minimum limit of coverage of \$1,000,000 combined single limit including owned, non-owned and hired vehicles.

5.1.b If requested by the CONSULTANT, PRISM will provide insurance for assignments by adding the CONSULTANT as an Additional Named Insured to PRISM's Comprehensive General Liability, Professional Liability (including Errors & Omissions), and Automobile Liability policies. If this occurs, Member will be named as an additional named insured on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT. CONSULTANT will remain responsible for providing his/her own Workers' Compensation insurance in accordance with

the requirements set forth above.

i. If PRISM provides insurance for assignments by adding CONSULTANT as an Additional Named Inured to PRISM's insurance policies, PRISM shall hold harmless, defend and indemnify the Member from any and all liability, loss, damage, expense, costs, including reasonable attorney's fees, in connection with PRISM or CONSULTANT's negligence, recklessness or willful misconduct.

5.1.c. If the CONSULTANT will be providing his/her own insurance, CONSULTANT shall hold harmless, defend and indemnify PRISM and the Member from any and all liability, loss, damage, expense, costs, including reasonable attorney's fees, in connection with the CONSULTANT's performance of work hereunder or his/her failure to comply with any of his/her obligations contained in the AGREEMENT, except such loss or damage which was caused by the sole negligence or willful misconduct of PRISM or the Member.

If the CONSULTANT will be providing his/her own insurance, PRISM shall hold harmless, defend and indemnify the Member from any and all liability, loss, damage, expense, costs, including reasonable attorney's fees, in connection with PRISM's negligence, recklessness or willful misconduct.

6. Term and Termination.

6.1. Term: The term of this AGREEMENT shall commence on the Effective Date listed in Exhibit A, and will remain in full force and effect until terminated by either party in accordance with paragraphs 6.2. or 6.3.

6.2. Cancellation with Cause. This AGREEMENT may be terminated by either party (the "Terminating Party") with fifteen (15) days prior written notice in the event that the other party (the "Breaching Party") breaches any material term or condition of the AGREEMENT; provided, however, that such notice must have first identified the nature and scope of the claimed breach, affording an opportunity to the Breaching Party to cure the breach, and the Breaching Party must have failed to cure the breach within thirty (30) days of receiving such notice.

6.3. Cancellation without Cause. This AGREEMENT may be terminated by either party, in advance of expiration, for no reason or for any reason, other than for material breach of its terms or conditions, (collectively, "without cause"), by the Terminating Party giving the other party at least thirty (30) days written notice prior to the effective date of cancellation. If Member cancels without cause, the Consultant will cease rendering any included services on the effective date of cancellation. If the Consultant cancels without cause, the Consultant will continue, if Member desires, to perform included services for all assignments remaining open, up to the effective date of cancellation.

6.4. Should Member accessing services under this Program be dissatisfied with the Consultant, Member shall immediately notify PRISM. PRISM and Member shall discuss any deficiencies or other concerns regarding the services provided by the Consultant. If Member advises PRISM that Member wishes to terminate the services of the Consultant, then the consulting agreement shall be immediately terminated. The termination of the Consultant by any Member under this Program shall not affect the termination provisions as set forth between the Consultant and PRISM.

7. Materials: All materials accessed and provided to a Member under this Program shall be specifically for use by the Member. No other use of these materials, except for use under this AGREEMENT, is expressly or impliedly given.

8. Data: Member shall be the owner of all information or data collected for services rendered by the Consultant, including information or data that relates to the Member(s) access to services of the Consultant, except any data that PRISM deems necessary for compensating the Consultant, audits or other purposes reasonably deemed necessary by PRISM. The Consultant shall not release any materials under this section except after prior approval of the accessing Member or as required by this AGREEMENT or by law.

9. Mutual Warranties and Disclaimer: Each party represents and warrants that it has full authority to enter into this AGREEMENT and to fully perform its obligations hereunder.

10. Governing Law. This AGREEMENT shall be governed by, and enforced in accordance with, the laws of the state of California. Any civil action or legal proceeding arising out of or relating to this AGREEMENT shall be brought in the courts of record of the State of California.

11. Arbitration. If a dispute arises out of or relates to this AGREEMENT, or the breach thereof, the parties endeavor to resolve the dispute by cooperative mutual agreement. Any controversy, claim or dispute arising out of or relating to this AGREEMENT, that cannot be resolved by the parties shall be settled solely and exclusively by binding arbitration in Sacramento, California. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute ("JAMS"), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will equally share the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to such party.

Each party shall bear its own attorney's fees and expenses. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this AGREEMENT. The arbitrator shall be required to follow applicable law.

12. No Waiver. No waiver, amendment or modification of this AGREEMENT shall be effective unless in writing and signed by both parties.

13. Severability. If any provision of this AGREEMENT is found to be contrary to law by a court of competent jurisdiction, such provision shall be of no force or effect; but the remainder of this AGREEMENT shall continue in full force and effect.

14. Entire AGREEMENT. This AGREEMENT and its exhibits represent the entire understanding and agreement between the Member and PRISM, and supersedes all other negotiations, proposals,

understandings and representations (written or oral) made by and between the Member and PRISM on the subject matter of the AGREEMENT.

Participating Member Name

Public Risk Innovation, Solutions,
and Management (PRISM)

Name: _____

Name: _____

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A: Scope of Services and Fees**Consultant:** _____**Member:** _____**Assignment No.:** _____**Effective Date:** This AGREEMENT is effective on _____.**Start Date:** _____**End Date:** _____

Termination is subject to the provisions of paragraph 6 of the Member Agreement.

Fee Schedule: PRISM shall pay the Consultant at the rate of \$_____ per hour for services performed under this AGREEMENT and payments shall not exceed \$_____ without prior written approval from the Member. Payment will be made _____.

Services Provided: This is a service that will provide participating Members with the ability to contract for Consultant services through PRISM's "Enterprise Risk Consultant" Program. The Consultant will provide the specific services contracted for by Member, which may include any of the following:

Accident Investigation	Disaster Recovery	Program Implementation
Actuarial Services	Employment Practices Liability	Project Management
Budgets	Ergonomics Emerging Risks	Records Management
Business Continuity	Facilities Management	Return – to - Work
Cal/OSHA Rules & Regulations	Finance	Risk Assessment
Claims Management	Group Administration	Risk Financing
Compliance	Health and Benefits	Risk Mgmt. Princ. & Practices
Conflict Resolution	Hedging	Risk Mitigation Risk Reporting
Construction Management	Human Resources	Safety, Loss Control/Prevention
Contingency Planning	Information Technology	Safety Training
Contracts/Negotiations	Insurance Policy Coverage/Review	Strategic Planning
Crisis Management	Insurance Requirements	Team Meetings
Cyber Risk	Litigation Management	Technology Risk
Data Loss Prevention	Program Governance	Underwriting
		Other: _____

A specific Scope of Work is attached to this Exhibit.

Supplemental Engagement(s): Should Member elect to retain the Consultant separately for services that are supplemental to those provided under the AGREEMENT, Member and the Consultant shall establish a separate engagement with scope of work and deliverables to be determined at the time of said engagement. Fees and/or costs for any supplemental services shall be determined at the time of engagement. These services will not be subject to oversight or administration by PRISM under the Enterprise Risk Consultant Program.

Administration: This Program for Members shall be administered directly by PRISM in accordance with the terms of PRISM's Agreement with Consultant.



**PRISM Agreements #2 and #3
Attachment to Exhibit A**

Scope of Work

1. Expand and implement a robust, hyperlinked safety training matrix for each department based on an existing template. Develop a process to monitor and address completions, and to perform timely updates from Cal-OSHA and other regulatory bodies. Develop process for how to use by departments.
2. Refine existing IIPP document including checklists and forms. Develop employee training and usage protocols to ensure compliance. Develop a process to monitor and address training, usage and performing timely updates from Cal-OSHA and other regulatory bodies. Implement initial training.
3. Expand and refine Safety Committee practices and processes to create and maintain industrial safety programs, ensure City-wide department representation, and help employees and departments adhere and be accountable to safety standards. Develop a short orientation for new members. Initiate first meeting using practices, processes and orientation.
4. Audit following programs and recommend any fine-tuning. Develop a plan for how and when to undertake training of employees on programs.
 - Injury & Illness Prevention Program
 - Emergency Action
 - Hazard Communication Program
 - Blood-borne Pathogens
 - Fall Protection
 - Lockout Tag-out and Energy Control
 - Fundamentals of Hazard Assessment
 - Accident Investigation Basics
 - Job Hazard Assessment (JHA) Essentials
5. Recommend solutions to any outstanding or outdated sub-programs, processes and tools found during the course of performing above-mentioned tasks. Rank in order of importance to address. Address based on level of importance and as time permits.

Exhibit B: Pool Service Providers' Bill of Rights

Public Risk Innovation, Solutions, and Management (PRISM) recognizes its place as one of the premier organizations in the public entity pooling industry. We are constantly striving to achieve the goals of excellence in governance and management by conducting our official business with social responsibility that will encourage public trust.

PRISM has established standards that our business partners – pool service providers (PSP's) – should expect in serving PRISM and its Members. The basic rights that PSP's should expect while providing services to PRISM, include the following:

- 5 PSP's should expect to be treated consistently with dignity, respect, and professionalism.
 - 6 PSP's should not be expected to provide gifts, perks or other benefits to Members of the Board of Directors or Committees, or staff Members (or any person or organization associated with them) as a condition of doing business with the pool.
 - 7 PSP's should expect fair and equitable treatment in the procurement process. Every competitive bidding process should be open, well defined and transparent. PRISM recognizes that there is a direct cost to the PSP in preparing every service proposal.
 - 8 PSP's should expect to have a written service agreement with PRISM specifying all terms and conditions of the contractual relationship.
 - 9 PSP's should only be expected to provide services contained within the scope of the service agreement.
 - 10 PSP's should be paid in a timely manner for services rendered in accordance with the provisions of the service agreement.



Public Risk Innovation, Solutions, and Management (PRISM)

**Enterprise Risk Consultant Services
Consultant Agreement**

Consultant: _____

Member: _____

Assignment No. _____

This AGREEMENT is entered into by and between _____ and the undersigned Public Risk Innovation, Solutions, and Management (“PRISM”) and governs the procurement and ongoing use of the Enterprise Risk Consultant (hereinafter “Consultant”) services described in this AGREEMENT. This AGREEMENT shall be effective beginning

_____ and shall terminate _____.

The AGREEMENT may be renewed thereafter on such terms as mutually agreed upon by the parties. This AGREEMENT provides for services under PRISM’s “Enterprise Risk Consultant” Program (hereinafter “Program”).

1. Access: PRISM Member entities eligible to access this Program include any participating entity Member, including risk pools that are Members of PRISM (hereinafter “Member or Members”). The participating Member agrees that this AGREEMENT has been negotiated on their behalf and that PRISM will be responsible for administration of the Program.

2. Services: The Consultant shall provide services to PRISM Members under PRISM’s “Enterprise Risk Consultant” Program. The Consultant and Member shall determine the specific scope of work Member desires and the resulting scope document will be attached as Exhibit A, Member Name: _____, Assignment No. _____, to PRISM’s Agreement with the Member. An example of the scope document is attached hereto as Exhibit A: Scope of Services and Fees. PRISM shall take no role in determining or advocating any specific scope of work for the Consultant, unless specifically requested by Member.

3. Independent Contractor: While performing services under this Agreement, the Consultant will be acting as an independent contractor and not as an officer, agent or employee of PRISM or any individual Member. The Consultant will comply with all Federal and State laws and regulations for payment of all applicable taxes and benefits.

4. Fees and Payments:

4.1. Payments for services rendered by the Consultant under this Program shall be invoiced on a monthly basis to PRISM with a copy to the Member. Once the Member has confirmed the

invoice is accurate, PRISM will process the invoice for payment to the Consultant.

4.2. PRISM shall be responsible for direct payment of the agreed upon fee to the Consultant from fees invoiced to the Members participating under this AGREEMENT and who are accessing Consultant services under this Program.

4.3. The Consultant shall not submit any invoice to participating Members for fees, costs, or expenses of any kind connected with the services provided pursuant to this Agreement, unless otherwise agreed between PRISM, Member and the Consultant. Should any individual Member elect to retain the Consultant for services that are outside this Agreement, the Consultant and the Member shall enter into a separate engagement with scope of work to be determined by the parties to that separate and additional engagement.

5. Confidentiality:

5.1. The Consultant will treat all information received in the course of performance of this AGREEMENT as confidential. Confidential information is that information obtained solely as a result of work for an individual Member and not available in the public domain. Such information may include, but is not limited to, attorney-client or attorney work product, personnel matters, other confidential matters, including medical information, any other information provided to the Consultant in the performance of service pursuant to this AGREEMENT that Member deems confidential.

5.2. The Consultant shall not disclose or appropriate for its own use, or to the use of any third party, at any time during or subsequent to the term of this Agreement, any confidential information of the Member or PRISM, whether or not developed by the Consultant, including, but not limited to, information pertaining to, services, methods, processes, contract terms or operating procedures, except as required in connection with the Consultant's performance of this Agreement, or as required by a government authority or California law. Should any confidential information be disclosed; the Consultant will immediately notify Member and PRISM of the nature and extent of such disclosure.

6. Term and Termination:

6.1. Term: The term of this AGREEMENT shall commence on the Effective Date, and will remain in full force and effect until terminated by either party in accordance with paragraphs 6.2. and 6.3.

6.2. Cancellation with Cause. This AGREEMENT may be terminated by either party (the "Terminating Party") with fifteen (15) days prior written notice in the event that the other party (the "Breaching Party") breaches any material term or condition of the Agreement; provided, however, that such notice must have first identified the nature and scope of the claimed breach, affording an opportunity to the Breaching Party to cure the breach, and the Breaching Party must have failed to cure the breach within thirty (30) days of receiving such notice. If PRISM cancels for cause, any prepaid service fees from the effective date of cancellation to the anniversary of

the Agreement's term shall be prorated and refunded to PRISM within thirty (30) days following the effective date of cancellation; and, if the fifteen (15) day notice period crosses over into the next term month of the Agreement, PRISM will pay the pro-rated monthly fees for the period from the next term month of the AGREEMENT to the effective date of cancellation.

6.3. Cancellation without Cause. This AGREEMENT may be terminated by either party, in advance of expiration, for no reason or for any reason, other than for material breach of its terms or conditions, (collectively, "without cause"), by the Terminating Party giving the other party at least thirty (30) days written notice prior to the effective date of cancellation. If PRISM cancels without cause, the Consultant will cease rendering any included services on the effective date of cancellation. If the sixty (60) day notice period does not cross over a month of the Agreement's term, any prepaid service fees for the period of time from the effective date of cancellation to the anniversary of the Agreement's term shall be prorated and refunded to PRISM within thirty (30) days following the effective date of cancellation; and, if the sixty (60) day notice period does cross over an anniversary date of the Agreement's term, PRISM will pay the pro-rated monthly fees for the period from the next term month of the AGREEMENT to the effective date of cancellation, on or prior to the next term month of the Agreement. If the Consultant cancels without cause, the Consultant will continue, if Member desires, to perform included services for all assignments remaining open, up to the effective date of cancellation.

6.4. Should any Member accessing services under this Program be dissatisfied with the Consultant, Member shall immediately notify PRISM. PRISM and Member shall discuss any deficiencies or other concerns regarding the services provided by the Consultant. If Member advises PRISM that Member wishes to terminate the services of the Consultant, then the consulting assignment shall be immediately terminated. The termination of the Consultant assignment by any Member under this Program shall not affect the termination provisions as set forth above between the Consultant and PRISM.

Upon termination of this AGREEMENT and upon request, the Consultant shall provide PRISM with any data or records it has retained as part of the Program.

7. Mutual Warranties and Disclaimer:

7.1. Mutual Representations & Warranties. Each party represents and warrants that it has full authority to enter into this AGREEMENT and to fully perform its obligations hereunder.

8. Miscellaneous:

8.1. Insurance and Indemnity:

8.1.a. CONSULTANT shall procure the following required insurance coverage at his/her sole cost and expense. Certificate(s) of insurance shall be furnished to PRISM prior to this AGREEMENT becoming effective. Such insurance coverage, in the minimum limits as specified below, shall be maintained during the term of this AGREEMENT and shall name both PRISM and the Member as additional named insureds on the CGL policy with respect to liability arising out of work or

operations performed by or on behalf of CONSULTANT. Failure to comply with the insurance requirements shall place CONSULTANT in default. Upon request by PRISM, CONSULTANT shall provide copies of any insurance policies to PRISM within ten (10) working days. PRISM may periodically review the minimum limits of CONSULTANT's policies for the required insurance coverage. In the event of a change in the minimum limits, CONSULTANT shall inform PRISM of such change by giving written notice to PRISM no less than sixty (60) days prior to the effective date of such change. All said policy or policies shall provide that PRISM shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or material change or reduction in coverage.

The Scope of Work is incorporated into and made a part of the PRISM AGREEMENT for Services for Outside Vendors. CONSULTANT will comply with the terms and conditions of the standard AGREEMENT for Services pertaining to insurance, indemnification, documentation and performance obligations.

CONSULTANT shall maintain in force and effect the required workers' compensation insurance, comprehensive general liability insurance, professional liability (errors and omissions) insurance, coverage required by PRISM during the term of this AGREEMENT and shall provide proof of insurance in the form and manner specified by PRISM.

i. Workers' Compensation Insurance: CONSULTANT shall provide and maintain for all employees of CONSULTANT engaged in work under this AGREEMENT Workers' Compensation insurance as required by Labor Code Section 3700. CONSULTANT shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this Agreement. To the extent that CONSULTANT may have principals performing work under this AGREEMENT who are not covered by Workers' Compensation insurance CONSULTANT shall indemnify and hold harmless PRISM and Member, its officers and directors from any and all liabilities for injuries or illness incurred, or claimed to be incurred by those individuals while performing work hereunder. Should CONSULTANT not have any employees, or subcontractors, CONSULTANT must certify that fact to PRISM and PRISM shall waive any requirement for Workers' Compensation insurance under this provision.

ii. Comprehensive General Liability Insurance: Minimum coverage of \$2,000,000 combined single limit to include:

- Premises/Operations
- Independent Contractors
- Products/Completed
- Operations Blanket
- Contractual
- Broad Form Property Damage Endorsement

iii. Professional Liability (Errors and Omissions) Insurance: Minimum limit of \$2,000,000 per occurrence.

iv. Comprehensive Automobile Liability Insurance with a minimum limit of coverage of \$1,000,000 combined single limit including owned, non-owned and hired vehicles.

8.1.b If requested by the CONSULTANT, PRISM will provide insurance for assignments by adding the CONSULTANT as an Additional Named Insured to PRISM's Comprehensive General Liability, Professional Liability (including Errors & Omissions), and Automobile Liability policies. . If this occurs, Member will be named as an additional named insured on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT. CONSULTANT will remain responsible for providing his/her own workers' compensation insurance in accordance with the requirements set forth above.

8.1.c

i. If PRISM provides insurance for assignments by adding CONSULTANT as an Additional Named Insured to PRISM 's insurance policies, PRISM shall hold harmless, defend and indemnify the Member from any and all liability, loss, damage, expense, costs, including reasonable attorney's fees, in connection with PRISM's or CONSULTANT's negligence, recklessness or willful misconduct.

ii. If PRISM provides insurance for assignments by adding CONSULTANT as an Additional Named Insured to PRISM 's insurance policies PRISM shall hold harmless, defend and indemnify the CONSULTANT from any and all liability, loss, damage, expense, costs, including reasonable attorney's fees, in connection with PRISM 's negligence, recklessness or willful misconduct.

8.1.d. If the CONSULTANT will be providing his/her own insurance, CONSULTANT shall hold harmless, defend and indemnify PRISM and the Member from any and all liability, loss, damage, expense, costs, including reasonable attorney's fees, in connection with the CONSULTANT's performance of work hereunder or his/her failure to comply with any of his/her obligations contained in the AGREEMENT, except such loss or damage which was caused by the sole negligence or willful misconduct of PRISM or the Member.

If the CONSULTANT will be providing his/her own insurance, PRISM shall hold harmless, defend and indemnify the Member from any and all liability, loss, damage, expense, costs, including reasonable attorney's fees, in connection with PRISM's negligence, recklessness or willful misconduct.

8.2. Assignment. Neither party may assign or delegate its rights or obligations pursuant to this AGREEMENT without the prior written consent of the other, provided that such consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Consultant may not freely assign or transfer any or all rights without PRISM consent.

8.3. Governing Law. This AGREEMENT shall be governed by, and enforced in accordance with, the laws of the state of California. Any civil action or legal proceeding arising out of or relating to this AGREEMENT shall be brought in the courts of record of the State of California.

8.4. Arbitration. If a dispute arises out of or relates to this Agreement, the breach thereof, the services rendered to the Member, or any dispute between Consultant and Member, the parties endeavor to resolve the dispute by cooperative mutual agreement. Any controversy, claim or dispute arising out of or relating to this Agreement or arising or relating to any of Consultant's work for Member that cannot be resolved by the parties shall be settled solely and exclusively by binding arbitration in Sacramento, California. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute("JAMS"), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will equally share the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to such party.

Each party shall bear its own attorney's fees and expenses. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in

lieu of any action at law or equity. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law.

8.5. Force Majeure. The Consultant shall have no liability for any failure or delay in performing any of its obligations pursuant to this AGREEMENT due to, or arising out of, any act not within its control, including, without limitation, acts of God, strikes, lockouts, war, riots, lightning, fire, storm, flood, explosion, interruption or delay in power supply, computer virus, governmental laws, regulations or other restraints.

8.6. No Waiver. No waiver, amendment or modification of this AGREEMENT shall be effective unless in writing and signed by both parties.

8.7. Severability. If any provision of this AGREEMENT is found to be contrary to law by a court of competent jurisdiction, such provision shall be of no force or effect; but the remainder of this AGREEMENT shall continue in full force and effect.

8.8. Entire Agreement. This AGREEMENT and its exhibits represent the entire understanding and agreement between the Consultant and PRISM, and supersede all other negotiations, proposals, understandings and representations (written or oral) made by and between the Consultant and PRISM.

8.9. Conflict of Interest. The Consultant agrees that he/she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in practice and might result in

unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful considerations.

8.10. Retirement Plan Compliance. The Consultant is responsible for complying with any and all legal requirements based upon Consultant’s participation in any of the following California state retirement plans, including but not limited to, CalPERS, ‘37 Act, CalSTRS or any other comparable state plan or a comparable plan of any other state, before initiating work through PRISM’s Enterprise Risk Consultant Program. The Consultant hereby agrees that by signing this Agreement, he/she is confirming his/her eligibility to participate as an independent consultant.

8.11. Notices. Any notice required to be given to the Consultant shall be deemed to be duly and properly given if any of the following have been completed: notice mailed to the Consultant, postage prepaid, and sent to the address below or personally delivered to the Consultant at such address or at such other addresses as the Consultant may designate in writing to PRISM; or emailed to the below email address.

Any notice required to be given PRISM shall be deemed to be duly and properly given if any of the following have been completed: notice mailed to PRISM, postage prepaid, and sent to the address below or personally delivered to PRISM at such address or at such other addresses as PRISM may designate in writing to the Consultant; or emailed to the below email address:

Public Risk Innovation,
Solutions, and Management
(PRISM) Attn: Rick Brush
75 Iron Point Circle, Suite 200
Folsom, CA 95630
Email: rbrush@prismrisk.gov

Consultant

Attn: _____
Address: _____

Email: _____

8.12. Service Providers’ Bill of Rights: PRISM hereby agrees to abide by the Pool Service Providers’ Bill of Rights as approved by the PRISM Board of Directors on June 1, 2007, and attached hereto as Exhibit 2.

For Public Risk Innovation,
Consultant Solutions, and Management (PRISM)
Signature below:

For

Name: _____

Title: _____

Name: Rick Brush

Title: Chief Member Services Officer

Date: _____

Date: _____

Exhibit A: Scope of Services and Fees

Consultant: _____
Member: _____

Assignment No. _____

This AGREEMENT is effective on _____.

Start Date: _____
End Date: _____

Termination is subject to the provisions of paragraph 6 of the Member Agreement.

Fee Schedule: PRISM shall pay the Consultant at the rate of \$_____per hour for services performed under this AGREEMENT and payments shall not exceed \$ ___without prior written approval from the Member. Payment will be made monthly.

Services Provided: This is a service that will provide participating Members with the ability to contract for Consultant services through the PRISM’s “Enterprise Risk Consultant” Program. The Consultant will provide the specific services contracted for by Member, which may include any of the following:

- | | | |
|-------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> Accident Investigation | <input type="checkbox"/> Disaster Recovery | <input type="checkbox"/> Program Governance |
| <input type="checkbox"/> Actuarial Services | <input type="checkbox"/> Employment Practices Liability | <input type="checkbox"/> Program Implementation |
| <input type="checkbox"/> Budgets | <input type="checkbox"/> Ergonomics | <input type="checkbox"/> Project Management |
| <input type="checkbox"/> Business Continuity | <input type="checkbox"/> Emerging Risks | <input type="checkbox"/> Records Management |
| <input type="checkbox"/> Cal/OSHA Rules & Regulations | <input type="checkbox"/> Facilities Management | <input type="checkbox"/> Return – to – Work |
| <input type="checkbox"/> Claims Management | <input type="checkbox"/> Finance | <input type="checkbox"/> Risk Assessment |
| <input type="checkbox"/> Compliance | <input type="checkbox"/> Group Administration | <input type="checkbox"/> Risk Financing |
| <input type="checkbox"/> Conflict Resolution | <input type="checkbox"/> Health & Benefits | <input type="checkbox"/> Risk Mgmt. Princ. & Pracs. |
| <input type="checkbox"/> Construction Mgmt. | <input type="checkbox"/> Hedging | <input type="checkbox"/> Risk Mitigation |
| <input type="checkbox"/> Contingency Planning | <input type="checkbox"/> Human Resources | <input type="checkbox"/> Risk Reporting |
| <input type="checkbox"/> Contracts/Negotiations | <input type="checkbox"/> Information Technology | <input type="checkbox"/> Safety, Loss Control/ Prev. |
| <input type="checkbox"/> Crisis Management | <input type="checkbox"/> Insurance Policy Coverage/ Review Insurance Reqs. | <input type="checkbox"/> Safety Training |
| <input type="checkbox"/> Cyber Risk | <input type="checkbox"/> Litigation Management | <input type="checkbox"/> Strategic Planning / Team Meetings |
| <input type="checkbox"/> Data Loss Prevention | | <input type="checkbox"/> Technology Risk |
| | | <input type="checkbox"/> Underwriting |
| | | <input type="checkbox"/> Other: _____ |

A specific Scope of Work is attached to this Exhibit.

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1. Expand and implement a robust, hyperlinked safety training matrix for each department based on an existing template. Develop a process to monitor and address completions, and to perform timely updates from Cal-OSHA and other regulatory bodies. Develop process for how to use by departments.
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 - Injury & Illness Prevention Program
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 - Hazard Communication Program
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 - Lockout Tag-out and Energy Control
 - Fundamentals of Hazard Assessment
 - Accident Investigation Basics
 - Job Hazard Assessment (JHA) Essentials
5. Recommend solutions to any outstanding or outdated sub-programs, processes and tools found during the course of performing above-mentioned tasks. Rank in order of importance to address. Address based on level of importance and as time permits.

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3. PSP's should expect fair and equitable treatment in the procurement process. Every competitive bidding process should be open, well defined and transparent. PRISM recognizes that there is a direct cost to the PSP in preparing every service proposal.
4. PSP's should expect to have a written service agreement with PRISM specifying all terms and conditions of the contractual relationship.
5. PSP's should only be expected to provide services contained within the scope of the service agreement.
6. PSP's should be paid in a timely manner for services rendered in accordance with the provisions of the service agreement.



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
CONSENT AGENDA

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Nova Romero, City Clerk
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Resolution 2022-091 approving a supplemental budget appropriation to the Fiscal Year 2022-2023 Adopted budget for Discretionary Grants in the amount of \$1,000 for the Carmel High School Mock Trial Team

RECOMMENDATION:

Adopt Resolution 2022-091 approving a supplemental budget appropriation in the amount of \$1,000 to the Fiscal Year 2022-2023 adopted budget for discretionary grants for the Carmel High School Mock Trial Team.

BACKGROUND/SUMMARY:

The Lyceum Monterey County Mock Trial program is an educational program which introduces local high school students to the American legal system. Every year, Mock Trial Teams from participating local high schools are provided a case, and each team creates both a prosecution and defense argument. This year, the Carmel High School (CHS) Mock Trial Team won an unprecedented 8th straight championship at the Monterey County annual mock trial finals. The CHS Mock Trial Team then went on to win third place at the State level, and will now be competing at the October Empire World Championship in Chicago. The travel cost for the students to compete in the Empire World Championship is \$35,000.

The City Council expressed a desire to support the CHS Mock Trial Team by awarding a \$1,000 grant donation from the discretionary grant fund budget to help offset the travel expenses to the Chicago Championship. This Resolution will authorize the supplemental budget appropriation in the amount of \$1,000 to award the grant to the CHS Mock Trial Team.

FISCAL IMPACT:

Decrease of \$1,000 from the general fund ending balance and increase of \$1,000 to the discretionary grant fund for the FY 22-23 budget in the Community Promotions account 101-110-00-42005.

PRIOR CITY COUNCIL ACTION:

N/A

ATTACHMENTS:

Attachment 1) Resolution 2022-091

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2022-091

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA APPROVING A SUPPLEMENTAL BUDGET APPROPRIATION TO THE FISCAL YEAR 2022-2023 ADOPTED BUDGET FOR DISCRETIONARY GRANTS IN THE AMOUNT OF \$1,000 FOR THE CARMEL HIGH SCHOOL MOCK TRIAL TEAM

WHEREAS, the City Council adopted Resolution 2022-048 approving the Fiscal year 2022-2023 Adopted Budget on June 7th, 2022; and

WHEREAS, the City recognizes of the accomplishments of the Carmel High School Mock Trial Team, winning their 8th Straight Championship in the Monterey County 2022 Mock Trial Finals, and their success at the State Championship; and

WHEREAS, the City supports the Carmel High School Mock Trial Team in competing at the National level, in the October Empire World Championship in Chicago; and

WHEREAS, the City Council desires to donate \$1,000 the Carmel High School Mock Trial Team to help offset the travel costs to compete at the World Championship in October.

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

Approves a supplemental budget appropriation to the Fiscal year 2022-2023 adopted budget for discretionary grants in the amount of \$1,000 for the Carmel High School Mock Trial Team from the Council's Community Promotions amount 101-110-00-42005.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 4th day of October, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
ORDERS OF BUSINESS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Alan Ward, Police Chief
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Resolution 2022-092 authorizing the City Administrator to execute a purchase agreement for the purchase of a One (1) Pierce Manufacturing, Inc. Enforcer 1500 GPM Pumper (<i>HGAC Consortium Purchase – Contract FS12-19, Product Code FS19VC07</i>) for a not to exceed in the amount of \$880,000

RECOMMENDATION:

Adopt Resolution 2022-092 authorizing the City Administrator to execute a purchase agreement for the purchase of a One (1) Pierce Manufacturing, Inc. Enforcer 1500 GPM Pumper (*HGAC Consortium Purchase – Contract FS12-19, Product Code FS19VC07*) for a not to exceed in the amount of \$880,000.

BACKGROUND/SUMMARY:

The City of Carmel presently owns two fire engines that are leased to the Monterey Fire Department to use under the contract for Fire Services between the cities of Carmel and Monterey. One engine is a 2009 Pierce (with 49,000 miles on it) and is currently in front-line status. The second engine is a 2000 E-One (with 51,000 miles on it) that serves in reserve status. The Fire engine was scheduled for replacement in the FY 23/24 Capital Improvement Project schedule, however, due to increased costs rising quickly, the City is recommending to purchase the fire engine now in an effort to save at least \$60,000.

Fire engine replacement cycles are driven by several factors including age, miles, and maintenance costs. An engine typically serves well for 15 years in front-line service and can be in reserve status for an additional 10+ years. Carmel's front-line engine is over 13 years old and has shown signs of having more significant maintenance costs. The reserve engine is 22 years old; because of its age, the reserve engine does not meet current safety and emissions standards. For these reasons it should be retired. Due to normal build time and compounded by supply-chain challenges, a new fire engine will not be delivered until about 24 months after a purchase contract is executed. In that time frame, the present two engines will have aged and incurred additional maintenance costs.

Electric Engine

Based on Council direction to look for opportunities to electrify the Carmel fleet, staff has researched electric fire engines as an alternative to a conventional diesel-powered one. Electric fire engines are new with only a handful in service worldwide. Presently, two manufacturers have products ready for ordering.

Rosenbauer, an Austrian manufacturer with production facilities in the United States, has an electric engine that has been in service in Europe and, most recently, has delivered one to the Los Angeles Fire Department. Pierce Manufacturing, a U.S. based fire apparatus manufacturer, has one engine in service in Maddison, Wisconsin, and has recently delivered one to Portland, Oregon. Both manufacturers' engines have very little field use experience to be able to determine long-term viability.

The electric engines have comparable specifications (water tank size, pump capacity, driving range, etc.) as diesel engines that were evaluated. The units provide a diesel back-up to the battery to ensure adequate range and continued functionality on longer incidents. The technologies employed vary between the two manufacturers, but both rely on tested products in use in other large commercial vehicle applications. Electric vehicles inherently have lower maintenance and operational costs but, because large vehicle applications are still new, there may be unknown future challenges. The large capacity batteries have an anticipated life of 10 to 15 years and likely will cost over \$100,000 to replace.

Diesel Engine

Carmel's current fire apparatus are all diesel powered. Similarly, the entire fleet used by the Monterey Fire Department is diesel powered. Current infrastructure and maintenance facilities are set up to support this fleet. A diesel engine will likely have a higher annual operations and maintenance cost than an electric engine.

Staff has obtained a quote for a conventional diesel-powered fire engine and has asked for one for an electric fire engine. Both Pierce and Rosenbauer have not provided a firm quote on the electric engine as they are just now becoming available for their sales force. Both have said that they anticipate the cost to be in the \$1.7M to \$1.9M range. The quote for the diesel engine based on making the purchase using a purchasing cooperative (HGAC) is as follows:

One (1) Pierce Manufacturing, Inc. Enforcer 1500 GPM Pumper (HGAC Consortium Purchase – Contract FS12-19, Product Code FS19VC07)	\$ 850,936.07
100% Prepayment discount	(46,303.36)
SUBTOTAL	804,632.71
9.25% Sales tax	74,428.53
California tire fee	10.50
TOTAL	\$ 879,071.74

If the Council were to opt to purchase the electric engine, there would be additional up-front costs to install the required charging system in the station. Staff estimates that that will be about \$150,000 bringing the total cost close to \$2M.

Operational costs of a diesel engine can be expected to run about \$15,000 per year (initially) for maintenance and repairs and current infrastructure can support the use of one. Over the life of the engine, those costs can be expected to increase. The City of Monterey's fleet maintenance staff, presently used by Carmel for fire apparatus repairs, are trained and equipped to provide the routine maintenance and other repair facilities are readily available for potential major repairs.

An electric engine will have reduced operational costs estimated to be \$5,000 per year but will require substantial infrastructure modifications to the fire station to provide the necessary high-capacity charging system. Until more repair facilities for large electric vehicles are available, Carmel would be dependent on the manufacturer's service facilities (located in Modesto) for maintenance of electric drive-train components.

Fleet maintenance staff would likely need additional training to provide some routine services. Some systems could involve increased future costs and the large battery will likely have to be replaced after 10 to 12 years at a substantial cost.

A 20-year projection of maintenance and operations costs that includes assumptions of increased maintenance costs in future years, annual inflation at 3%, and replacing the electric engine's battery once during that time yields the following total cost for the 20-year period:

- Electric engine - \$343,300
- Diesel engine - \$477,800

Although the City is consistently looking for green alternatives to promote a healthier environment, the City also balances against the current infrastructure. Based that electric fire engines are new with only a handful in service worldwide on this new technology, the City is not equipped to recommend the electric fire engine. Staff is recommending purchasing one (1) Pierce Manufacturing, Inc. Enforcer 1500 GPM Pumper (HGAC Consortium Purchase – Contract FS12-19, Product Code FS19VC07 fire engine.

FISCAL IMPACT:

A budget adjustment to the Transfer Out account [101-130-00-49013] for an amount not to exceed \$880,000 from the Unassigned Fund Balance to the Vehicle Equipment Fund, and a budget adjustment to both the Transfer In account [503-00-39001] and Vehicles & Fire Trucks expenditure account [503-513-00-43005] in the Vehicle & Equipment Replacement Fund for an amount not to exceed \$880,000.

PRIOR CITY COUNCIL ACTION:

ATTACHMENTS:

Attachment 1) Resolution 2022-092

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2022-092

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A PURCHASE AGREEMENT FOR THE PURCHASE OF ONE (1) PIERCE MANUFACTURING, INC. ENFORCER 1500 GPM PUMPER (HGAC CONSORTIUM PURCHASE – CONTRACT FS12-19, PRODUCT CODE FS19VC07) FOR A NOT TO EXCEED IN THE AMOUNT OF \$880,000

WHEREAS, the City of Carmel-by-the-Sea presently owns two fire engines that are leased to the Monterey Fire Department to use under the contract for Fire Services between the cities of Carmel and Monterey; and

WHEREAS, the Fire engine was scheduled for replacement in the FY 23/24 Capital Improvement Project schedule, however, due to supply and demand and costs rising quickly, the City is recommending to purchase the fire engine now in an effort to save at least \$60,000; and

WHEREAS, Carmel's front-line engine is over 13 years old and has shown signs of having more significant maintenance costs. The reserve engine is 22 years old; because of its age, the reserve engine does not meet current safety and emissions standards. For these reasons it should be retired; and

WHEREAS, due to normal build time and compounded by supply-chain challenges, a new fire engine will not be delivered until about 24 months after a purchase contract is executed. In that time frame, the present two engines will have aged and incurred additional maintenance costs; and

WHEREAS, based on Council direction, staff looked for opportunities to electrify the Carmel fleet, staff has researched electric fire engines as an alternative to a conventional diesel-powered one. Electric fire engines are new with only a handful in service worldwide; and

WHEREAS, an electric fire engine would require substantial infrastructure modifications to the fire station to provide the necessary high-capacity charging system and the City does not have the infrastructure; and

WHEREAS, staff evaluated electric vs. diesel engine and is recommending purchasing one (1) Pierce Manufacturing, Inc. Enforcer 1500 GPM Pumper (HGAC Consortium Purchase – Contract FS12-19, Product Code FS19VC07 fire engine; and

WHEREAS, budget adjustments are necessary in both the General Fund and Vehicle & Equipment Replacement Fund for the purchase of the new fire engine and Carmel Municipal Code Section 3.06.030 requires all transfers of appropriations between departments or in regards to capital items or projects be approved by the City Council; and

WHEREAS, authorize a budget adjustment to the Transfer Out account for an amount not to exceed \$880,000 from the Unassigned Fund Balance to the Vehicle Equipment Fund to

purchase the one (1) Pierce Manufacturing, Inc. Enforcer 1500 GPM Pumper (HGAC Consortium Purchase – Contract FS12-19, Product Code FS19VC07 fire engine; and

WHEREAS, authorize the budget adjustments to the Vehicle & Equipment Replacement Fund Transfer In account and the Vehicles & Fire Trucks expenditure account for an amount not to exceed \$880,000.

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

1. Authorize the City Administrator to execute the purchase agreement in an amount not to exceed \$880,000.
2. Authorize a budget adjustment to the Transfer Out account [101-130-00-49013] for an amount not to exceed \$880,000 from the Unassigned Fund Balance to the Vehicle Equipment Fund.
3. Authorize a budget adjustment to both the Transfer In account [503-00-39001] and Vehicles & Fire Trucks expenditure account [503-513-00-43005] in the Vehicle & Equipment Replacement Fund for an amount not to exceed \$880,000.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 4th day of October, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
ORDERS OF BUSINESS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Jermel Laurie, Building Official
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Receive a presentation on the 2022 editions of the California Building (CBC), Residential (CRC), Energy (CEnC), Fire (CFC), Mechanical (CMC), Plumbing (CPC), Electrical (CEC), Green Building Standards (CGBSC), Historic Building (HBC), and Existing Building Codes (EBC) with local amendments to be discussed, and provide staff with direction

RECOMMENDATION:

Receive a presentation on the 2022 editions of the California Building (CBC), Residential (CRC), Energy (CEnC), Fire (CFC), Mechanical (CMC), Plumbing (CPC), Electrical (CEC), Green Building Standards (CGBSC), Historic Building (HBC), and Existing Building Codes (EBC) with local amendments to be discussed, and provide staff with direction.

BACKGROUND/SUMMARY:

The State of California, Building Standards Commission (CBSC), under CCR Title 24 establishes the minimum standards for building construction, fire safety and prevention, and public health and safety in the built environment throughout the State. The CBSC updates the Title 24 codes on a triennial cycle, with periodic updates as deemed necessary by the Commission between triennial updates. The CBSC has adopted the 2022 edition of the California Building, Residential, Fire, Electrical, Plumbing, Mechanical, Green Building, Energy, Historic Building and Existing Building Codes effective January 1, 2023. Local jurisdictions are required to begin enforcing the updated codes on that same date.

The Ordinance adopts the codes enumerated in CCR Title 24 as required by the CBSC with local amendments addressing unique conditions and circumstances in the City of Carmel-by-the-Sea as described in the Ordinance in accordance with CBSC requirements.

Staff intends to schedule a public meeting for the development community prior to the first reading of the Ordinance that is scheduled for adoption at the next regularly scheduled meeting on November 1, 2022.

FISCAL IMPACT:

No new revenues are anticipated as a result of this update, and no new resources are required to implement it.

PRIOR CITY COUNCIL ACTION:

Ordinance No. 2020-001: An ordinance amending Title 15 of the Carmel Municipal Code and adopting the 2019 California building, residential, energy, fire, mechanical, plumbing, electrical, green building, historic building, and existing building standards codes with amendments.

ATTACHMENTS:



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
ORDERS OF BUSINESS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Marnie Waffle, AiCP, Senior Planner

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Discussion regarding potential amendments to the City's Mills Act Contract policy

RECOMMENDATION:

Receive a presentation on the Mills Act Contract policy, discuss and provide staff with direction.

BACKGROUND/SUMMARY:

The Mills Act was adopted by the State of California in 1972. The City of Carmel-By-The-Sea adopted a Mills Act program as part of the Local Coastal Plan in 2004.

The Mills Act program is an agreement between the City and a property owner of a historic building whereby the property owner benefits from a reduction in property taxes while contractually assuring the City that the historic resource is rehabilitated, maintained, and preserved. Properties must be included on both the Carmel Historic Inventory and the Carmel Register of Historic Resources prior to being eligible for a Mills Act contract.

To be listed on the Carmel Historic Inventory, an assessment of historical significance must be conducted to determine whether the property is eligible. Eligible properties are those which represent at least one theme in the City's Historic Context Statement; retain substantial integrity; are at least 50 years of age; are associated with significant events or people; embody distinctive characteristics; or yield information important to prehistory or local, state, or national history.

To be listed on the Carmel Register, a property owner must submit a request in writing and their request must be approved by the Historic Resources Board. Listing on the Register provides benefits such as waiver of on-site parking requirements; preservation of existing non-conformities; Federal rehabilitation tax credits; building permit fee reduction of 25%; and, participation in the Mills Act program.

Mills Act Policy

The City's current policy regarding Mills Act contracts allows for up to fifteen contracts to be approved over a three-calendar year period (Attachment 1, Resolution 2016-068). The policy was reviewed by the City Council in 2020 and no changes were made at that time. Since 2011, an average of one contract per year has been approved. The highest three-calendar year period occurred between 2015-2017 and 2016-2018

when a total of 6 contracts were approved. In 2022, the City Council has approved one contract and is being asked to consider four additional contracts. The 2022 calendar year is the first time a Mills Act contract has been approved for a commercial property.

Standard Contract

In 2020, the City Attorney worked with staff to review the contract language to ensure the contract is consistent with State law and our local Mills Act program. On March 3, 2020, the City Council approved the standard contract language.

In accordance with State law, the term of the contract is 10 years. Each year on the anniversary date of the contract, one year is automatically added to the term of the contract. This creates a rolling 10-year contract that automatically renews until such time that either the City or the property owner provides a written notice of non-renewal. If the City desires to end a contract, the City must provide the property owner with written notice of non-renewal at least 60 days prior to the annual renewal date. Property owners who desire to end a contract must give written notice to the City at least 90 days prior to the annual renewal date. If a contract is not renewed, the agreement remains in effect for ten years and then expires.

Contract Renewals

It has been just over 10 years since the first Mills Act Contract was approved. Over the next few years, additional contracts will reach their 10-year anniversary. Staff is seeking policy direction from the City Council on issuing notices of nonrenewal. A few options for the Council to consider are:

- 1) Do nothing and allow contracts to auto-renew on an annual basis. Every 10 years property owners would prepare a new 10-year maintenance plan.
- 2) Issue a Notice of Nonrenewal prior to the 10th anniversary of a Mills Act Contract (or as soon thereafter as is practical). The contract would remain in effect for 10 years from the nonrenewal date and then expire.
- 3) Review each contract on the 10th anniversary and decide on a case-by-case basis whether to issue a notice of nonrenewal.

Staff recommends that the Council's direction be formalized in an updated policy which would be brought back to the Council at a future meeting for approval.

FISCAL IMPACT:

Since a Mills Act Contract reduces an owner's 1% property tax burden, the City ultimately receives a diminished tax base from properties with Mills Act Contracts (which is set at 6% of the total property tax collected by the County). This reduction is granted in exchange for a contractual assurance that historic resources will be rehabilitated, restored, and maintained. The actual amount of reduction in property taxes varies from property to property, but is typically expected to be in the 40%-60% range.

PRIOR CITY COUNCIL ACTION:

On June 8, 2010, the City Council adopted Resolution 2010-42 approving a limit of three (3) Mills Act Contracts for residential properties within a calendar year and requiring the City Council to evaluate the program again in five years.

On September 13, 2016, the City Council adopted Resolution 2016-068 limiting the number of Mills Act Contracts to fifteen (15) during any three (3) calendar year period and requiring the City Council to evaluate the program after three (3) years.

On March 3, 2020, the City Council reviewed the Mills Act policy and did not make any changes. The Council also reviewed and accepted standard contract language for Mills Act Contracts.

ATTACHMENTS:

Attachment 1) Resolution 2016-068

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2016-068

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA ESTABLISHING A LIMIT ON THE NUMBER OF MILLS ACT CONTRACTS THAT CAN BE APPROVED TO FIFTEEN DURING ANY THREE CALENDER YEAR PERIOD AND REQUIRING THE CITY COUNCIL TO EVALUATE THE PROGRAM AFTER THREE YEARS

WHEREAS, the City has adopted a General Plan and Municipal Code that strive to protect the village character through clear policies and regulations that guide historic preservation; and

WHEREAS, the Mills Act was adopted by the State of California in 1972; and

WHEREAS, jurisdictions are not required to implement the Mills Act, but participating jurisdictions may establish specific application requirements to suit local needs; and

WHEREAS, the City adopted the Mills Act as a potential benefit to property owners of historic resources as part of the Local Coastal Program; and

WHEREAS, the City Council recognizes the potential benefits of the program but also the potential fiscal impacts that could result from the unlimited approval of Mills Act Contracts; and

WHEREAS, establishing a limit on the number of contracts that can be approved will allow the City to implement the Mills Act Program without significantly impacting a revenue source that is vital to the City's operating budget; and

WHEREAS, in 2010 the City Council adopted Resolution 2010-42 which limited the number of Mills Act contracts to 3 per calendar year; and

WHEREAS, Resolution 2010-42 will be superseded by the adoption of this resolution; and

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

1. Limit the number of Mills Act Contracts that can be approved to fifteen (15) in any three calendar year period.
2. Require the City Council to review the Mills Act Program in three (3) years, in the year 2018, to determine whether to continue offering Mills Act Contracts of make revisions as necessary.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 13th day of September, 2016 by the following roll call vote:

AYES:	COUNCILMEMBERS:	Hardy, Reimers, Richards, Theis, Dallas
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

SIGNED:

ATTEST:



Steve G. Dallas, Mayor



Ashlee Wright, City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
ORDERS OF BUSINESS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Nova Romero, City Clerk

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Discussion on amending the qualifications for the Historic Resources Board Members

RECOMMENDATION:

Discuss amending the qualifications for the Historic Resources Board Members and provide direction to staff.

BACKGROUND/SUMMARY:

The Historic Resources Board consists of five members appointed by Council, with powers and duties to administer the City's historic preservation program. City Council has requested to review the current qualifications for members of the Historic Resources Board (HRB), and consider amending the qualifications in order to expand the pool of applicants in order to fill vacancies. Currently, the HRB has one (1) unfilled vacancy, and it has been challenging to fill the vacancy based on the current City Code's requirements for applicants.

Carmel-by-the-Sea [City Code Chapter 2.74.010 \(B\)](#) "Historic Resources Board" lists the qualifications for Members of the Historic Resources Board, which are as follows:

B. Board Member Qualifications.

- 1. Members of the Board shall have demonstrated interest in and knowledge of architectural history, architecture, archaeology, anthropology, paleontology, architecture, historic architecture, local history or fields related to historic preservation such as construction, planning, geography, landscape architecture, urban design, ethnography, fine arts, or real estate.*
- 2. The Board shall be comprised of three professional members, consisting of one member each, from the following combined fields: (1) history, architectural history, or urban design, (2) architecture or historic architecture, and (3) archaeology, anthropology, or paleontology. The remaining two public members may represent any of the related historic preservation fields noted above.*

3. All members shall be residents and electors of the City, except in the event that no resident with the requisite expertise needed for a professional member can be found. In such case one professional member appointee may reside outside the City limits but within the sphere of influence. In any event, a majority of the Board shall at all times be composed of resident-electors of the City and all public members shall at all times be resident-electors.

4. If professional members with the required expertise cannot be found, the City Council may substitute one or more additional public members with a demonstrated interest in historic preservation.

OPTION 1:

- Council may consider amending the qualifications and expand the pool of applicants, to include applicants from people who live outside of Carmel-by-the-Sea, but owns a business within the City limits, and is an active member of the development community. An Ordinance would be required to amend City Code Ch. 2.74.010 (B)(3). A possible amendment could read:

“All members shall be residents and electors of the City, except in the event that no resident with the requisite expertise needed for a professional member can be found. In such case ~~one~~ up to two professional member appointees may either 1) reside outside the City limits but within the sphere of influence, or, 2) live outside of the sphere of influence if they own a business within the City of Carmel-by-the-Sea and are active in the development community. In any event, a majority of the Board (3 Members) shall at all times be composed of resident-electors of the City of Carmel-by-the-Sea and all public no more than 2 members shall reside outside sphere of influence.”

OPTION 2:

- Council may consider amending the qualifications for HRB in some other manner, and direct staff to return with an Ordinance.

OPTION 3:

- Council may choose not to amend the qualifications for HRB, and direct staff to re-open the application period for HRB until a qualified candidate is appointed.

FISCAL IMPACT:

No direct fiscal impact for this item.

PRIOR CITY COUNCIL ACTION:

On June 1, 2021, Council adopted Ordinance 2021-001, Amending Sections 2.28.030, 2.28.060, 2.32.030, 2.36.030, 2.72.030, and 2.74.010 of the Carmel-by-the-Sea Municipal Code related to timing of Board and Commission appointments and updating the Community Activities Commission mission statement.

ATTACHMENTS:



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
ORDERS OF BUSINESS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Nova Romero, City Clerk
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Discussion on rescinding Urgency Ordinance 2022-002 - Adopting Rules of Conduct for attending meetings of Legislative Bodies at City Facilities

RECOMMENDATION:

Hold a discussion on rescinding Urgency Ordinance 2022-002 - Adopting Rules of Conduct for attending meetings of Legislative Bodies at City Facilities, and provide direction to staff.

BACKGROUND/SUMMARY:

The City of Carmel-by-the-Sea ("City") is authorized by Article XI, Section 7 of the California Constitution to make and enforce all regulations and ordinances using its police powers.

The California Emergency Services Act (California Government Code Section 8550, et. seq.) defines a local emergency as *"the existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a city, caused by conditions such as an epidemic, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of a city, and require the combined forces of other political subdivisions to combat"*.

Section 2.64.020 of the City Municipal Code defines "emergency" as the *"actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within this City caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, earthquake, or other conditions, including conditions resulting from war or imminent threat of war, but other than conditions resulting from a labor controversy, which conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of this City, requiring the combined forces of other political subdivisions to combat"*.

Government Code section 37359 allows cities to "limit the access or use [of city-owned property] in area or time or in any reasonable manner deemed necessary" and enforce such limitations through trespass law.

In December 2019, reports began spreading worldwide about a flu-like virus first found in China that was significantly more deadly than the flu generally, with the virus becoming known as the Coronavirus ("COVID-19").

The federal Centers for Disease Control and Prevention (“CDC”) has confirmed thousands of cases of individuals who have severe respiratory illness caused by COVID-19, as well as deaths caused by this illness.

On or about March 4, 2020, as part of the State of California’s response to address the global COVID-19 outbreak, Governor Gavin Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19.

On March 6, 2020, the County Administrative Officer of Monterey County proclaimed a Local Emergency due to the threat of COVID-19 in the County.

On March 11, 2020, the World Health Organization (“WHO”) classified the spread of COVID-19 internationally as a global pandemic.

On March 12, 2020, the City Administrator of the City of Carmel-by-the-Sea, acting in his capacity as the Director of Emergency Services for the City, declared the existence of a local emergency within the City due to COVID-19.

On March 13, 2020, the City Council adopted Resolution 2020-021 ratifying the City Administrator’s Proclamation of the Existence of a Local On March 13, 2020, the City Council adopted Resolution 2020-021 ratifying the City Administrator’s Proclamation of the Existence of a Local Emergency Due to the Worldwide Spread of the Coronavirus (“COVID-19”).

In the absence of actions to mitigate the spread of COVID-19, County wide health services may become overwhelmed and unable to keep up with medical demand for care and availability of hospital or care facility capacity.

In order to mitigate the spread of COVID-19, it is necessary for the immediate preservation of the public peace, health and safety to adopt rules of conduct at City facilities.

On February 28, 2022, the City Council adopted Urgency Ordinance No. 2022-001 adopting rules of conduct at City Facilities. During that meeting, City Administrator Chip Rerig advised the Council that the Urgency Ordinance would be applied only for meetings of Legislative Bodies and the proposed First Amendment to the Urgency Ordinance includes such provisions.

On April 4, 2022, the City Council adopted Urgency Ordinance No. 2022-002, amending the rules of conduct at City Facilities.

The current Rules of Conduct for Attending Meetings of Legislative Bodies at City Facilities are as follows:

Section 7. Rules of Conduct for Attending Meetings of Legislative Bodies at City Facilities. It is hereby ordered and ordained that the following rules of conduct shall apply to attendance at meetings of Legislative Bodies at City facilities, as defined herein:

7.1 City Facility. For purposes of this First Amendment to Urgency Ordinance, the term “City Facility” or “City Facilities” means City Hall and any other property owned by the City where there is a meeting held of a Legislative Body.

7.2. Legislative Body. For purposes of this First Amendment to Urgency Ordinance, the term "Legislative Body" means the City Council, Planning Commission, Forest and Beach Commission, Historic Resources Board, Harrison Memorial Library Board of Trustees, Community Activities Commission and the Building Code Board of Appeals.

7.3 Vaccination against COVID-19. No person shall be permitted to enter or remain in a City Facility at a meeting of a Legislative Body unless that person has been fully vaccinated against COVID-19. The term "fully vaccinated" means the person has been vaccinated against COVID-19 and received a booster. Persons shall not be permitted to enter a City Facility unless they first present proof to an authorized City employee that they are fully vaccinated.

7.4 Face Covering. No person shall be permitted to enter or remain in City Facility at a meeting of a Legislative Body unless that person wears a face covering which covers both the mouth and nose at all times. Upon request, the City will provide anyone seeking to enter City Facility to attend a meeting of a Legislative Body with a face covering if they do not have one.

7.5 If anyone is unable or unwilling to comply with the requirements of this Section 7, they may attend the meeting remotely in the manner described in the Agenda posted for the meeting.

7.6 Due to the size of the City Council chambers, and in order to maintain social distancing, 27 members of the public will be allowed in the Chamber at any one time with seats being available on a first come first served basis. All others will need to wait outside of the building for their turn to speak during public comments or they may instead attend the meeting remotely.

Discussion:

Since the adoption of Urgency Ordinance 2022-002, the Monterey County Health Department has deferred guidance on masking in Monterey County to the California Department of Public Health. The newest guidance from the California Department of Public Health (CDPH) goes into effect on September 23, 2022 (attachment 1).

The new CDPH guidance, effective September 23, 2022, says:

Masking recommendations in general community settings, including public transit and transit hubs:

Earlier this year, California announced the release of the state's SMARTER Plan, the next phase of California's COVID-19 response. While state and local leaders must continue to prepare for the future, California's path forward will be predicated on individual, smarter actions, that will collectively yield better outcomes for our neighborhoods, communities, and state. Consistent with the SMARTER Plan, California is shifting its masking recommendations to a framework intended to provide information and recommendations that each Californian should consider based on the unique circumstances happening within their own community and county.

The levels included in this framework are based on CDC COVID-19 Community Levels released in March 2022 as well as consideration of metrics based on California's historical data.

Persons should use information about the current COVID-19 Community Levels (CCLs) in their county to decide which prevention behaviors to use and when (at all times or at specific times), based on their own risk for severe illness and that of members of their household, their risk tolerance, and setting-specific factors. CCLs are based on hospitalization rates, hospital bed occupancy, and COVID-19 incidence during the preceding period. At all CCLs (low, medium, and high), CDPH continues to strongly recommend that all persons:

- *Stay up to date with COVID-19 vaccination, including all primary series doses and boosters.*
- *If you've been exposed, wear a mask for 10 days.*
- *Stay home when sick and know what to do if you have been infected with COVID-19, including seeking treatment early.*
- *Test if you are sick or have been exposed to someone with COVID-19.*
- *Improve ventilation and air quality in their setting.*
- *Wash hands regularly.*
- *Sign up for CA Notify to receive alerts when you have been in close contact with someone who tests positive for COVID-19.*

Despite what level your community may be in, masks that offer the best fit and filtration (e.g., N95s, KN95s, KF94s), are highly recommended, and remain a critical component of our multi-layered approach for protection against COVID-19 infection. A series of cross-sectional surveys in the U.S. suggested that a 10% increase in self-reported mask wearing tripled the likelihood of slowing community transmission.[1]Our recently published case-control study conducted in California from February 18 to December 1, 2021 demonstrated that consistently wearing a face mask or respirator in indoor public settings reduces the risk of acquiring SARS-CoV-2 infection.[2]. Masks also remain a critical component for protecting those that are most vulnerable in our communities, including the unvaccinated, the immunocompromised, or those at risk for severe disease and illness.

Based on the City Council's direction, staff will return with an Ordinance rescinding Urgency Ordinance 2022-002, or, return with an Ordinance to repeal and replace Ordinance 2022-002 with updated rules of conduct for attending meetings of legislative bodies at City facilities to keep our community and members of the public safe.

FISCAL IMPACT:

No direct fiscal impact for this action.

PRIOR CITY COUNCIL ACTION:

On March 13, 2020, the City Council adopted Resolution 2020-021 ratifying the City Administrator's Proclamation of the Existence of a Local Emergency Due to the Worldwide Spread of the Coronavirus ("COVID-19").

On February 28, 2022, the City Council adopted Urgency Ordinance No. 2022-001 adopting rules of conduct at City Facilities. During that meeting, City Administrator Chip Rerig advised the Council that the Urgency Ordinance would be applied only for meetings of Legislative Bodies and the proposed First Amendment to the Urgency Ordinance includes such provisions.

On April 4, 2022, the City Council adopted Urgency Ordinance No. 2022-002, amending the rules of

conduct at City Facilities.

ATTACHMENTS:

Attachment 1) CDPH Masking Guidelines Effective 9-23-22



State of California—Health and Human
Services Agency
**California Department of
Public Health**



GAVIN NEWSOM
Governor

September 20, 2022

TO: All Californians

SUBJECT: Guidance for the Use of Face Masks



Note: This guidance takes effect on 9/23/2022. View the current guidance effective until 9/23/2022.

Related Materials: [Masking Q&A](#) | [Masking Fact Sheet \(PDF\)](#) | [Face Mask Tips and Resources](#) | [Face Shields Q&A \(PDF\)](#) | [Safe Schools for All Hub](#) | [More Home & Community Guidance](#) | [All Guidance](#) | [More Languages](#)

Updates as of September 20, 2022:

- Shifts from a strong recommendation for the general population, in all indoor settings at all times to use of CDC Community Levels to help inform masking recommendations, which is consistent with August 11th CDC updated recommendations
- Aligns **correctional facilities** with current CDC recommendations (CDC updated guidance on May 3rd) which notes that correctional facilities may make masks optional when CDC community levels are low.
- Aligns recommendations for **homeless shelters, emergency shelters** and **cooling centers** to the above recommendation for correctional facilities, i.e., also shifts from requirements to masking recommendations in these settings when CDC community levels are low
- Updated guidance is effective September 23, 2022.

Guidance For the Use of Masks

Background

California has used science to guide our health protection strategies throughout the pandemic. Data show that because of these strategies, we have saved lives. This is due in large part to the collective efforts of Californians to get vaccinated, get boosted, and wear masks indoors.

A universal indoor masking requirement was reinstated on December 15, 2021, to add a layer of mitigation as the Omicron variant, a Variant of Concern as labeled by the World Health Organization, increased in prevalence across California, the United States, and the world and spread much more easily than the original SARS-CoV-2 virus and

Attachment 1
the Delta variant. Implementing the universal masking requirement in all indoor public settings during the winter season was an important tool to decrease community transmission and protect critical healthcare system capacity during the highly infectious Omicron surge. Since the peak in case rates during the Omicron surge in early January 2022, the dramatic surge in cases and hospitalizations due to the highly infectious Omicron variant has declined significantly. Californians have also become increasingly knowledgeable about how to protect themselves and their loved ones with effective masks when they may be at risk of COVID-19 exposure or transmission. Accordingly, CDPH amended this masking guidance to allow the universal indoor masking requirement to expire on February 15, 2022 as scheduled.

On March 1, 2022, the requirement for unvaccinated persons to mask in indoor public settings and businesses was replaced by a strong recommendation that all persons, regardless of vaccine status, mask in indoor public settings and businesses (examples: retail, restaurants, theaters, family entertainment centers, meetings, state and local government offices serving the public). Additionally, after March 11, 2022, the universal masking requirement for K-12 and Childcare settings terminated.

On April 20, 2022, the universal masking requirement on public transit and in transit hubs was replaced by strong recommendations that individuals in these settings continue to mask while on public transit and indoors in transit hubs to continue protecting our most vulnerable and those communities disproportionately impacted by COVID-19.

Masking recommendations in general community settings, including public transit and transit hubs:

Earlier this year, California announced the release of the state's SMARTER Plan, the next phase of California's COVID-19 response. While state and local leaders must continue to prepare for the future, California's path forward will be predicated on individual, smarter actions, that will collectively yield better outcomes for our neighborhoods, communities, and state. Consistent with the SMARTER Plan, California is shifting its masking recommendations to a framework intended to provide information and recommendations that each Californian should consider based on the unique circumstances happening within their own community and county.

The levels included in this framework are based on CDC COVID-19 Community Levels released in March 2022 as well as consideration of metrics based on California's historical data.

Persons should use information about the current COVID-19 Community Levels (CCLs) in their county to decide which prevention behaviors to use and when (at all times or at specific times), based on their own risk for severe illness and that of members of their household, their risk tolerance, and setting-specific factors. CCLs are based on hospitalization rates, hospital bed occupancy, and COVID-19 incidence during the preceding period. At all CCLs (low, medium, and high), CDPH continues to strongly recommend that all persons:

- Stay up to date with COVID-19 vaccination, including all primary series doses and boosters.
- If you've been exposed, wear a mask for 10 days.
- Stay home when sick and know what to do if you have been infected with COVID-19, including seeking treatment early.
- Test if you are sick or have been exposed to someone with COVID-19.
- Improve ventilation and air quality in their setting.
- Wash hands regularly.
- Sign up for CA Notify to receive alerts when you have been in close contact with someone who tests positive for COVID-19.

Despite what level your community may be in, masks that offer the best fit and filtration (e.g., N95s, KN95s, KF94s), are highly recommended, and remain a critical component of our multi-layered approach for protection against COVID-19 infection. A series of cross-sectional surveys in the U.S. suggested that a 10% increase in self-reported mask wearing tripled the likelihood of slowing community transmission.[1] Our recently published case-control study conducted in California from February 18 to December 1, 2021 demonstrated that consistently wearing a face mask or respirator in indoor public settings reduces the risk of acquiring SARS-CoV-2 infection.[2]. Masks also remain a critical component for protecting those that are most vulnerable in our communities, including the unvaccinated, the immunocompromised, or those at risk for severe disease and illness.

CDC COVID-19 Community Level	CDPH recommended actions
<p>Low</p> <p>There is lower community spread and impact on healthcare system of COVID-19</p>	<p>Everyone:</p> <p>People can wear a mask based on personal preference, informed by their own personal level of risk.</p> <p>Vulnerable people*:</p> <p>Consider wearing a mask in crowded indoor public places. Ensure your mask provides the best fit and filtration (respirators like N95s, KN95s and KN94s are best).</p> <p>If you are a vulnerable person* or live with a vulnerable person*, consider taking additional precautions.</p>
<p>Medium</p> <p>There is medium community spread and impact on healthcare system of COVID-19</p>	<p>Everyone:</p> <ul style="list-style-type: none"> • Consider wearing a mask in indoor public places. Ensure your mask provides the best fit and filtration (respirators like N95, KN95 and KN94 are best). <p>Vulnerable people*:</p> <ul style="list-style-type: none"> • Wearing a mask is recommended in crowded indoor public places. Ensure your mask provides the best fit and filtration (respirators like N95s, KN95s and KN94s are best). <p>If you have household or social contact with a vulnerable person*, wearing a mask is recommended when indoors with them</p>

<p>High</p> <p>There is high community spread and impact on healthcare system of COVID-19</p>	<p style="text-align: right;">Attachment 1</p> <p>Everyone:</p> <ul style="list-style-type: none"> Wearing a mask is recommended in indoor public places. Ensure your mask provides the best fit and filtration (respirators like N95, KN95 and KN94 are best). <p>Vulnerable people*:</p> <ul style="list-style-type: none"> Wearing a mask is strongly recommended in indoor public places. Ensure your mask provides the best fit and filtration (respirators like N95s, KN95s and KN94s are best). <p>If you have household or social contact with a vulnerable person*, wearing a mask is recommended when indoors with them.</p>
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*Those that are vulnerable include the unvaccinated, those that are immunocompromised, have certain disabilities, or have underlying health conditions, and those at risk of severe illness or death if they are infected with COVID-19. Such persons should consider taking extra precautions.

Vaccination continues to remain the ultimate exit strategy out of the COVID-19 pandemic. While the percentage of Californians fully vaccinated and boosted continues to increase, we continue to have areas of the state where vaccine coverage is low, putting individuals and communities at greater risk for COVID-19. As a state, we need to remain vigilant.

Masking Requirements in Specified High-Risk Settings

The CDC COVID-19 Community Levels can also be used to define the level of recommended mitigation strategies for certain settings.

Accordingly, CDPH is updating its masking requirements in specified high-risk settings, consistent with current CDC recommendations. These changes shall become effective September 23, 2022. CDC has noted that CDC COVID-19 Community Levels do not apply in healthcare settings, such as hospitals and skilled nursing facilities. CDPH will continue to monitor the science and current CDC recommendations to ensure we continue protecting our most vulnerable populations and the workforce that delivers critical services in these settings.

In the following healthcare and long-term care indoor settings, masks are required for all individuals regardless of vaccination status. Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are highly recommended.

- Healthcare settings[3] (applies to all healthcare settings)*
- Long Term Care Settings & Adult and Senior Care Facilities[4]

In the following non-healthcare indoor settings, facilities may use the CDC COVID-19 Community Levels to determine the level of masking requirements within their facility.

- Homeless shelters[5], Emergency shelters[6] and cooling and heating centers[7]
- State and local correctional facilities and detention centers[8]

1) When the COVID-19 Community Level is low, masking may be optional:

- Only in **non-clinical areas** (such as in housing units, communal dining areas, visitation areas, and in administrative areas where only staff may have access), **and**

2. When there have been no outbreaks (defined as three suspected, probable, or confirmed COVID-19 cases within a 14-day period among epidemiologically linked residents and/or staff) in the entire facility or within separated, closed subunits that do not allow for mixing of those residents or staff with the general population.

Facilities should make surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit available at all times to any residents and staff who would like to use them based on their personal preference.

- 2) When the COVID-19 Community Level is medium or high, facilities must maintain or reinstate universal masking requirements for all staff and residents, regardless if there are no outbreaks within the facility.

Universal masking of all staff and residents, regardless of vaccination status and Community Level, is required in all clinical areas (or when any healthcare is being delivered), including isolation and quarantine areas, or any other areas that are covered by other specified high-risk settings.

*In certain healthcare situations or settings surgical masks (or higher filtration masks) are required. In workplaces, employers and employees are subject to either the CalOSHA COVID-19 Emergency Temporary Standards (ETS) or the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard and should consult those regulations for additional applicable requirements.

Additional Masking Requirements

Finally, CDPH is maintaining the requirement that businesses and venue operators, including K-12 school and childcare settings, must allow any individual to wear a mask if they desire to.

In workplaces, employers and employees are subject to either the CalOSHA COVID-19 Emergency Temporary Standards (ETS) or the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard and should consult those regulations for additional applicable requirements.

Local health jurisdictions and entities may continue to implement additional requirements that go beyond this statewide guidance based on local circumstances.

These requirements and recommendations will continue to be updated as CDPH continues to assess conditions on an ongoing basis.

For additional information on the most effective types of masks and ensuring a well-fitted mask for adults, individuals should refer to CDPH Get the Most out of Masking and see CDPH Masking Guidance Frequently Asked Questions. For additional information on the most effective types of masks and ensuring a well-fitted mask for children, individuals should refer to CDPH Masks for Kids: Tips and Resources.

Guidance for Businesses, Venue Operators or Hosts

When CDC COVID-19 Community levels are medium or high, businesses, venue operators or hosts should consider:

- Providing information to all patrons, guests and attendees regarding masking recommendations for all persons, regardless of vaccine status.
- Providing information to all patrons, guests and attendees to consider better fit and filtration for masks [Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are recommended over cloth masks].
- Requiring all patrons to wear masks, especially when risk in the community may be high, or if those being served are at high-risk for severe disease or illness.
- Requiring attendees who do not provide proof of vaccination to enter indoor Mega Events to continue masking during the event, especially when not actively eating or drinking.

No person can be prevented from wearing a mask as a condition of participation in an activity or entry into a business. Attachment 1

Exemptions to masks requirements

The following **individuals** are exempt from wearing masks at all times:

- Persons younger than two years old. Very young children must not wear a mask because of the risk of suffocation.
- Persons with a medical condition, mental health condition, or disability that prevents wearing a mask. This includes persons with a medical condition for whom wearing a mask could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a mask without assistance.
- Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
- Persons for whom wearing a mask would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.

[1] Rader B, White LF, Burns MR, et al. Mask-wearing and control of SARS-CoV-2 transmission in the USA: a cross-sectional study. *The Lancet Digital Health*. 2021;3(3):e148–e157.

[2] Andrejko KL, Pry JM, Myers JF, et al. Effectiveness of Face Mask or Respirator Use in Indoor Public Settings for Prevention of SARS-CoV-2 Infection — California, February–December 2021. *MMWR Morb Mortal Wkly Rep*. ePub: 4 February 2022

[3] CDC Interim Infection Prevention and Control Recommendations for Healthcare Personnel During the Coronavirus Disease 2019 (COVID-19) Pandemic

[4] CDC Nursing Homes and Long-Term Care Facilities

[5] CDC Interim Guidance for Homeless Service Providers to Plan and Respond to Coronavirus Disease 2019 (COVID-19)

[6] CDC's Interim Guidance for General Population Disaster Shelters During the COVID-19 Pandemic

[7] CDC COVID-19 and Cooling Centers

[8] CDC Interim Guidance on Management of Coronavirus Disease 2019 (COVID-19) in Correctional and Detention Facilities

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California Department of Public Health
PO Box, 997377, MS 0500, Sacramento, CA 95899-7377
Department Website (cdph.ca.gov)





CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
PUBLIC HEARINGS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Maxine Gullo, Ass't. City Administrator

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Introduction of Ordinance No. 2022-003 (First Reading) - Amending Municipal Code Section 2.52.630 pertaining to eligibility for new hires to use accrued vacation leave in the first year of employment

RECOMMENDATION:

Waive the reading in full and introduce, on first reading, Ordinance 2022-003 Amending Municipal Code Section 2.52.630 pertaining to eligibility for new hires to use accrued vacation leave in the first year of employment.

BACKGROUND/SUMMARY:

The City Council for the City of Carmel-by-the-Sea (City) recently approved Memoranda of Understanding (MOUs) with general and management employees represented by the Laborers' International Union of North America, United Public Employees of California (LiUNA/UPEC) for the period from July 1, 2022 through June 30, 2024 at the September 13, 2022 council meeting. During the negotiation process, the City agreed to recommend that the Council amend Section 2.52.630 to permit employees in their first year of City employment to use accrued vacation. The City recently hired 31.0 new employees who would otherwise not be entitled to use accrued vacation time during the upcoming holiday closure approved by Council.

Accordingly, the City believes it is appropriate to remove the requirement of completing one year of continuous service as a condition for using accrued vacation for all City employees under Section 2.52.630.

FISCAL IMPACT:

Vacation leave usage is budgeted as standard operating costs in the operating budget.

PRIOR CITY COUNCIL ACTION:

N/A

ATTACHMENTS:

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

ORDINANCE NO. 2022-003

AN ORDINANCE AMENDING SECTION 2.52.630 REGARDING ELIGIBILITY FOR NEW HIRES TO USE ACCRUED VACATION LEAVE IN THE FIRST YEAR OF EMPLOYMENT

WHEREAS, the City Council for the City of Carmel-by-the-Sea (City) recently approved Memoranda of Understanding (MOUs) with general and management employees represented by the Laborers' International Union of North America, United Public Employees of California (LiUNA/UPEC) for the period from July 1, 2022 through June 30, 2024; and

WHEREAS, in the MOUs between the City and LiUNA/UPEC the City agreed to recommend that the Council amend Section 2.52.630 to permit employees in their first year of City employment to use accrued vacation;

WHEREAS, the City believes it is appropriate to remove the requirement of completing one year of continuous service as a condition for using accrued vacation for all City employees under Section 2.52.630;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES ORDAIN AS FOLLOWS:

SECTION 1.

1. The City Council of the City of Carmel-by-the-Sea does hereby find that the above referenced recitals are true and correct and material to the adoption of this Ordinance.
2. The actions authorized by this Ordinance are consistent with the City's General Plan, and the terms of the City's MOUs with the groups represented by LiUNA/UPEC.

SECTION 2.

Section 2.52.630 is hereby amended to read:

An employee is eligible to use accrued vacation time starting from the first day of employment.

SECTION 3. Effective Date. This Ordinance shall take effect 30 days after its adoption by the City Council of the City of Carmel-by-the-Sea.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 4th day of October, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
PUBLIC HEARINGS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Katherine Wallace, Associate Planner

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: MA 22-204 (Prentiss): Consideration of a recommendation from the Historic Resources Board to the City Council that the City enter into a Mills Act Historical Property Contract MA 22-204 (Prentiss) with Amanda S. Prentiss and Matthew J. Mermer for the historic “Marion Daniels Shand House” located at Vizcaino Avenue 12 southwest of Mountain View Avenue (APN 010-055-021)

RECOMMENDATION:

Accept the recommendation of the Historic Resources Board, and Approve the Mills Act Historical Property Contract MA 22-204 (Prentiss) for the historic “Marion Daniels Shand House” located at Vizcaino Avenue 12 southwest of Mountain View Avenue (APN 010-055-021) and authorize the City Administrator to execute the contract.

BACKGROUND/SUMMARY:

The project site is located at Vizcaino Avenue 12 southwest of Mountain View Avenue in the Single Family Residential (R-1) Zoning District. The existing single-story residence was built in 1923 in the English Revival Style by San Jose contractors Floyd O. Bohnett and H.E. Clauser; a Moderne-style sunroom addition designed by Hugh Comstock was constructed in 1937. The building was constructed as a residence for original owner Marion Daniels, who married Arthur T. Shand in 1926 and became involved in his real estate business. Marion Daniels Shand was involved in local theatre and arts.

A Department of Parks and Recreation (DPR) Form 523A was completed for the property in 2022 by Seth Bergstein (Attachment 3, Exhibit B) and the resource was added to the Carmel Inventory on June 23, 2022. A Resolution Designating a Historic Resource for the property at Vizcaino 12 southwest of Mountain View Avenue was recorded with the County Recorder on June 28, 2022 (Document #2022028672).

On June 15, 2022, Amanda Prentiss, one of the property owners, submitted an application for a Mills Act Historical Property Contract. The Mills Act is an incentive program available to owners of historical resources listed on the Carmel Inventory and the local Register of Historic Resources. As noted above, the property was added to the Carmel Inventory in June, 2022. On August 15, 2022, the Historic Resources Board adopted Resolution 2022-007-HRB (Attachment 5), recommending that the City Council enter into a Mills Act Contract with Amanda S. Prentiss and Matthew J. Mermer for the historic “Marion Daniels Shand House.”

Contract Value

The Monterey County Assessor's Office is responsible for determining the value of a property under Mills Act Contract in accordance with sections 439 through 439.4 of the Revenue and Taxation Code. Properties with a Mills Act Contract are not valued based on sales data; rather they are valued by a prescribed income capitalization method (Attachment 6). After a Contract is approved, it is forwarded to the Monterey County Assessor who then determines the Mills Act value.

At previous Mills Act hearings, members of Council requested that staff obtain a preliminary calculation of Mills Act Contract values for the purposes of understanding the potential local tax revenue offset. A request was made to the Assessor's Office on August 16, 2022, and a response was received on August 17, 2022, informing the City that time constraints and process complexity make preliminary calculations by the Assessor infeasible. There is typically a 40% to 60% tax reduction for Mills Act properties. The 2022 tax bill for this property was \$23,859.78, with 6% of that amount going to the City's tax base (\$1,431.60); an estimated 50% reduction in property tax would lower the amount collected to \$11,929.89. Since the City receives 6% of the property tax collected by the County, granting the Mills Act Contract would also reduce the City's annual portion of property tax by an estimated 50% from \$1,431.60 to \$715.80.

STAFF ANALYSIS:

A Mills Act contract under State law is an agreement between the City of Carmel and a property owner of a historic building listed on the Carmel Register. In exchange for reduced property taxes, the property owner is contractually obligated to perform annual maintenance on the building. The property owner benefits from a reduction in property taxes. The City benefits from assurance, via contract, that the historic building is rehabilitated, maintained, and preserved with a portion of those property taxes that the city is giving up.

The primary purpose for offering Mills Act contracts in the City of Carmel-by-the-Sea is to assist in and ensure the rehabilitation or restoration and long-term maintenance of historic resources. All properties listed on the City's Historic Register in all districts that have been preserved in their historical size, form, and design without significant alterations are eligible for Mills Act contracts.

All Mills Act contracts have a term of 10 years, and one year is added to this term annually upon each anniversary date of the contract unless one or both parties (City and property owner) have taken action to terminate the contract. The City Administrator is authorized to initiate contract termination on behalf of the City based on recommendations of the Community Planning & Building Department. The contract rights and obligations are binding upon all successive owners of the property during the life of the contract. The property retains the lower Mills Act tax rate when sold. To end a contract, either party may submit a notice of non-renewal to the other party. Such notices shall cause the contract to terminate at the end of the then-current 10-year contract period. Cancellation of a contract by the City due to non-compliance requires a public hearing and, if canceled, results in the immediate termination of the contract and a penalty equal to 12.5 percent of the assessed market value of the property.

The contract requires that the historical elements of the property are maintained in good condition. This includes a plan for rehabilitation and maintenance and may include a program to restore deteriorated features. All recipients of Mills Act contracts are required to implement a rehabilitation/restoration and maintenance plan prepared by a qualified professional. An annual report is submitted to the Community Planning & Building Department specifying all work that has been done to maintain and preserve the historic resource over the year in compliance with the approved rehabilitation/restoration and maintenance plan. All rehabilitation/restoration and maintenance work must be completed in conformance with the Secretary of Interior's Standards for Rehabilitation. All Mills Act contracts must specify that the rehabilitation/restoration and maintenance plan shall be updated at least every ten years by a qualified professional and approved by both parties.

The Historic Resources Board considers each application for a Mills Act contract and provides a recommendation to the City Council to approve, approve with conditions, or deny the application.

The City Council considers the recommendations from the Historic Resources Board at a public hearing and resolves to approve, approve with conditions, or deny the proposed contract with sufficient time for action by the City Clerk so that recordation of approved contracts occurs before December 31st of the year in which the application is received.

Carmel Municipal Code Section 17.32.100.B.6(c) sets forth findings that the Historic Resources Board and City Council shall make in order to grant approval of a Mills Act Contract. The required findings are listed below followed by a staff response on whether the application meets the requirements.

1. *The building is designated as a historic resource by the City and is listed on the Carmel Register.*

Staff Response: A DPR 523A form was prepared by Seth Bergstein on June 8, 2022 (Attachment 3, Exhibit B), evaluating the property for historical significance and finding the property meets the criteria for listing as a local historic resource. The City added the property to the Carmel Inventory of Historic Resources on June 23, 2022. A Resolution Designating a Historic Resource for the property at Vizcaino Avenue 12 southwest of Mountain View Avenue was recorded with the Monterey County Recorder on June 28, 2022 (Instrument No.2007001127). On August 15, 2022, the Historic Resources Board adopted Resolution 2022-007-HRB adding the property to the Carmel Register. This application meets this finding.

2. *The proposed rehabilitation/restoration and maintenance plan is appropriate in scope and sufficient in detail to guide long-term rehabilitation/restoration and maintenance. Required maintenance and rehabilitation should be more significant than just routine maintenance that would be expected for any property.*

Staff Response: The proposed rehabilitation/restoration and maintenance plan (Attachment 4, Exhibit C) includes improvements that will protect the integrity of the resource. The plan covers a period of 10 years from 2023-2032. The plan includes rehabilitation and maintenance work which has been reviewed by Kent Seavey, a qualified architectural historian, and determined to be consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties. The work will include structural upgrades; building system upgrades; work on interior and exterior features; and hardscape and landscape work. All exterior work is subject to Design Study approval and a determination of consistency with the Secretary of the Interior's Standards for Rehabilitation. In total, the applicant estimates spending \$526,000 in rehabilitation and maintenance activities over the course of the 10-year contract period. The proposed Plan meets this finding.

3. *Alterations to the historic resource have been in the past, and will continue to be in the future, limited to interior work and to exterior rehabilitation and alterations that:*

- (A) *Comply with the Secretary's Standards (future additions only); and*
- (B) *Do not significantly alter, damage or diminish any primary elevation or character-defining feature; and*
- (C) *Do not increase floor area on the property by more than 15 percent beyond the amount established in the documented original or historic design of the resource; and*
- (D) *Do not result in any second-story addition to a single-story historic resource.*

Staff Response: As noted above, rehabilitation/restoration and maintenance work will be performed in conformance with the Secretary of Interior's Standards for Rehabilitation. Any future alterations are required to be consistent with conditions A-D above. Minor alterations may be approved by staff; however, major alterations would be evaluated by a qualified professional and presented to the Historic Resources Board for review. The application meets this finding.

4. *The Mills Act contract will aid in offsetting the costs of rehabilitating and maintaining the historic resource.*

Staff Response: Approval of the contract would assist in offsetting the rehabilitation/restoration and maintenance costs of preserving the "Marion Daniels Shand House" by reducing the tax liability on the property thereby freeing up funds for the rehabilitation over the next ten years. Some of the more notable work that is proposed to be accomplished within the first few years would include, termite mitigation; crawl space and attic repair; roof and chimney repair; electrical, heating, and plumbing work; fenestration rehabilitation; and landscape/hardscape work. The application meets this finding.

5. *Approval of the Mills Act contract will represent an equitable balance of public and private interests and will not result in substantial adverse financial impact on the City.*

Staff Response: Approval of the Mills Act Contract would be consistent with Goal 1-5 and Objective 1-16 of the Land Use & Community Character Element of the General Plan, which encourages providing incentives for property owners to preserve and rehabilitate historic resources. Although entering into a Mills Act Contract will decrease property tax revenue to the City, the financial impact would be minimal because:

- 1) The City Council adopted Resolution 2016-068 on September 13, 2016, limiting the number of Mills Act contracts that can be approved to fifteen (15) in any three-year calendar period. Two Mills Act Contracts have been approved in the last three years; one approval was granted in 2019 and one in 2022. The Council is considering a total of three contracts at this meeting which, if approved, would increase the total to five in the last three years.
- 2) Carmel currently has 284 historic resources, and since the adoption of the Mills Act program in 2004, the City has entered into a total of eleven Mills Act Contracts.
- 3) The City would continue to receive a portion of the property tax revenue, and the investment in rehabilitation and maintenance supports local tourism, which benefits both private and public interests.
- 4) The value of preserving the historic resource offsets the loss of property tax revenue.

FISCAL IMPACT:

The City will have a diminished tax base from the property at Vizcaino Avenue 12 southwest of Mountain View Avenue for the term of the contract. At previous Mills Act hearings, members of Council requested that staff obtain a preliminary calculation of Mills Act Contract values for the purposes of understanding the potential local tax revenue offset. A request was made to the Assessor's Office on August 16, 2022, and a response was received on August 17, 2022, informing the City that time constraints and process complexity make preliminary calculations by the Assessor infeasible. There is typically a 40% to 60% tax reduction for Mills Act properties. The 2022 tax bill for this property was \$23,859.78, with 6% of that amount going to the City's tax base (\$1,431.60); an estimated 50% reduction in property tax would lower the amount collected to \$11,929.89. Since the City receives 6% of the property tax collected by the County, granting the Mills Act Contract would also reduce the City's annual portion of property tax by an estimated 50% from \$1,431.60 to \$715.80.

PRIOR CITY COUNCIL ACTION:

On March 3, 2020, the City Council adopted standard contract language for Mills Act Contracts.

ATTACHMENTS:

Attachment 1) Standard Mills Act Contract, with exhibits

Attachment 2) Exhibit A - Legal Description

Attachment 3) Exhibit B - DPR 523A Form

Attachment 4) Exhibit C - Maintenance Plan

Attachment 5) Resolution 2022-007-HRB

Attachment 6) Guidelines for the Assessment of Enforceably Restricted Historical Property

RECORDING REQUESTED BY
CITY OF CARMEL-BY-THE-SEA

AND WHEN RECORDED MAIL TO

Carmel City Hall
Attn: Community Planning & Building
P.O. Box CC
Carmel-By-The-Sea, CA 93921

This space reserved for the Recorder's use only

**CITY OF CARMEL-BY-THE-SEA
MILLS ACT HISTORIC PROPERTY PRESERVATION CONTRACT**

THIS AGREEMENT is made and entered by and between the CITY OF CARMEL-BY-THE-SEA a municipal corporation (hereinafter referred to as "City"), and Matthew J. Mermer and Amanda S. Prentiss (hereinafter referred to as "Owner").

RECITALS

- (i) California Government Code Section 50280, et seq. (known as the Mills Act) authorizes cities to enter into contracts with the owners of qualified historic properties to provide for their appropriate use, maintenance and restoration such that these historic properties retain their historic characteristics;
- (ii) The Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, located at Vizcaino Avenue 12 southwest of Mountain View Avenue (APN: 010-055-021), Carmel-By-The-Sea, California, (hereinafter referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as "**Exhibit A**" and is incorporated herein by reference;
- (iii) The property is identified as a historic resource on the City of Carmel-By-The-Sea's Historic Inventory and Register of Historic Resources and is further described in the DPR 523A Form attached hereto, marked as "**Exhibit B**" and is incorporated herein by reference;
- (iv) City and Owner, for their mutual benefit, now desire to enter into this Agreement both to protect and preserve the characteristics of historical significance of the Historic Property, as it exists at the date of this contract and as described in the City's Register of Historic Resources and the National Register of Historic Places, and to qualify the Historic Property for an assessment of valuation pursuant to the provisions of Article 1.9 (commencing with section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

NOW, THEREFORE, City and Owner, in consideration of the mutual covenants and conditions contained herein, do hereby agree as follows:

1. **INCORPORATION OF RECITALS.** All recitals are incorporated into this Agreement.
2. **EFFECTIVE DATE AND TERM.** This Agreement shall be effective and commence on the date the Agreement is signed by the City, unless otherwise indicated by the County of Monterey, and shall remain in effect for a minimum term of ten (10) years thereafter.
3. **AUTOMATIC RENEWAL.** Each year, upon the anniversary of the effective date of this Agreement (hereinafter referred to as “annual renewal date”), one (1) year shall be added automatically to the term of this Agreement, unless timely notice of nonrenewal is given as provided in paragraph 4 of this Agreement. The total length of the contract shall not exceed twenty (20) years.
4. **NOTICE OF NONRENEWAL.** If City or Owner desires in any year not to renew this Agreement, that party shall serve written notice of nonrenewal in advance of the annual renewal date of this Agreement as follows: Owner must serve written notice of nonrenewal at least ninety (90) days prior to the annual renewal date; City must serve written notice of the nonrenewal at least sixty (60) days prior to the annual renewal date. If notice is not received, the Agreement shall automatically be renewed for another year. Upon receipt by Owner of a notice of nonrenewal from the City, Owner may make a written protest. At any time prior to the annual renewal date, City may withdraw its notice of nonrenewal.
5. **EFFECT OF NOTICE OF NONRENEWAL.** If either City or Owner serves timely notice of nonrenewal in any year, and this contract is not renewed, this Agreement shall remain in effect shall remain in effect for the balance of the period remaining since the original execution or the last annual renewal date.
6. **FEES.** The City may require that the Owner(s) of the Historic Property pay a fee that shall not exceed the reasonable cost of providing services, such as inspections, pursuant to Government Code Section 50281.1 (Article 12 of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code), for which the fee is charged.
7. **VALUATION OF PROPERTY.** During the term of this Agreement, Owner is entitled to seek assessment of valuation of the Historic Property pursuant to the provisions of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.
8. **PRESERVATION OF PROPERTY.** Owner shall preserve and maintain the characteristics of historical significance of the Historic Property and agrees to complete rehabilitation and/or maintenance activities as defined in the Rehabilitation/Restoration and

Maintenance Plan attached as **“Exhibit C”**. Requests for revisions to the Maintenance and Rehabilitation plan shall be reviewed by the Historic Resources Board prior to implementation. In addition, Owner shall comply with the terms of the City’s Historic Preservation Ordinance (CMC 17.32). Owners shall not be permitted to further impede any view corridor with any new structure, including but not limited to walls, fences, or shrubbery, so as to prevent the viewing of the Historic Property from the public right-of-way.

9. **RESTORATION OF PROPERTY.** Owner shall, where necessary, restore and rehabilitate the Historic Property to conform to the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation, U. S. Secretary of the Interior’s Standards for Rehabilitation, the State Historical Building Code, and the City of Carmel-by-the-Sea, all as amended.
10. **INSPECTIONS.** Owner shall allow periodic examinations, at least every five (5) years, with reasonable notice thereof, of the interior and exterior of the Historic Property by representatives of the County of Monterey Assessor and the City of Carmel-By-The-Sea as may be necessary to determine Owner’s compliance with the terms and provisions of this Agreement. The City will coordinate inspections by such other agencies that have jurisdiction and will keep them to the minimum necessary to determinate such compliance.
11. **PROVISION OF INFORMATION.** Owner shall furnish City with any and all information required by City, in order to determine the eligibility of the Historic Property, and that City deems necessary or advisable to determine compliance with the terms and provisions of this Agreement.
12. **ANNUAL REPORT.** Owner shall submit an annual report at least 90 days prior to each annual renewal date (October 1st) to the Department of Planning and Building specifying all work that has been done to maintain and preserve the historic resource over the preceding year in compliance with the approved maintenance plan.
13. **CANCELLATION.** The City has the right to cancel the contract if the owner allows the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. The City also has the right to cancel this contract if the owner(s) breaches the provisions of paragraph’s # 8, 9, 10 or 12 of this Agreement after the City has provided reasonable notice of any failure to comply with the agreement, and a public hearing. Notice of the hearing shall be mailed to the last known address of each owner of the property, with the notice conforming to the provisions of Government Code section 6061., If after notice and a hearing, the contract is cancelled, termination of the Agreement is immediate, and the owner shall pay a cancellation fee equal to 12.5 percent of the current fair market value of the property, as determined by the Monterey County Assessor as though the property were free of the contractual restriction. The cancellation fee shall be paid to the Assessor, at the time and in the manner that the

Assessor shall prescribe. City's right to cancel this Agreement pursuant to this paragraph shall in no way limit or restrict its rights or legal remedies arising from City's Historic Preservation Ordinance and Municipal Code.

14. **ENFORCEMENT OF AGREEMENT.** In lieu of and/or in addition to any provisions to cancel this Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement.
15. **WAIVER.** City does not waive any claim or default by Owner if City does not enforce or cancel this Agreement. All remedies at law or in equity, which are not otherwise provided for this Agreement or in City's regulations governing historic properties are available to City to pursue in the event there is a breach of this Agreement. No waiver by City of any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.
16. **BINDING EFFECT OF AGREEMENT.** Owner hereby subjects the Historic Property to the covenants, reservations and restrictions set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations, and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon Owner's successors and assigns in title or interest to the Historic Property. A successor in interest shall have the same rights and obligations under this Agreement as the original owner who executed the Agreement. Each and every contract, deed or other instrument hereinafter executed, governing or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions expressed in this Agreement regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that it restricts development of the Historic Property. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the cultural and historic characteristics and significance of the Historic Property for the benefit of the public and Owner.
17. **NOTICE.** Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below, by personal delivery or United States mail, postage prepaid, addressed as follows:

City: Carmel-By-The-Sea
 Community Planning & Building Department
 Attn: Community Planning & Building Director
 P.O. Box CC
 Carmel-By-The-Sea, CA 93921

Owner: Matthew J. Mermer and Amanda S. Prentiss
834 7th Street
Boulder, CA, 80302

Notice to successors in interest to either party shall be sent to the appropriate address. In the case of future Owner(s) of the Historic Property, notice shall be sent to the address on file with the county property tax office in power at the time.

18. **RECORDATION.** No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the Office of the County Recorder of the County of Monterey. From and after the time of the recordation, this Agreement shall impart a notice thereof to all persons as is afforded under state law.
19. **STATE LAW.** The Owner or agent of Owner shall provide written notice of this Agreement to the State Office of Historic Preservation within six (6) months of the date of this Agreement.
20. **GOVERNING LAW; VENUE.** This Agreement shall be constructed and governed in accordance with the laws of the State of California. Should either party to this agreement bring legal action against the other, the case shall be handled in Monterey County, California and the party prevailing in such action shall be entitled to a reasonable attorney fee which shall be fixed by the judge hearing the case and such fee shall be included in the judgment together with all costs.
21. **AMENDMENTS.** This agreement may be amended in whole or in part, only by a written-recorded instrument executed by the parties hereto.
22. **DESTRUCTION OF PROPERTY; EMINENT DOMAIN; CANCELLATION.** If the Historic Property is destroyed by earthquake, fire, flood, or other natural disaster such that in the opinion of the City Building Official more than sixty percent (60%) of the original fabric of the structure must be preplaced, this Agreement shall be cancelled because the historic value of the structure will have been destroyed. If the Historic Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City Council to frustrate the purpose of this Agreement, this Agreement shall be cancelled. No cancellation fee pursuant to Government Code Section 50286 shall be imposed if the Agreement is cancelled pursuant to this paragraph. Such Agreement shall be null and void for all purposes of determining the value of the property so acquired.
23. **INDEMNIFICATION.** Owner shall defend, indemnify, and hold harmless City and its elected officials, officers, agents and employees from any actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any

federal, state or local government agency, arising out of or incident to the direct or indirect use, operation, or maintenance of the Historic Property by Owner or any contractor, subcontractor, employee, agent, lessee, licensee, invitee, or any other person; (ii) Owner’s activities in connection with the Historic Property; and (iii) any restriction on the use of development of the Historic Property, from application or enforcement of the City’s Municipal Code, or from the enforcement of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of the City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. Owner’s obligation to indemnify shall survive the termination, cancellation, or expiration of this Agreement and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, employees, or agents.

- 24. **SEVERABILITY.** In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

IN WITNESS THEREOF, the City and Owners have executed this Agreement on the day and year written above.

CITY OF CARMEL-BY-THE-SEA:

By: _____

Date: _____

Name: Richard L. Rerig (“Chip”)
Title: City Administrator

PROPERTY OWNER(S):

By: _____

Date: _____

Name: Matthew J. Mermer
Title: Property Owner

By: _____

Date: _____

Name: Amanda S. Prentiss
Title: Property Owner

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
DPR 523A FORM

EXHIBIT C
REHABILITATION/RESTORATION AND MAINTENANCE PLAN

DRAFT

EXHIBIT A

Order No.: FWMN-5222101639

For APN/Parcel ID(s): **010-055-021**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CARMEL, COUNTY OF MONTEREY, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

That portion of Lots 12, 13 and 14, in Block 102, as said Lots and Block are shown on that certain map entitled, "Map of Addition No. 5 to Carmel-By-The-Sea", filed February 9, 1910 in Volume 2, Maps of "Cities and Towns", at Page 22, in the Office of the County Recorder of the County of Monterey, State of California, described as follows:

Beginning at the most easterly corner of said Lot 14; thence along the southeasterly line of said Lot 14, (A) Southwesterly, 6 feet to the true point of beginning; thence parallel with the northeasterly line of said Lot 12,

- (1) Northwesterly, 70 feet and 6 inches; thence parallel with the Southeasterly line of said Lots 12, 13 and 14,
- (2) Northeasterly, 86 feet to the Northeasterly line of said Lot 12; thence along said Northeasterly line,
- (3) Southeasterly, 70 feet, 6 inches to the most Easterly corner of said Lot 12; thence along the Southeasterly line of said Lots 12, 13 and 14,
- (4) Southwesterly, 86 feet to the true point of beginning.

State of California — The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary #
HRI #
Trinomial
NRHP Status Code

Other Listings
Review Code

Reviewer

Date

Page 1 of 7

*Resource Name or #: (assigned by recorder) Vizcaino Ave. 12 SW of Mountain View Ave.

P1. Other Identifier:

*P2. Location: Not for Publication Unrestricted

*a. County: Monterey

and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5' Quad: N/A Date: N/A T ; R ; ¼ of ¼ of Sec ; M.D. B.M.

c. Address: Vizcaino Ave. 12 SW of Mountain View Ave. City: Carmel-by-the-Sea Zip: 93923

d. UTM: Zone: 10 ; mE/ mN (G.P.S.)

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate) Elevation: A.P.N. 010-055-021

*P3a. Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

The subject property contains a concrete-block house constructed in the English Cottage Style. It has a rectangular plan with a cross-hipped roof and a projecting gable end, an arched entrance with original door, wood casement windows with diamond pane toplights, a stucco-clad chimney and cladding consisting of stucco walls and wood roof shakes with rolled eaves. See continuation sheet, page 3 for photographs (Figures 1 - 5).

*P3b. Resource Attributes: (List attributes and codes) HP2

*P4. Resources Present: Building Structure Object Site District Element of District Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



P5b. Description of Photo: (View, date, accession #)
Front (East) Elevation, 2022

*P6. Date Constructed/Age and Sources:

Historic Prehistoric Both
Circa-1923

*P7. Owner and Address:

Amanda Prentiss
P.O. Box 2493
Carmel, CA 93921

*P8. Recorded by: (Name, affiliation, and address)

Seth A. Bergstein, Principal
PAST Consultants, LLC
P.O. Box 721
Pacific Grove, CA 93950

*P9. Date Recorded: 6/8/22

*P10. Survey Type: (Describe)
Owner-requested

*P11. Report Citation: None

*Attachments: NONE Location Map Sketch Map Continuation Sheet Building, Structure, and Object Record
 Archaeological Record District Record Linear Feature Record Milling Station Record Rock Art Record
 Artifact Record Photograph Record Other (List):

BUILDING, STRUCTURE, AND OBJECT RECORD

Page 2 of 7

*NRHP Status Code 5S1

*Resource Name or # (Assigned by recorder) Vizcaino Ave. 12 SW of Mountain View Ave.

B1. Historic Name:

B2. Common Name: None

B3. Original Use: Residential

B4. Present Use: Residential

*B5. Architectural Style: English Cottage

*B6. Construction History: (Construction date, alterations, and date of alterations)

The house is in largely original condition and has original wall cladding, fenestration pattern, entrance and entry door. A sun porch addition by Hugh Comstock was placed onto the southwest elevation in 1937. A recent, circa-1980s metal rail and spiral staircase was installed onto the Comstock addition.

*B7. Moved? No Yes Unknown Date:

Original Location: Same

*B8. Related Features: N/A

B9a. Architect: Unknown

b. Builder: Original: ; Addition: Hugh Comstock

*B10. Significance: Theme: Architectural Development

Area: Carmel-by-the-Sea

Period of Significance: 1923-1937

Property Type: Residence

Applicable Criteria:

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

See continuation sheets, pages 4-7.

B11. Additional Resource Attributes: (List attributes and codes) HP4: Shed outbuilding

*B12. References:

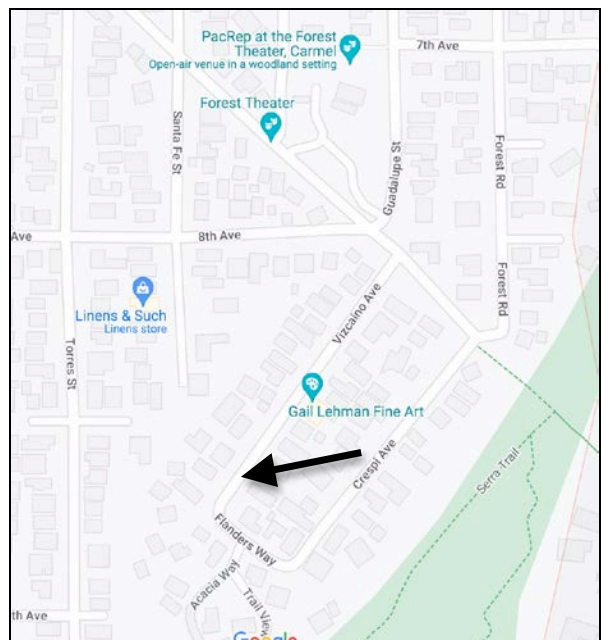
- "A.T. Shand (Arthur T. Shand Obituary)," *The Carmel Pine Cone*, 7/9/59.
- "Marion Shand (Marion Daniels obituary)," *The Carmel Pine Cone*, 9/2/65.
- "New Type of Construction is Going on Here," *The Carmel Pine Cone*, 9/22/23.
- Leslie Heumann Associates et al. *Historic Context Statement Carmel-by-the-Sea*, 1997, 2008.
- McAlester, Virginia Savage, *A Field Guide to American Houses*, New York, NY: Alfred A. Knoph, 2020.
- *Polk's Monterey, Pacific Grove, Carmel City Directories (1923 - 1972)*.
- Sawyer, Eugene Taylor, *History of Santa Clara County, California, Volume 2*, 1922, 1403.

B13. Remarks::

*B14. Evaluator: Seth A. Bergstein, Principal
PAST Consultants, LLC

*Date of Evaluation: 6/8/22

(This space reserved for official comments.)



*Recorded by: PAST Consultants, LLC

*Date: 6/8/22

Continuation

Update

P3a. Description: Photographs



Figure 1. Front (east) elevation.



Figure 2. Entrance detail showing arched entrance and rolled eaves.



Figure 3. 1937 Comstock sunroom



Figure 4. Metal spiral staircase.



Figure 5. Recent shed outbuilding.

*Recorded by: PAST Consultants, LLC

*Date: 6/8/22

Continuation

Update

***B10. Significance:**

Property History

On September 22, 1923, the *Carmel Pine Cone* published an article titled, “New Type of Construction Going on Here.” The article noted that the new owner, Marion Daniels, hired the San Jose contractors Floyd O. Bohnett and H.E. Clauser to construct a concrete-block building in the Eighty acres tract of Carmel-by-the-Sea. The partners, along with L.D. Bohnett patented their construction method under the company name of the Duplex Construction Equipment Company. The construction method employs a wall system of interlocking concrete blocks constructed in two wythes, with a void between to modulate temperature and moisture within the wall and to fireproof the building. By the mid-1920s, this construction method was being employed throughout the United States; it made its arrival at Carmel-by-the-Sea in the home constructed for Marion Daniels (Sawyer, Eugene T. , *History of Santa Clara County, California, Volume 2, 1922*).

The 1923 *Carmel Pine Article* notes:

The duplex construction is considered the highest type of scientific construction developed in the history of building. It is unique in that it is built as though a house within a house. Two distinct walls of concrete are erected, leaving between them a continuous air space which makes the house absolutely free from the penetration of moisture or condensation... Built like a thermos bottle or fireless cooker, it is cool in the summer and warm in the winter. No lath and no furring strips are used in the plastering work. The plaster is applied directly to the surface of the walls, both inside and outside, making the plaster become a part of the wall itself, instead of being applied to wood or metal lath, which, due to the elements disintegrates, while concrete continues to grow stronger... This is a new thing in Monterey county, and if you are interested in the progress of building, go up to the Eighty Acre tract and watch the process of manufacturing duplex blocks (“New Type of Construction is Going on Here,” *The Carmel Pine Cone, 9/22/23*).

The original owner, Marion Daniels Shand (1889-1965), was trained in theatre arts and acted in East Coast productions until 1921, when ill health forced her retirement. She moved to Carmel, purchased the subject property in 1923 and had the subject house constructed. In 1926, she married Arthur T. Shand and became involved in his real estate business. Marion Shand was involved in the theatre locally and was active at both the Arts and Crafts Club and later at the Golden Bough Theatre (“Marion Shand, *The Carmel Pine Cone, 9/7/1968*).

Born in Staten Island, New York, Arthur T. Shand (1880-1959) immigrated to Carmel in 1921 and became a realtor. He operated a successful real estate company for 38 years until retiring in 1958. By this time, he was voted a lifetime membership in the Carmel Board of Realtors. A lover of the outdoors, he helped acquire land for Camp Pico Blanco, a Boy Scout Camp in Big Sur (“A.T. Shand,” *The Carmel Pine Cone, 7/9/1959*).

*Recorded by: PAST Consultants, LLC

*Date: 6/8/22

Continuation

Update

***B10. Significance:**

National Register and California Register Significance

While the National and California registers have the same four-part criteria, it is unlikely that the house would be listed at the national level because of the regional nature of the original design and the 1937 Comstock addition. The following evaluates eligibility of the subject property for the California Register of Historical Resources:

Criterion 1. Associated with events that have made a significant contribution to the broad patterns of local or regional history or the cultural heritage of California or the United States.

The subject property is not eligible under this Criterion, as no specific event led to the development of the residence. The subject property was developed on a vacant infill lot as Carmel expanded eastward.

Criterion 2. Associated with the lives of persons important to local, California or national history.

Marion Daniels Shand and Arthur T. Shand worked as successful realtors in the Carmel area. While they had long and prosperous careers, their work would not constitute significant contributions to National, California or Carmel history. The property is not eligible under this Criterion.

Criterion 3. Embodies the distinctive characteristics of a type, period, region or method of construction or represents the work of a master or possesses high artistic values.

The subject house on the property contains two building campaigns of architectural significance. The 1923 English Cottage-style house is largely intact and maintains all of its historic character defining features. It was the first house in Monterey County constructed using the patented concrete-block "Duplex Method" of construction, pioneered by the Bohnett brothers and used throughout the United States.

In addition, the property received a sunroom addition designed by Hugh Comstock in 1937. Hugh Comstock is considered one of the region's most important designers.

Criterion 4. Has yielded, or has potential to yield, information important to the prehistory or history of the local area, California or the nation.

Referred to as the archeological criterion, the subject property does not have the potential to yield any important prehistorical information.

California Register Significance Conclusion

The subject property is eligible for the California Register under Criterion 3.

*Recorded by: PAST Consultants, LLC

*Date: 6/8/22

Continuation

Update

B10. Significance:

Carmel-by-the-Sea HRI Significance

The subject property satisfies all four aspects of the Carmel-by-the-Sea Historic Resources Inventory (HRI):

- A. Should be representative of at least one theme included in the Historic Context Statement.
The subject property supports the theme, Architectural Development, listed in the Context Statement.
- B. Shall retain substantial integrity according to the Federal definition and evaluation methodology for historic integrity as detailed in *National Register Bulletin 15: How to Apply the National Register Criteria for Evaluation*.
The house on the subject property maintains all seven aspects of historic integrity (see below).
- C. Should be a minimum of 50 years of age and shall meet at least one of the four criteria for listing on the California Register at a national or statewide level of significance (primary resource) or at a regional or local level of significance (local resource) per CEQA Guidelines Section 15064.5(a)(3).
The house on the subject property is greater than 50 years old and is California-Register eligible.
- D. To qualify for the Carmel Inventory, an historic resource eligible under California Register Criterion No. 3 (subsection (C)(3) of this section) only, should have been designed and/or constructed by an architect, designer/builder or contractor whose work has contributed to the unique sense of time and place recognized as significant in the Historic Context Statement.
The house's 1937 addition was designed by Hugh Comstock, listed as a significant architect.

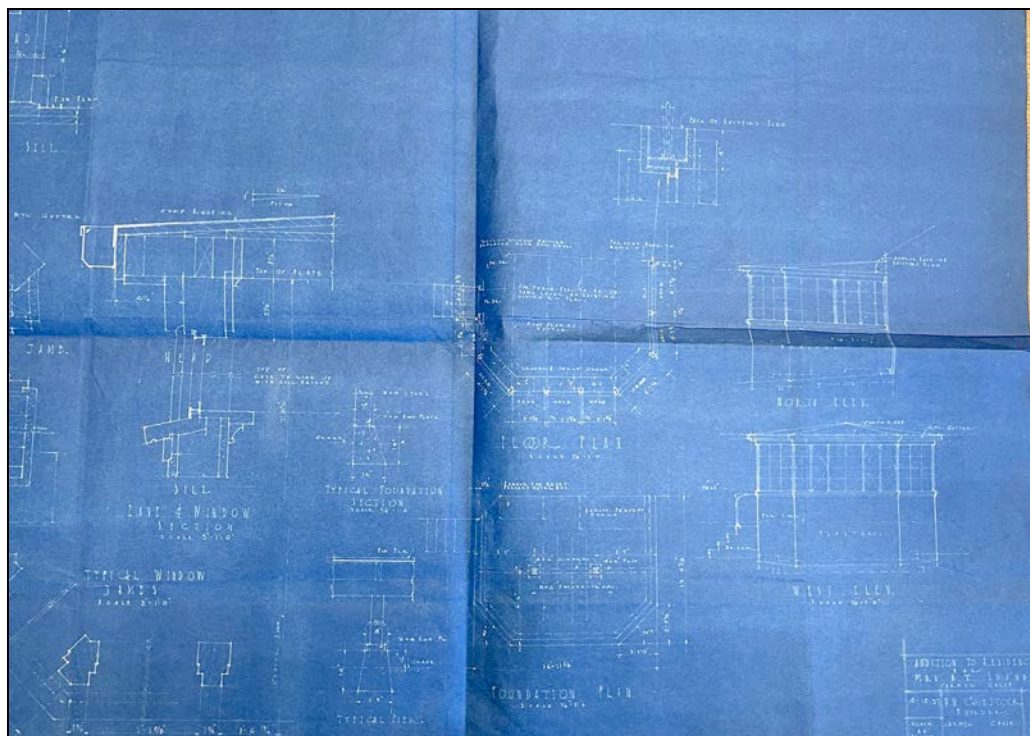


Figure 6. Image of 1937 Comstock Addition.

*Recorded by: PAST Consultants, LLC

*Date: 6/8/22

Continuation

Update

B10. Significance:

Character Defining Features:

1923 English Cottage-style house:

- Rectangular plan with prominent front gable.
- Arched entrance with decorative plasterwork and original entrance door.
- Original fenestration pattern consisting of wood casement windows with diamond-pane details.
- Concrete-block “Duplex” construction method.
- Stucco wall cladding.
- Single stucco-clad chimney.
- Wood-shake roof cladding with rolled eaves.

1937 Comstock Sunroom Addition:

- Original hexagonal plan
- Ribbon fenestration pattern of original steel casement windows with wood window surrounds.
- Stucco wall cladding.

Historic Integrity:

- *Location:* The house remains in its original location and has integrity of location.
- *Design:* The 1923 house retains integrity of design because it is nearly intact, with few alterations. The 1937 Comstock addition is intact with a recent railing and staircase installed for a roof deck, which is a reversible alteration.
- *Setting:* The house remains in its original setting of residential homes and has integrity of setting.
- *Workmanship:* The 1923 house and 1937 Comstock addition maintain integrity of workmanship, as seen in its intact collection of character defining features.
- *Materials:* The 1923 house maintains its original construction materials consisting of concrete-block walls, stucco wall cladding and wood-casement windows, which give it sufficient integrity of materials. The 1937 Comstock addition maintains integrity of materials with stucco walls and intact band of steel-casement windows.
- *Feeling:* The house retains enough character-defining features to establish integrity of feeling as an English Cottage-style residence with an addition by a significant designer.
- *Association:* The house retains enough character-defining features to establish integrity of association as an English Cottage-style residence with an addition by a significant designer.

Historic Significance Conclusions

The house on the subject property qualifies as an individual historic resource under California-register Criterion 3 under the category of architecture and is eligible for the Carmel-by-the-Sea HRI as a local historic resource supporting the theme, “Architectural Development in Carmel.” The house maintains all seven aspects of historic integrity.

2022028672

Attachment 3

RECORDING REQUESTED BY
CITY OF CARMEL-BY-THE-SEA

Stephen L. Vagnini
Monterey County Clerk-Recorder
06/28/2022 09:29 AM

AND WHEN RECORDED MAIL TO

Recorded at the request of:
CARMEL-BY-THE-SEA

Carmel City Hall
Post Office Box CC
Carmel, CA 93921
Attn: Evan Kort

Titles: 1 Pages: 8
Fees: \$0.00
Taxes: \$0.00
AMT PAID: \$0.00



THIS space reserved for the Recorder's use only

RESOLUTION OF HISTORICAL RESOURCE DESIGNATION

The Department of Community Planning and Building of the City of Carmel-by-the-Sea has completed intensive survey work, and has made an Administrative Determination that the property identified below meets the criteria for a historic resource as established in the City's General Plan, the Municipal Code and the Local Coastal Program for Carmel-by-the-Sea.

Based on this determination, effective June 23, 2022, the Department of Community Planning and Building hereby resolves to designate the property described below as a local resource on the Carmel Inventory of Historic Resources.

This Resolution/Administrative Determination is being recorded pursuant to section 5029(b) of the California Public Resources Code that requires the City to record all historic resource determinations. This action also is taken in furtherance of the Local Coastal Program certified by the California Coastal Commission and implemented by the City of Carmel-by-the-Sea Ordinances No. 2004-01 and 2004-02.

Assessor's Parcel Number: 010-055-021
Block: 102 Lot(s): 12 & 13
Current Owner: Mermer Matthew J. & Prentiss Amanda S.
Street Location: Vizcaino Ave. 12 SW of Mountain View Ave.

It is the purpose of this Resolution/Administrative Determination to alert the owner, successors and assigns to the existence of a historic resource on the property. This historic resource is protected under the laws of the State of California and of the City of Carmel-by-the-Sea including the California Coastal Act, the California Public Resources Code, the Carmel-by-the-Sea Municipal Code and the Local Coastal Program. Specific regulations affecting remodels, alterations, additions and demolitions can be found in the City of Carmel-by-the-Sea planning documents referenced above.

Attachment A – DPR Form 523 (7 pages)

Date:

Certified by:

June 23, 2022

Evan Kort, Associate Planner
City of Carmel-by-the-Sea



Mills Act Application
Vizcaino 12 southwest of Mountain View Avenue
APN 010-055-021

This Mills Act Application was prepared by historian Kent Seavey and Amanda Prentiss, one of the property owners. Mr. Seavey is an approved architectural historian for Monterey County and the author of *Carmel: A History in Architecture* (Charleston, South Carolina, 2007).

Amanda Prentiss and Matthew Mermer recently purchased the property at Vizcaino 12 southwest of Mountain View Avenue (APN 010-055-021), Block 102, Lots 12, 13, and 14. They wish to have it added to the Carmel Register of Historic Resources. It was evaluated in June 2022 by Seth Bergstein, a consultant contracted with the City of Carmel, who found the property to be significant under Criterion 3 of the California Register of Historical Resources as an English Cottage-style house constructed in 1923 and a Moderne-style sunroom addition designed by Hugh Comstock in 1937. The original owner, Marion Daniels, hired the San Jose contractors Floyd O. Bohnett and H.E. Clauser to construct a concrete-block building in the Eighty Acres tract of Carmel-by-the-Sea. The construction method employs a wall system of interlocking concrete blocks constructed in two wythes, with a void between to modulate temperature and moisture within the wall and to fireproof the building. By the mid-1920s, this construction method was being employed throughout the United States; it made its arrival at Carmel-by-the-Sea in this home constructed for Marion Daniels.

The property has been subject to deferred maintenance over the years. Upon purchasing the property, the current owners discovered multiple work items needing to be addressed immediately. These items, due to their urgency, have been either already completed or scheduled for 2022. They have been excluded from the Mills Act Maintenance Plan (2023-2032) but are as follows: urgent termite mitigation (\$2,000); replace rotting interior floorboards (\$3,000); ground/upgrade outlets not to code and update wiring/untangle wires in attic (fire hazard) (\$5,000); remove and replace corroding 25-year old 80-gallon water heater (\$6,000); filter and piping work (\$7,000); and replace 30-year old heating unit (\$5,000).

The Maintenance Plan and supplemental photographs that follow describe the condition of the property and illustrate the intent of Amanda Prentiss and Mathew Mermer to fully rehabilitate the historic property.

YEAR	LOCATION	DESCRIPTION	Rehabilitation / Maintenance	COST
2023	attic/crawlspace	update duct work for proper venting	rehabilitation	2,500
2023	attic	repair/replace the attic insulation so vapor barrier side faces out	rehabilitation	2,000
2023	crawl space	update corroded piping throughout crawlspace	rehabilitation	7,000
2023	front door	site drainage, replace framing, restore original door	rehabilitation	10,000
2023	door threshold	install proper barrier to the exterior	rehabilitation	500
2023	stucco	repair stucco	rehabilitation	4,000
2023	kitchen	remove leaking appliances, mitigate mold in floor and walls, structurally repair floor joists and walls for water damage as needed	rehabilitation	15,000
2023	attic	repair historic exterior attic door, add a vent to attic, mitigate water damage from roof leaks	rehabilitation	5,000
2023	back stairs	repair and affix back staircase. Necessary for access. Needs to be properly attached to structure	rehabilitation	8,000
2023	roof	remove and dispose of two satellite dishes on roof	rehabilitation	1,000
2023	patio	fix broken stonework and maintain over 10 years	rehabilitation	10,000
2024	crawl space	install sill plate anchors and repair raised piers	rehabilitation	20,000
2024	crawl space	drainage contractor to address crawlspace moisture. Regrade hardscape to move water from the house, install drainage system	rehabilitation	50,000
2024	roof	install rain chains and drainage where possible	rehabilitation	2,000
2024	roof	install spark arrester	rehabilitation	1,000
2024	chimney	install flashing and increase height to code	rehabilitation	3,000
2024	living + bedroom windows	restore windows with munton pattern- match original damaged wood exactly. Save original glass if possible	rehabilitation	40,000
2024	skylight	replace skylight in master bath and repair dry rot and termite damage on the frame	maintenance	5,000
2025	main house roof	the existing roof is in terrible repair. A new cedar shake roof is needed per inspection report. Roofing company bid	rehabilitation	90,000
2025	whole house	repaint exterior including trim and railings. Very poor job at present. Use historically accurate colors	rehabilitation	40,000
2025	exterior lights back/side	replace current fixture with historically accurate ones	rehabilitation	3,000
2025	landscape	restore cottage garden	rehabilitation	35,000
2027	bathroom	mitigate mold damage behind shower tile and cabinets in the walls; structural repairs to walls/joists	rehabilitation	10,000
2032	sunroom roof	remove carpeting, reinforce water barrier install proper surface	rehabilitation	25,000
2032	main house roof	inspector recommends restoration every 5-10 years	maintenance	20,000
2032	whole house	repaint every 7-10 years	maintenance	40,000
2023-2032	wood throughout	termite mitigation every several years	maintenance	20,000
2023-2032	chimney	clean chimney annually for fire prevention	maintenance	3,000
2023-2032	heating system	clean ducts annually for proper venting moisture control	maintenance	1,000
2023-2032	stucco	periodic repair of stucco over 10 years	maintenance	10,000
2023-2032	fence/gate	repair as needed over 10 years	maintenance	8,000
2023-2032	landscape	maintain landscape over 10 years	maintenance	20,000
2023-2032	landscape	prune trees annually that touch the house over 10 years	maintenance	15,000
			TOTAL	526,000



Façade.



Crawlspace to be rehabilitated: install sill plate anchors and repair raised piers.



Drainage system to be installed by drainage contractor. Regrade hardscape to move water away from the house. This will address moisture in the crawl space.



Front door to be restored.



Sunroom roof to be repaired; carpeting will be removed, water barrier reinforced; proper surface installed; and railing affixed.



The main house roof is in disrepair; a new cedar shake roof is needed per the inspection report.



Windows will be repaired as needed (see above and below).





Stucco will be repaired and painted throughout.



Exterior lights will be replaced with historically accurate lights.



Rear spiral stair will be repaired.



Patio stonework will be regraded to direct water away from the home.



Broken landing and step stonework will be repaired.



Fences and gates will be repaired as needed.



The landscape will be restored as a cottage garden.



Trees in immediate vicinity of house will be pruned annually to protect the home.

CITY OF CARMEL-BY-THE-SEA
HISTORIC RESOURCES BOARD

HISTORIC RESOURCES BOARD RESOLUTION NO. 2022-007-HRB

A RESOLUTION OF THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA
ADDING A HISTORIC RESOURCE TO THE CARMEL REGISTER AND RECOMMENDING THAT THE CITY
COUNCIL ENTER INTO A MILLS ACT CONTRACT WITH AMANDA S. PRENTISS AND MATTHEW J.
MERMER FOR THE PROPERTY LOCATED AT VIZCAINO AVENUE 12 SOUTHWEST OF MOUNTAIN
VIEW AVENUE APN 010-055-021

WHEREAS, Amanda Prentiss (“Applicant”) submitted an application on behalf of Matthew J. Mermer and Amanda S. Prentiss (“Owners”) requesting to add the historic “Marion Daniels Shand House” to the Carmel Register of Historic Resources and enter into a Mills Act contract (MA 22-204, Prentiss) described herein as (“Application”); and

WHEREAS, the Application has been submitted for the property located at Vizcaino Avenue 12 southwest of Mountain View Avenue, in the Single Family Residential (R-1) District (Block 102, Lot 12, 13,14); and

WHEREAS, the Applicant is requesting to add the historic “Marion Daniels Shand House” to the Carmel Register of Historic Resources; and

WHEREAS, in accordance with Carmel Municipal Code (CMC) Section 17.32.090 (Carmel Register of Historic Resources) the City shall maintain a Register of Historic Resources designated by the City for public recognition and benefits; and

WHEREAS, historic resources identified as significant at a local or regional level shall be eligible for listing in the Register at the request of the property owner and upon approval by the Historic Resources Board; and

WHEREAS, one of the benefits of being included on the Register is the ability to enter into a Mills Act Historical Property Contract with the City; and

WHEREAS, the Applicant is also requesting to enter into a Mills Act contract with the City and in accordance with Carmel Municipal Code (CMC) Section 17.32.100.B.6 (Review Process), the Historic Resources Board shall consider the application and make a recommendation to the City Council to approve, approve with conditions, or deny the application; and

WHEREAS, notice of the August 15, 2022 public hearing was published in the Carmel Pine Cone on August 5, 2022 in compliance with State law (California Government Code 65091), and mailed to owners of real property within a 300-foot radius of the project indicating the date and time of the public hearing; and

WHEREAS, on August 5, 2022 the Applicant posted the public notice on the project site and hand-delivered a copy of the public notice to each property within a 100-foot radius of the project site indicating the date and time of the public hearing; and

WHEREAS, on August 12, 2022 the meeting agenda was posted in three locations in compliance with State law indicating the date and time of the public hearing; and

WHEREAS, on August 15, 2022, the Historic Resources Board held a public meeting to consider adding the historic “Marion Daniels Shand House” to the Carmel Register and to consider the application for a Mills Act contract, including without limitation, information provided to the Historic Resources Board by City staff and through public testimony; and

WHEREAS, this Resolution and its findings are made based upon evidence presented to the Board at the August 15, 2022 meeting including, without limitation, the staff report and attachments submitted by the Community Planning and Building Department; and

WHEREAS, the Historic Resources Board did hear and consider all said reports, attachments, recommendations and testimony herein above set forth and used their independent judgement to evaluate the project; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED, that the Historic Resources Board of the City of Carmel-By-The-Sea does hereby make the following findings and determinations regarding the **Mills Act Contract**:

<u>FINDINGS REQUIRED FOR A MILLS ACT CONTRACT</u>		
For each of the required findings listed below, staff has indicated whether the application supports adoption of the findings. For all findings checked "no" the staff report discusses the issues to facilitate the Historic Resources Board decision-making. Findings checked "yes" may or may not be discussed in the report depending on the issues.		
CMC 17.32.100.B.6.c	YES	NO
i. The building is designated as an historic resource by the City and is listed on the Carmel Register.	✓	
ii. The proposed rehabilitation/restoration and maintenance plan is appropriate in scope and sufficient in detail to guide long-term rehabilitation/restoration and maintenance. Required maintenance and rehabilitation should be more significant than just routine maintenance that would be expected for any property.	✓	
iii. Alterations to the historic resource have been in the past, and will continue to be in the future, limited to interior work and to exterior rehabilitation and alterations that: (A) Comply with the Secretary’s Standards (future additions only); and	✓	

<p>(B) Do not significantly alter, damage or diminish any primary elevation or character-defining feature; and</p> <p>(C) Do not increase floor area on the property by more than 15 percent beyond the amount established in the documented original or historic design of the resource; and</p> <p>(D) Do not result in any second-story addition to a single-story historic resource.</p>		
<p>iv. The Mills Act contract will aid in offsetting the costs of rehabilitating and maintaining the historic resource.</p>	✓	
<p>v. Approval of the Mills Act contract will represent an equitable balance of public and private interests and will not result in substantial adverse financial impact on the City.</p>	✓	

BE IT FURTHER RESOLVED that the Historic Resources Board of the City of Carmel-by-the-Sea does hereby add the historic “Marion Daniels Shand House” to the Carmel Register of Historic Resources and recommend that the City Council enter into a Mills Act Contract (MA 22-204, Prentiss) for the property located at Vizcaino Avenue 12 southwest of Mountain View Avenue (APN 010-055-021).

PASSED, APPROVED AND ADOPTED BY THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA this 15th day of August, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

 Erik Dyar
 Chair

 Leah Young
 Historic Resources Board Secretary

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
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BETTY T. YEE
Acting Member
First District, San Francisco

BILL LEONARD
econd District, Sacramento/Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

No. 2005/035

June 2, 2005

O COUNTY ASSESSORS AND INTERESTED PARTIES:

NOTICE OF BOARD ACTION

**GUIDELINES FOR THE ASSESSMENT OF
ENFORCEABLY RESTRICTED HISTORICAL PROPERTY**

On May 25, 2005, the Board of Equalization approved the following guidelines pertaining to the assessment of enforceably restricted historical property. These guidelines supersede Letter To Assessors No. 77/174 (dated December 19, 1977).

On June 8, 1976, the voters of California approved Proposition 7 which amended section 8 of article XIII of the California Constitution. This amendment requires that enforceably restricted historical property be valued on a basis that is consistent with its restrictions and uses. Sections 439 through 439.4 were added to the Revenue and Taxation Code to implement Proposition 7. These statutes, in particular section 439.2, prohibit a valuation of enforceably restricted historical property based on sales data and instead require that such property be valued by a prescribed income capitalization method.

Staff drafted these guidelines in consultation with interested parties and, after discussions, no issues remained unresolved. The guidelines discuss the enforceably restricted historical property requirements, the income to be capitalized, the capitalization rate, the effect of Proposition 13 upon enforceably restricted historical properties that undergo change in ownership or new construction, and the valuation of property under notice of nonrenewal.

The guidelines are posted on the Board's website at www.boe.ca.gov/proptaxes/guideproc.htm. We hope this information proves useful and promotes uniformity of assessment for these properties. If you have any questions, please contact our Real Property Technical Services Unit at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs
Enclosure

GUIDELINES FOR THE ASSESSMENT OF ENFORCEABLY RESTRICTED HISTORICAL PROPERTY

HISTORY

Effective March 7, 1973, Chapter 1442 of the Statutes of 1972 (also known as the Mills Act) added sections 50280 through 50289 to the Government Code to allow an owner of qualified historical property to enter into a preservation contract with local government. When property is placed under such a contract, the owner agrees to restore the property if necessary, maintain its historic character, and use it in a manner compatible with its historic characteristics.

Prior to the passage of Proposition 7 in 1976, these agreements (i.e., Mills Act contracts) constituted enforceable restrictions on the use of land within the meaning of Revenue and Taxation Code section 402.1¹ (Property Tax Rule 60, repealed January 10, 1978). However, Proposition 7 added the second paragraph to section 8 of article XIII of the California Constitution:

To promote the preservation of property of historical significance, the Legislature may define such property and shall provide that when it is enforceably restricted, in a manner specified by the Legislature, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses.

To implement Proposition 7, Chapter 1040 of the Statutes of 1977 (Senate Bill 380) added sections 439 through 439.4 to the Revenue and Taxation Code. These statutes, in particular section 439.2, prohibit a valuation of enforceably restricted historical property based on sales data and instead require that such property be valued by a prescribed income capitalization method.

ENFORCEABLY RESTRICTED HISTORICAL PROPERTY

Under section 439, historical property is "enforceably restricted" if it meets the definition of a "qualified historical property" as defined in Government Code section 50280.1 and is subject to a historical property contract executed pursuant to Government Code section 50280 and following. A qualified historical property includes qualified historical improvements and the land on which the improvements are situated, as specified in the historical property contract. If the contract does not specify the land to be included, the qualified historical property includes only a land area of reasonable size to situate the improvements.

A qualified historical property is privately-owned property that is not exempt from property taxation and that also meets either of the following criteria:

- The property is listed in the National Register of Historic Places, or is located within a registered historic district; or

¹ Unless otherwise noted, all statutory references are to the Revenue and Taxation Code.

- The property is listed in any official state, county, city, or city and county official register of historical or architecturally significant sites, places or landmarks, including the California Register of Historical Resources, California Historical Landmarks, State Points of Historical Interest, local landmarks, and local survey listings of historical properties.

The historical property contract must have a minimum term of ten years, and, as applicable, must contain certain other elements, including the following:

- A provision relating to the preservation of the qualified historical property and, when necessary, the restoration and rehabilitation of the property in conformance with state historic preservation guidelines;
- A requirement for the periodic examination of the property to ensure compliance with the agreement;
- A requirement that the historical property agreement be binding upon successor owners of the qualified historical property; and
- A provision for an automatic one-year extension of the contract, with an additional year added to the initial contract term on each anniversary of the contract, unless either party provides notice of nonrenewal. If a notice of nonrenewal is given, the contract runs for its remaining term.

Once a contract is signed, accepted, and recorded, the property subject to the contract must be assessed under section 439.2 on the ensuing lien date. For example, if a contract were recorded in August 2004, the property should have been valued pursuant to section 439.2 for lien date January 1, 2005.

Local authorities may cancel a historical property agreement for breach of contract or failure to protect the historical property. Alternatively, the local entity may take legal action to enforce the contract.

ASSESSMENT

The assessment of an enforceably restricted historical property involves the following aspects: (1) valuing the restricted historical property; (2) properly applying certain assessment provisions relating to article XIII A of the California Constitution (Prop 13); (3) valuing the restricted historical property following a notice of nonrenewal; and (4) valuing the restricted historical property following cancellation of the contract.

Valuing the Restricted Historical Property

Section 439.2 prohibits the assessor from using sales data relating to similar properties, whether or not enforceably restricted, to value an enforceably restricted historical property. Instead, the assessor must annually value a restricted historical property using an income approach that

follows the specific provisions of section 439.2. These provisions explicitly address (1) the determination of the income to be capitalized, (2) the development of the capitalization rate, (3) the capitalization technique to be used, and (4) the determination of the restricted historical property's taxable value on each lien date.

Income to be Capitalized

As provided in section 439.2(a), the income to be capitalized when valuing a restricted historical property is the property's fair rent less allowed expenditures, or allowed expenses. In general, section 439.2(a) follows Property Tax Rule 8(c), with fair rent in section 439.2 corresponding to gross return in Rule 8(c); allowed expenditures, or allowed expenses, in section 439.2 corresponding to gross outgo in Rule 8(c); and the income to be capitalized in section 439.2 corresponding to net return in Rule 8(c). In addition, for the purposes here, "gross income" is synonymous with fair rent, and "net operating income" is synonymous with the income to be capitalized.

The parties to a historical property agreement may stipulate a minimum annual income to be capitalized, in which case the income to be capitalized may not be less than the stipulated amount.

Fair rent, or gross income. The gross income of a restricted historical property is the fair rent for the property considering the restrictions on the property's use. When establishing the fair rent for a restricted historical property, the appraiser should consider the actual rent and typical rents in the area for similar properties in similar use, where the owner pays the property taxes.

The actual rent received by the owner of the subject restricted historical property is relevant to an estimate of fair market rent only if the actual rent is the same rent that would be expected if the existing lease were renegotiated in light of current market conditions, including the subject property's enforceable restrictions on use. With respect to rents from similar, or comparable, properties, if such rents are from properties outside the geographic or market area of the subject property, or from properties that are otherwise dissimilar to the subject property, the rents may not be relevant to an estimate of the subject property's fair rent.

Comparable rental data for single-family residences can be obtained from real estate brokers, rental agencies, and newspaper ads. Many assessors offices maintain rental data for commercial properties, and this data may be helpful when establishing the fair rent for restricted historical property when the contract allows a commercial use. Rental data for commercial property also can be obtained from commercial real estate brokers. For the purpose of estimating anticipated market fair rent and expenditures for use in calculating the subject property's value, rental and expense data for existing restricted historical properties, including the subject historical property, can be obtained through an annual questionnaire sent to property owners.

If sufficient rental data are not available, or such data are unreliable, the appraiser must impute a gross income for the subject restricted historical property. The imputed income should be based on what an informed investor would reasonably expect the property to yield under prudent management, given the provisions under which the property is enforceably restricted.

Allowed expenditures. Section 439.2(a)(3) defines allowed expenditures, or allowed expenses, as expenses necessary for the maintenance of the property's income. Allowed expenses are the same as those permitted in Property Tax Rule 8(c).

Typical expenses include the cost of utilities, maintenance and repair, insurance and property management. Allowed expenses also may include amounts owing for special assessments and special taxes. Expenses related to debt service, general property taxes, and depreciation should not be deducted.

In general, to arrive at the net income to be capitalized, allowed expenses are subtracted from the estimated rental income. However, in order to properly process the income, the appraiser must be aware of the structure of the lease with regard to how expenses are shared between the landlord-owner and the tenant.

The proper perspective from which to view the processing of income and expenses is that of the landlord-owner. The objective is to estimate the net income to the landlord-owner—this is the amount that should be capitalized—and the correct question to ask is the following: What, if any, allowed expenses must the landlord-owner pay out of the rental income that he or she receives?

In a gross lease, almost all of the allowed expenses must be paid out of the gross rent and, therefore, must be subtracted from the gross rent to arrive at the net income to be capitalized. In a net lease, relatively few allowed expenses must be paid by the landlord-owner out of the net rent (because the tenant pays most expenses) and only these expenses should be subtracted from the net rent to arrive at the net income to be capitalized. Frequently, there is a hybrid arrangement—some expenses are paid by the landlord-owner and some by the tenant. How expenses are shared often depends upon the property type together with local conventions.

Income to be capitalized, or net operating income. The income to be capitalized, or net operating income, is simply the fair rent, or gross income, described above less the allowed expenditures described above.

Capitalization Rate

The method of developing the capitalization rate to be used when valuing restricted historical property is prescribed by statute; a capitalization rate derived from sales data or the band of investment is not permitted.

Section 439.2 prescribes two types of capitalization rates for restricted historical property: (1) a capitalization rate to be used when valuing restricted historical property that is an owner-occupied single-family residence and (2) a capitalization rate to be used when valuing all other restricted historical property. Both types of capitalization rates include components for interest (i.e., yield), risk, property taxes, and amortization of improvements; in fact, the two rates are identical except for the amount of the risk component. The capitalization rate contains the following components:

- An interest component annually determined by the State Board of Equalization and based on the effective rate on conventional mortgages as determined by the Federal Housing Finance Board. The interest component is announced annually, in a Letter To Assessors, by October 1 of the preceding assessment year.
- A historical property risk component determined by property type. For owner-occupied single-family residences, the rate is 4 percent; for all other types of restricted historical property, the rate is 2 percent.
- An amortization component for improvements defined as a percentage equal to the reciprocal of the remaining life of the improvements (e.g., if the remaining economic life of the improvements were 20 years, the amortization component would be 5 percent). Since the amortization component applies only to improvements, not to land, which is a non-depreciating asset, it is necessary to adjust the amortization component described in the statute. We recommend the following method of adjustment:
 1. Based upon market data, estimate the percentage of total property value attributable to improvements.
 2. Multiply this percentage by the amortization component described in the statute (i.e., by the reciprocal of the remaining life of the improvements). For example, if the remaining life of the improvements was 20 years, yielding a reciprocal percentage of 5 percent, and if 70 percent of the total property value was attributable to the improvements, the adjusted amortization factor would be 3.5 percent ($0.05 \times 0.70 = 0.035$).
 3. Add the adjusted amortization component to the other capitalization rate components to arrive at the total capitalization rate.
- A property taxes component equal to the percentage of the estimated total tax rate applicable to the property for the assessment year multiplied by the assessment ratio. Typically, the property tax component includes the basic tax rate of 1 percent plus an additional ad valorem rate related to any bonded indebtedness pertaining to the tax rate area in which the property is located. Special district assessments and special taxes are not included in the property tax component. As noted above, they should be treated as allowed expenses.

Capitalization Technique

The capitalization technique to be used when valuing a restricted historical property is prescribed by statute and is formulaic. Section 439.2(e) provides that the restricted value shall be the income to be capitalized, or net operating income, developed as prescribed by statute, divided by one of the two types of capitalization rates prescribed by statute. In other words, the restricted value is the simple quotient of the prescribed income to be capitalized and the prescribed capitalization rate.

Determination of Taxable Value on Each Lien Date

Section 439.2(d) provides that a historical property's restricted value may not be enrolled if it exceeds either (1) the value of the subject property as determined under section 110 (i.e., current market value) or (2) the value of the subject property as determined under section 110.1 (i.e., factored base year value). In other words, section 439.2 states that the taxable value of a restricted historical property on each lien date shall be the lowest of its restricted value, current market value, or factored base year value. The factored base year value for an enforceably restricted historical property is the value that was established for the 1975 lien date² or as of the date of the most recent change in ownership, whichever is later, adjusted by the annual inflation factor.

Article XIII A (Prop 13) Considerations

This section discusses how three important elements relating to implementation of article XIII A—change in ownership, new construction, and supplemental assessment—relate to the assessment of restricted historical property. Also discussed is the case in which only a portion of a property is subject to the historical property agreement—that is, the case in which a single property unit contains both restricted and unrestricted portions.

Change in Ownership

When a property subject to a historical property contract undergoes a change in ownership, a new base year value should be established for the property as of the date of change in ownership, as provided in section 110.1. Typically, a restricted historical property's base year value will be greater than its restricted value determined under section 439.2 and hence will not be enrolled as the property's taxable value. However, the establishment of a new base year value enables the assessor to perform the three-way value comparison prescribed by section 439.2(d) and described above. The establishment of a base year value is also necessary in order to calculate the assessed values of historical property should the historical property agreement enter nonrenewal status.

New Construction

Section IV of National Register Bulletin #15 defines a "building" as follows:

A building, such as a house, barn, church, hotel, or similar construction, is created principally to shelter any form of human activity. "Building" may also be used to refer to a historically and functionally related unit, such as a courthouse and jail or a house and barn.

Section IV further specifies that "[b]uildings eligible for the National Register must include all of their basic structural elements. Parts of buildings, such as interiors, facades, or wings, are not eligible independent of the rest of the existing building. The whole building must be considered,

² Sections 110.1(d) and 405.5 do not apply to historical properties under contract as of lien date 1975 because the constitutional amendment which placed the valuation of historical property under article XIII rather than article XIII A had not yet been passed and, thus, was not in effect for the 1975 lien date.

and its significant features must be identified." Thus, eligibility for the National Register is determined by the extent to which the basic structural elements of an existing building are intact. In general, a newly constructed building would not be eligible because it is not an existing building with basic structural elements.³

Also, a newly constructed building is not a historic resource, and, thus, is not a qualified historical property within the meaning of Government Code section 50280.1. For example, a newly constructed detached garage (assuming it is not a reconstruction of a historical garage) clearly would not be eligible because it has no significance in American history or architecture, nor does it meet any of the other requisite criteria.

Bulletin 15, however, does list one type of newly constructed property that may be eligible for inclusion under the Mills Act. A reconstructed historic building is eligible for the National Register if the reconstruction is "accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan, and when no other building or structure with the same association has survived."

The historical property contract typically specifies the scope and type of any work to be performed on the historical improvements. Improvements existing as of the date of the contract would be subject to the provisions of section 439.2 unless specifically excluded by the contract. Any new construction made to the historical structure after the issuing date of the contract would not be subject to the provisions of section 439.2 unless specifically included in the contract or an amendment to the contract. Any questions regarding new construction to enforceably restricted historical structures should be directed to the counsel of the legislative body of the city, county, or city and county that contracted with the property owner.

Assuming that the newly constructed property is subject to the historical property contract, a base year value should be established for the newly constructed portion and this value added to the factored base year value of the existing restricted property.

In some cases, an existing historical property may include a portion that is restricted (i.e., subject to a historical property contract) and a portion that is unrestricted. In this case, separate factored base year values should be maintained for the restricted and unrestricted portions and the base year value of any newly constructed property added to the appropriate portion. The assessment treatment of this type of property is discussed further below.

Supplemental Assessment

Although the assessor is required to establish a new base year value upon a change in ownership or completed new construction involving restricted historical property, such property is not subject to supplemental assessment. As provided in Revenue and Taxation Code section 75.14:

Supplemental assessment; limitation. A supplemental assessment pursuant to this chapter shall not be made for any property not subject to the assessment

³ National Register Bulletin 15, "How to Apply the National Register Criteria for Evaluation," U.S. Department of the Interior, National Park Service (www.cr.nps.gov/nr/publications/).

limitations of Article XIII A of the California Constitution. All property subject to the assessment limitations of Article XIII A of the California Constitution shall be subject to the provisions of this chapter, except as otherwise provided in this article.

As discussed above, the assessment of enforceably restricted historical property is subject to the provisions of article XIII, section 8 of the California Constitution, not article XIII A. Thus, section 75.14 precludes the assessor from enrolling supplemental assessments for enforceably restricted historical property.

Historical property not yet under contract that undergoes a change in ownership or new construction is subject to supplemental assessment, even if the property owner later executes a historical property contract in the same fiscal year. Also, any new construction involving a historical property that does not come under the existing historical property contract (e.g., a detached garage added to a restricted historical property) would be subject to supplemental assessment.

When a Property Contains Both Restricted and Unrestricted Portions

When only a portion of a property that would normally be considered a single appraisal unit is restricted by a historical property contract, the assessed value should be determined by making a comparison of three values, determined as follows. First, the portion under contract should be valued using the capitalization method prescribed by section 439.2. Added to this figure should be the lower of the unrestricted portion's fair market value or factored base year value. The resulting sum should be compared to both the fair market value and the factored base year value of the entire property (i.e., both restricted and unrestricted portions) and the lowest of the three figures should be enrolled.

Valuing Property Under Notice of Nonrenewal

As provided in Government Code section 50282, either the owner of a restricted historical property or the local government entity may serve notice that it does not intend to renew the historical property contract. If such notice is not given, another year is automatically added to the term of the initial contract, thus creating a "rolling" contract term that is always equal to the initial contract term.

Section 439.3 prescribes the valuation method for a restricted historical property in nonrenewal status; this valuation method applies until the end of the restricted period (i.e., until the existing contract expires). In essence, the method results in a restricted value that gradually approaches the historical property's factored base year value as the remaining term under the contract decreases. For a property in nonrenewal status, the assessor must annually value the property as follows:

1. Determine the full cash value (i.e., factored base year value) of the property in accordance with section 110.1. (Alternatively, if the property will not be subject to section 110.1 when the historical property agreement expires, determine its fair market value in accordance with

section 110, as if the property were free of the agreement's restrictions; or, if the property will be subject to another type of restricted value standard when the historical property agreement expires, determine the property's value as if it were subject to the new restrictions.)

2. Determine the restricted value of the property by the capitalization of income method provided in section 439.2.
3. Subtract the restricted value determined in Step 2 from the factored base year (or other) value determined in Step 1.
4. Using the amount for the interest rate component (section 439.2(b)(1)) announced by the Board, discount the amount obtained in Step 3 for the number of years remaining until the termination of the contract.
5. Determine the restricted value of the property in nonrenewal status by adding the value determined in Step 2 to the amount obtained in Step 4.

The historical property's restricted value in nonrenewal status—that is, the value determined above, in accordance with section 439.3—should be compared with the historical property's factor base year and current market values, and the lowest of these three values should be enrolled as the property's taxable value.

Cancellation of Contract

The government entity party to a historical property contract may cancel the contract, after notice and a public hearing, if it determines that either the owner has breached the agreement or the property has deteriorated to the extent that it no longer meets the standards of a historical property. If the contract is cancelled, the property owner must pay a cancellation fee equal to 12½ percent of the property's current fair market value as though free of the contractual restriction, such value to be determined by the county assessor. After a contract is cancelled, the lower of the property's factored base year value or current market value should be enrolled for the ensuing lien date.

SUMMARY

The key points contained in these guidelines can be summarized as follows:

1. An owner of qualified historical property may enter into a preservation contract with local government. When property is placed under such a contract, the owner agrees to restore the property if necessary, maintain its historic character, and use it in a manner compatible with its historic characteristics. Such property receives the special valuation treatment prescribed under Revenue and Taxation Code sections 439 through 439.4.
2. Enforceably restricted historical property is to be annually valued by the income capitalization method prescribed in section 439.2, which contains specific instructions with

regard to the income to be capitalized, the capitalization rate, and the capitalization technique to be used. The restricted value must be compared to the property's current market value and factored base year value, with the lowest of these three values enrolled as the property's taxable value.

3. When assessing restricted historical property, the appraiser should consider how three important elements of article XIII A—change in ownership, new construction, and supplemental assessment—relate to the assessment. The appraiser should consider how a property should be assessed when only a portion of it is subject to a historical property agreement.
4. Restricted historical property under a notice of nonrenewal should be valued in accordance with section 439.3.
5. The government entity party to a historical property contract may cancel the contract. The cancellation fee is 12½ percent of the property's current fair market value as though free of the contractual restriction, with such value to be determined by the local assessor.

Additional information about Mills Act contracts may be obtained from the state Office of Historic Preservation, either by telephone at 916-653-6624, or from their website (www.ohp.parks.ca.gov).

(Note: Please see the assessment examples following.)

EXAMPLE 1 (OWNER-OCCUPIED SINGLE-FAMILY RESIDENCE)

Subject Restricted Historical Property

Restored, 105-year-old, Victorian single-family residence. Excellent condition. Under Mills Act contract since 1985 and not in nonrenewal status. Owner-occupied.

Determination of Restricted Value (current lien date)

Gross income (Fair rent)		
\$1,500 per month x 12 months =		\$18,000
Less: Anticipated vacancy and collection loss		
\$18,000 x 5%		<u>- 900</u>
Effective gross income		\$17,100
Less: Anticipated operating expenses		
Grounds maintenance	\$600	
Fire insurance	400	
Management Fee	360	
Water and garbage	240	
Building maintenance	+ 500	<u>- 2,100</u>
Net Operating Income		\$15,000

Restricted Capitalization Rate

Rate Components:		
Interest rate	.080	
Risk (owner-occupied SFR)	.040	
Property tax (ad valorem)	.015	
Amortization (50-year remaining life; improvements constitute 70% of total property market value; 0.02 x 0.70 – 0.014)	+ .014	<u>.149</u>

Restricted Value		
\$15,000 ÷ .149		= <u>\$100,671</u>

Taxable Value—Three-Way Value Comparison

Restricted value	\$100,671
Factored base year value (based on prior change in ownership)	\$357,000
Current market value (based on comparable sales)	\$450,000

The lowest of the three possible values is the restricted value. Thus, the net taxable value would be \$93,671 (\$100,671 restricted value less the homeowners' exemption of \$7,000).

Note 1: If this property had been a non-owner-occupied SFR, the only difference in the determination of the restricted value would have been the use of a risk rate component of 2% rather than 4% in the capitalization rate.

Note 2: In this and the following examples, the gross income, or fair rent, is presented on a gross rent basis, that is, under the assumption that the landlord-owner pays all operating expenses out of the gross income.

EXAMPLE 2 (OFFICE USE)

Subject Restricted Historical Property

Multi-tenant, restored historical office building in a downtown commercial district. Under Mills Act contract since 1985 and not in nonrenewal status.

Determination of Restricted Value (current lien date)

Gross Income (Fair rent):		
Offices	140,000 sf @ \$1.75/sf = <u>\$245,000</u>	
	x 12 months	= \$2,940,000
Less: Anticipated vacancy and collection loss		
	\$2,940,000 x 5%	<u>- 147,000</u>
Effective gross income		\$2,793,000
Less: Anticipated operating expenses		
Management	\$290,000	
Maintenance	95,000	
Insurance	75,000	
Utilities	360,000	
Janitorial	+ <u>140,000</u>	<u>- 960,000</u>
Net Operating Income		\$1,833,000

Restricted Capitalization Rate

Rate Components:

Interest component	.08	
Risk	.02	
Property tax (ad valorem)	.011	
Amortization (50-year remaining life; improvements constitute 75% of total property market value 0.02 x 0.75 = 0.015)		
	+ <u>.015</u>	<u>.126</u>

Restricted Value		
(\$1,833,000 ÷ .126)		= \$14,547,619

Taxable Value—Three-Way Value Comparison

Restricted value	\$14,547,619
Factored base year value (based on prior change in ownership)	\$18,191,077
Current market value (based on comparable sales)	\$21,000,000

The lowest of the three possible values is the restricted value. Thus, the taxable value would be \$14,547,619

EXAMPLE 3 (MIXED USE—RESIDENTIAL AND OFFICE)

Subject Restricted Historical Property

Two-story, restored historical property in a downtown district. Upper level is residential unit occupied by owner. Lower level contains three office spaces subject to short-term rental agreements. The income stream for the upstairs unit must be calculated separately from the downstairs unit because the risk rate is different for the owner-occupied unit.

Determination of Restricted Value

Separate restricted values for the upper-level residence and the lower-level office space must be determined, because the risk components are different for the two types of use. The total restricted value is sum of these two values.

Upper-Level Unit

Gross income (Fair rent) based upon comparable rent data		
\$975 per month x 12 months =		\$11,700
Less: Anticipated vacancy and collection loss		
\$11,700 x 5%		<u>- 585</u>
Effective gross income		\$11,115
Less: Anticipated operating expenses		
Grounds maintenance	\$300	
Fire insurance	200	
Management Fee	180	
Water and garbage	120	
Building maintenance	+ 250	<u>- 1,050</u>
Upper-Level Net Operating Income		\$10,065

Restricted Capitalization Rate (owner-occupied SFR)

Rate components:

Interest rate	.080
Risk	.040
Property tax	.010

Amortization (50-year remaining life; improvements

constitute 70% of total property market value;

0.02 x 0.70 = 0.014	+ .014	<u>.144</u>
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Upper-level Restricted Value (\$10,065 ÷ .144) = \$69,895

Lower-Level Offices

Gross income (Fair rent)		
1000 sf @ \$1.60/sf = \$1,600 x 12 months		\$19,200
Less: Anticipated vacancy and collection loss		
\$19,200 x 5%		<u>- 960</u>
Effective gross income		\$18,240

Less: Anticipated operating expenses		
Grounds maintenance	\$300	
Fire insurance	200	
Management Fee	180	
Water and garbage	120	
Building maintenance	+ 250	- 1,050
Lower-Level Net Operating Income		\$17,190

Restricted Capitalization Rate		
Rate components:		
Interest component	.080	
Risk	.020	
Property tax	.010	
Amortization (50-year remaining life; improvements constitute 70% of total property market value; $0.02 \times 0.70 = 0.014$)	+ .014	.124
Lower Level Restricted Value ($\$17,190 \div .124$)		\$138,629
Add: Upper Level Restricted Value		+ \$69,895
Total Restricted Value		\$208,524

Taxable Value—Three-Way Value Comparison

Restricted Value	\$208,524
Factored base year value (based upon prior change in ownership)	\$364,140
Current market value (based upon comparable sales data)	\$400,000

The lowest of the three possible values is the restricted value. Thus, the net taxable value would be \$201,524 (\$208,524 less the homeowners' exemption of \$7,000).

EXAMPLE 4 (MIXED VALUATION—PART RESTRICTED AND PART UNRESTRICTED)

Description of Subject Property (Comprises Both Restricted and Unrestricted Portions)

The subject property is a 10-acre parcel with a farmhouse and barn situated on 2 acres; the remaining 8 acres are farmland. The farmhouse and barn are used as an owner-occupied single-family residence; this portion of the property is restricted under a Mills Act contract. The remaining 8 acres of farmland are unrestricted.

Value of Restricted Portion (current lien date)

Gross income (Fair rent) for farmhouse and barn		
\$2,000 per month x 12 months =		\$24,000
Less: Anticipated vacancy and collection loss		
\$24,000 x 5%		- 1,200
Effective gross income		\$22,800
Less: Anticipated operating expenses		
Grounds maintenance	\$600	
Fire insurance	400	
Management Fee	360	
Water and garbage	240	
Building maintenance	+ 500	- 2,100
Net Operating Income		= \$20,700
Restricted Capitalization Rate		
Rate components:		
Interest component	.080	
Risk (owner-occupied)	.040	
Property tax (ad valorem)	.010	
Amortization (50-year remaining life; improvements constitute 70% of total property market value)		
0.02 x 0.70 = 0.014	+ .014	.144
Restricted Value (\$20,700 ÷ .144)		= \$143,750

Taxable Value—Three-Way Comparison

Total Property Restricted Value (sum of restricted value above and lower of FBV or current market value of unrestricted portion)

Restricted Value (portion under contract)	\$143,750
FBV (unrestricted portion)	+ \$102,000
Restricted Value (total property)	\$245,750

Factored base year values (based upon a prior change in ownership of the entire property, allocated between restricted and unrestricted portions):

Farmhouse, barn, and 2 acres (restricted portion)	\$204,000
8 acres (unrestricted portion)	+ \$102,000
Total FBV (total property)	\$306,000

Current market values (based upon comparable sales data):

Farmhouse, barn, and 2 acres (restricted portion)	\$230,000
8 acres (unrestricted portion)	+ <u>\$120,000</u>
Total Current Market Value (total property)	\$350,000

The lowest of the three values is the Restricted Value (total property), \$245,750. Thus, the net taxable value would be \$238,750 (\$245,750 less \$7,000 homeowners' exemption).

EXAMPLE 5 (PROPERTY IN NONRENEWAL STATUS)

Description of Subject Restricted Historical Property

The same property as in Example 2, except the property owner has served notice of nonrenewal. The Mills Act contract covering the property was originally executed in September 1995, and the owner served notice of nonrenewal in June 2004. Value the property for the 2005 lien date, reflecting its nonrenewal status. Assume that the property's restricted, current market, and factored base year values from Example 2, provided below, also refer to January 1, 2005.

Restricted value	\$14,547,619
Current market value	\$21,000,000
Factored base year value	\$18,191,077

Restricted Value in Nonrenewal Status

Value as if unrestricted (factored base year value)	\$18,191,077
Restricted value	<u>- 14,547,619</u>
Difference	\$ 3,643,458
Present worth of difference	
PW1 @ 6.00 %, 9 years (interest component for lien date 2005)	<u>x .591898</u>
	= \$ 2,156,555
Plus restricted value	<u>+ \$14,547,619</u>
Restricted value in nonrenewal status—lien date January 1, 2005	\$16,704,174

Taxable Value

Since the restricted value in nonrenewal status, \$16,704,174, is less than either the property's current market value or its factored base year value, this is the taxable value.



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
PUBLIC HEARINGS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Katherine Wallace, Associate Planner
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	MA 22-214 (Ludwick): Consideration of a recommendation from the Historic Resources Board to the City Council that the City enter into a Mills Act Historical Property Contract MA 22-214 (Ludwick) with Christopher & Adrienne Ludwick Trust for the historic "Frederick Ten Winkel House" located at the southeast corner of San Antonio Avenue and 4 th Avenue (APN 010-253-018)

RECOMMENDATION:

Accept the recommendation of the Historic Resources Board, and Approve the Mills Act Historical Property Contract MA 22-214 (Ludwick) for the historic "Frederick Ten Winkel House" located at the southeast corner of San Antonio Avenue and 4th Avenue (APN 010-253-018) and authorize the City Administrator to execute the contract.

BACKGROUND/SUMMARY:

The project site is located at the southeast corner of San Antonio Avenue and 4th Avenue in the Single Family Residential (R-1) Zoning District. The existing two-story residence was built in 1925 in the Tudor Style by Carmel master builder, M.J. Murphy. The building was constructed as a residence for original owner Frederick Ten Winkel, a Carmel businessman who operated a furniture and hardware store on Ocean Avenue.

A Department of Parks and Recreation (DPR) Form 523A was completed for the property in 2002 by Kent Seavey (Attachment 3, Exhibit B) and the resource was added to the Carmel Inventory on May 25, 2005. A Resolution Designating a Historic Resource for the property at southeast corner of San Antonio Avenue and 4th Avenue was recorded with the County Recorder on January 4, 2007 (Instrument No.2007001127).

On June 22, 2022, Adrienne Ludwick, one of the property owners, submitted an application for a Mills Act Historical Property Contract. The Mills Act is an incentive program available to owners of historical resources listed on the Carmel Inventory and the local Register of Historic Resources. As noted above, the property was added to the Carmel Inventory in 2005. On August 15, 2022, the Historic Resources Board adopted Resolution 2022-008-HRB (Attachment 5), recommending that the City Council enter into a Mills Act Contract with Christopher & Adrienne Ludwick Trust for the historic "Frederick Ten Winkel House."

Contract Value

The Monterey County Assessor's Office is responsible for determining the value of a property under Mills Act Contract in accordance with sections 439 through 439.4 of the Revenue and Taxation Code. Properties with a Mills Act Contract are not valued based on sales data; rather they are valued by a prescribed income capitalization method (Attachment 6). After a Contract is approved, it is forwarded to the Monterey County Assessor who then determines the Mills Act value.

At previous Mills Act hearings, members of Council requested that staff obtain a preliminary calculation of Mills Act Contract values for the purposes of understanding the potential local tax revenue offset. A request was made to the Assessor's Office on August 16, 2022, and a response was received on August 17, 2022, informing the City that time constraints and process complexity make preliminary calculations by the Assessor infeasible. There is typically a 40% to 60% tax reduction for Mills Act properties. The 2022 tax bill for this property was \$1,889.78, with 6% of that amount going to the City's tax base (\$113.39); an estimated 50% reduction would lower the amount collected to \$944.89. Since the City receives 6% of the property tax collected by the County, granting the Mills Act Contract would also reduce the City's annual portion of property tax by an estimated 50% from \$113.40 to \$56.70.

STAFF ANALYSIS:

A Mills Act contract under State law is an agreement between the City of Carmel and a property owner of a historic building listed on the Carmel Register. In exchange for reduced property taxes, the property owner is contractually obligated to perform annual maintenance on the building. The property owner benefits from a reduction in property taxes. The City benefits from assurance, via contract, that the historic building is rehabilitated, maintained, and preserved with a portion of those property taxes that the city is giving up.

The primary purpose for offering Mills Act contracts in the City of Carmel-by-the-Sea is to assist in and ensure the rehabilitation or restoration and long-term maintenance of historic resources. All properties listed on the City's Historic Register in all districts that have been preserved in their historical size, form, and design without significant alterations are eligible for Mills Act contracts.

All Mills Act contracts have a term of 10 years, and one year is added to this term annually upon each anniversary date of the contract unless one or both parties (City and property owner) have taken action to terminate the contract. The City Administrator is authorized to initiate contract termination on behalf of the City based on recommendations of the Community Planning & Building Department. The contract rights and obligations are binding upon all successive owners of the property during the life of the contract. The property retains the lower Mills Act tax rate when sold. To end a contract, either party may submit a notice of non-renewal to the other party. Such notices shall cause the contract to terminate at the end of the then-current 10-year contract period. Cancellation of a contract by the City due to non-compliance requires a public hearing and, if canceled, results in the immediate termination of the contract and a penalty equal to 12.5 percent of the assessed market value of the property.

The contract requires that the historical elements of the property are maintained in good condition. This includes a plan for rehabilitation and maintenance and may include a program to restore deteriorated features. All recipients of Mills Act contracts are required to implement a rehabilitation/restoration and maintenance plan prepared by a qualified professional. An annual report is submitted to the Community Planning & Building Department specifying all work that has been done to maintain and preserve the historic resource over the year in compliance with the approved rehabilitation/restoration and maintenance plan. All rehabilitation/restoration and maintenance work must be completed in conformance with the Secretary of Interior's Standards for Rehabilitation. All Mills Act contracts must specify that the rehabilitation/restoration and maintenance plan shall be updated at least every ten years by a qualified professional and approved by both parties.

The Historic Resources Board considers each application for a Mills Act contract and provides a recommendation to the City Council to approve, approve with conditions, or deny the application.

The City Council considers the recommendations from the Historic Resources Board at a public hearing and resolves to approve, approve with conditions, or deny the proposed contract with sufficient time for action by the City Clerk so that recordation of approved contracts occurs before December 31st of the year in which the application is received.

Carmel Municipal Code Section 17.32.100.B.6(c) sets forth findings that the Historic Resources Board and City Council shall make in order to grant approval of a Mills Act Contract. The required findings are listed below followed by a staff response on whether the application meets the requirements.

1. *The building is designated as a historic resource by the City and is listed on the Carmel Register.*

Staff Response: A DPR 523A form was prepared by Kent Seavey in 2002 (Attachment 3, Exhibit B), evaluating the property for historical significance and finding the property meets the criteria for listing as a local historic resource. The City added the property to the Carmel Inventory of Historic Resources on May 25, 2005. A Resolution Designating a Historic Resource for the property at the southeast corner of San Antonio Avenue and 4th Avenue was recorded with the Monterey County Recorder on January 4, 2007 (Instrument No.2007001127). On August 15, 2022, the Historic Resources Board adopted Resolution 2022-008-HRB adding the property to the Carmel Register. This application meets this finding.

2. *The proposed rehabilitation/restoration and maintenance plan is appropriate in scope and sufficient in detail to guide long-term rehabilitation/restoration and maintenance. Required maintenance and rehabilitation should be more significant than just routine maintenance that would be expected for any property.*

Staff Response: The proposed rehabilitation/restoration and maintenance plan (Attachment 4, Exhibit C) includes improvements that will protect the integrity of the resource. The plan covers a period of 10 years from 2023-2032. The plan includes rehabilitation and maintenance work which has been reviewed by Anthony Kirk, a qualified architectural historian, and determined to be consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties. The work will include electrical; plumbing; chimney repair; hardscape repair; exterior paint; garden and landscaping restoration; foundation and subfloor repair; door and window restoration; gutter work; and roof maintenance. All exterior work is subject to Design Study approval and a determination of consistency with the Secretary of the Interior's Standards for Rehabilitation. In total, the applicant estimates spending \$485,000 in rehabilitation and maintenance activities over the course of the 10-year contract period. The proposed Plan meets this finding.

3. *Alterations to the historic resource have been in the past, and will continue to be in the future, limited to interior work and to exterior rehabilitation and alterations that:*

- (A) *Comply with the Secretary's Standards (future additions only); and*
- (B) *Do not significantly alter, damage or diminish any primary elevation or character-defining feature; and*
- (C) *Do not increase floor area on the property by more than 15 percent beyond the amount established in the documented original or historic design of the resource; and*
- (D) *Do not result in any second-story addition to a single-story historic resource.*

Staff Response: As noted above, rehabilitation/restoration and maintenance work will be performed in

conformance with the Secretary of Interior's Standards for Rehabilitation. Any future alterations are required to be consistent with conditions A-D above. Minor alterations may be approved by staff; however, major alterations would be evaluated by a qualified professional and presented to the Historic Resources Board for review. The application meets this finding.

4. *The Mills Act contract will aid in offsetting the costs of rehabilitating and maintaining the historic resource.*

Staff Response: Approval of the contract would assist in offsetting the rehabilitation/restoration and maintenance costs of preserving the "Frederick Ten Winkel House" by reducing the tax liability on the property thereby freeing up funds for the rehabilitation over the next ten years. Some of the more notable work that is proposed to be accomplished within the first few years would include repairing the stone chimney and restoring the formal landscaping and stone hardscape. The application meets this finding.

5. *Approval of the Mills Act contract will represent an equitable balance of public and private interests and will not result in substantial adverse financial impact on the City.*

Staff Response: Approval of the Mills Act Contract would be consistent with Goal 1-5 and Objective 1-16 of the Land Use & Community Character Element of the General Plan, which encourages providing incentives for property owners to preserve and rehabilitate historic resources. Although entering into a Mills Act Contract will decrease property tax revenue to the City, the financial impact would be minimal because:

- 1) The City Council adopted Resolution 2016-068 on September 13, 2016, limiting the number of Mills Act contracts that can be approved to fifteen (15) in any three-year calendar period. Two Mills Act Contracts have been approved in the last three years; one approval was granted in 2019 and one in 2022. The Council is considering a total of three contracts at this meeting, which, if approved, would increase the total to 5 in the last 3 years.
- 2) Carmel currently has 284 historic resources, and since the adoption of the Mills Act program in 2004, the City has entered into a total of eleven Mills Act Contracts.
- 3) The City would continue to receive a portion of the property tax revenue, and the investment in rehabilitation and maintenance supports local tourism, which benefits both private and public interests.
- 4) The value of preserving the historic resource offsets the loss of property tax revenue.

FISCAL IMPACT:

The City will have a diminished tax base from the property at the southeast corner of San Antonio and 4th Avenue for the term of the contract. There is typically a 40% to 60% tax reduction for Mills Act properties. The 2022 tax bill for this property was \$1,889.78, with 6% of that amount going to the City's tax base (\$113.39); an estimated 50% reduction would lower the amount collected to \$944.89. Since the City receives 6% of the property tax collected by the County, granting the Mills Act Contract would also reduce the City's annual portion of property tax by an estimated 50% from \$113.40 to \$56.70.

PRIOR CITY COUNCIL ACTION:

On March 3, 2020, the City Council adopted standard contract language for Mills Act Contracts.

ATTACHMENTS:

Attachment 1) Standard Mills Act Contract, with exhibits

Attachment 2) Exhibit A - Legal Description

Attachment 3) Exhibit B - DPR 523A Form

Attachment 4) Exhibit C - Maintenance Plan

Attachment 5) Resolution 2022-008-HRB

Attachment 6) Guidelines for the Assessment of Enforceably Restricted Historical Property

RECORDING REQUESTED BY
CITY OF CARMEL-BY-THE-SEA

AND WHEN RECORDED MAIL TO

Carmel City Hall
Attn: Community Planning & Building
P.O. Box CC
Carmel-By-The-Sea, CA 93921

This space reserved for the Recorder's use only

CITY OF CARMEL-BY-THE-SEA
MILLS ACT HISTORIC PROPERTY PRESERVATION CONTRACT

THIS AGREEMENT is made and entered by and between the CITY OF CARMEL-BY-THE-SEA a municipal corporation (hereinafter referred to as "City"), and Christopher & Adrienne Ludwick Trust (hereinafter referred to as "Owner").

RECITALS

- (i) California Government Code Section 50280, et seq. (known as the Mills Act) authorizes cities to enter into contracts with the owners of qualified historic properties to provide for their appropriate use, maintenance and restoration such that these historic properties retain their historic characteristics;
- (ii) The Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, located at the southeast corner of San Antonio Avenue and 4th Avenue (APN: 010-253-018), Carmel-By-The-Sea, California, (hereinafter referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as "**Exhibit A**" and is incorporated herein by reference;
- (iii) The property is identified as a historic resource on the City of Carmel-By-The-Sea's Historic Inventory and Register of Historic Resources and is further described in the DPR 523A Form attached hereto, marked as "**Exhibit B**" and is incorporated herein by reference;
- (iv) City and Owner, for their mutual benefit, now desire to enter into this Agreement both to protect and preserve the characteristics of historical significance of the Historic Property, as it exists at the date of this contract and as described in the City's Register of Historic Resources and the National Register of Historic Places, and to qualify the Historic Property for an assessment of valuation pursuant to the provisions of Article 1.9 (commencing with section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

NOW, THEREFORE, City and Owner, in consideration of the mutual covenants and conditions contained herein, do hereby agree as follows:

1. **INCORPORATION OF RECITALS.** All recitals are incorporated into this Agreement.
2. **EFFECTIVE DATE AND TERM.** This Agreement shall be effective and commence on the date the Agreement is signed by the City, unless otherwise indicated by the County of Monterey, and shall remain in effect for a minimum term of ten (10) years thereafter.
3. **AUTOMATIC RENEWAL.** Each year, upon the anniversary of the effective date of this Agreement (hereinafter referred to as “annual renewal date”), one (1) year shall be added automatically to the term of this Agreement, unless timely notice of nonrenewal is given as provided in paragraph 4 of this Agreement. The total length of the contract shall not exceed twenty (20) years.
4. **NOTICE OF NONRENEWAL.** If City or Owner desires in any year not to renew this Agreement, that party shall serve written notice of nonrenewal in advance of the annual renewal date of this Agreement as follows: Owner must serve written notice of nonrenewal at least ninety (90) days prior to the annual renewal date; City must serve written notice of the nonrenewal at least sixty (60) days prior to the annual renewal date. If notice is not received, the Agreement shall automatically be renewed for another year. Upon receipt by Owner of a notice of nonrenewal from the City, Owner may make a written protest. At any time prior to the annual renewal date, City may withdraw its notice of nonrenewal.
5. **EFFECT OF NOTICE OF NONRENEWAL.** If either City or Owner serves timely notice of nonrenewal in any year, and this contract is not renewed, this Agreement shall remain in effect shall remain in effect for the balance of the period remaining since the original execution or the last annual renewal date.
6. **FEES.** The City may require that the Owner(s) of the Historic Property pay a fee that shall not exceed the reasonable cost of providing services, such as inspections, pursuant to Government Code Section 50281.1 (Article 12 of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code), for which the fee is charged.
7. **VALUATION OF PROPERTY.** During the term of this Agreement, Owner is entitled to seek assessment of valuation of the Historic Property pursuant to the provisions of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.
8. **PRESERVATION OF PROPERTY.** Owner shall preserve and maintain the characteristics of historical significance of the Historic Property and agrees to complete rehabilitation and/or maintenance activities as defined in the Rehabilitation/Restoration and

Maintenance Plan attached as “**Exhibit C**”. Requests for revisions to the Maintenance and Rehabilitation plan shall be reviewed by the Historic Resources Board prior to implementation. In addition, Owner shall comply with the terms of the City’s Historic Preservation Ordinance (CMC 17.32). Owners shall not be permitted to further impede any view corridor with any new structure, including but not limited to walls, fences, or shrubbery, so as to prevent the viewing of the Historic Property from the public right-of-way.

9. **RESTORATION OF PROPERTY.** Owner shall, where necessary, restore and rehabilitate the Historic Property to conform to the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation, U. S. Secretary of the Interior’s Standards for Rehabilitation, the State Historical Building Code, and the City of Carmel-by-the-Sea, all as amended.
10. **INSPECTIONS.** Owner shall allow periodic examinations, at least every five (5) years, with reasonable notice thereof, of the interior and exterior of the Historic Property by representatives of the County of Monterey Assessor and the City of Carmel-By-The-Sea as may be necessary to determine Owner’s compliance with the terms and provisions of this Agreement. The City will coordinate inspections by such other agencies that have jurisdiction and will keep them to the minimum necessary to determinate such compliance.
11. **PROVISION OF INFORMATION.** Owner shall furnish City with any and all information required by City, in order to determine the eligibility of the Historic Property, and that City deems necessary or advisable to determine compliance with the terms and provisions of this Agreement.
12. **ANNUAL REPORT.** Owner shall submit an annual report at least 90 days prior to each annual renewal date (October 1st) to the Department of Planning and Building specifying all work that has been done to maintain and preserve the historic resource over the preceding year in compliance with the approved maintenance plan.
13. **CANCELLATION.** The City has the right to cancel the contract if the owner allows the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. The City also has the right to cancel this contract if the owner(s) breaches the provisions of paragraph’s # 8, 9, 10 or 12 of this Agreement after the City has provided reasonable notice of any failure to comply with the agreement, and a public hearing. Notice of the hearing shall be mailed to the last known address of each owner of the property, with the notice conforming to the provisions of Government Code section 6061., If after notice and a hearing, the contract is cancelled, termination of the Agreement is immediate, and the owner shall pay a cancellation fee equal to 12.5 percent of the current fair market value of the property, as determined by the Monterey County Assessor as though the property were free of the contractual restriction. The cancellation fee shall be paid to the Assessor, at the time and in the manner that the

Assessor shall prescribe. City's right to cancel this Agreement pursuant to this paragraph shall in no way limit or restrict its rights or legal remedies arising from City's Historic Preservation Ordinance and Municipal Code.

14. **ENFORCEMENT OF AGREEMENT.** In lieu of and/or in addition to any provisions to cancel this Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement.
15. **WAIVER.** City does not waive any claim or default by Owner if City does not enforce or cancel this Agreement. All remedies at law or in equity, which are not otherwise provided for this Agreement or in City's regulations governing historic properties are available to City to pursue in the event there is a breach of this Agreement. No waiver by City of any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.
16. **BINDING EFFECT OF AGREEMENT.** Owner hereby subjects the Historic Property to the covenants, reservations and restrictions set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations, and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon Owner's successors and assigns in title or interest to the Historic Property. A successor in interest shall have the same rights and obligations under this Agreement as the original owner who executed the Agreement. Each and every contract, deed or other instrument hereinafter executed, governing or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions expressed in this Agreement regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that it restricts development of the Historic Property. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the cultural and historic characteristics and significance of the Historic Property for the benefit of the public and Owner.
17. **NOTICE.** Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below, by personal delivery or United States mail, postage prepaid, addressed as follows:

City: Carmel-By-The-Sea
Community Planning & Building Department
Attn: Community Planning & Building Director
P.O. Box CC
Carmel-By-The-Sea, CA 93921

Owner: Christopher & Adrienne Ludwick Trust
406 Arboleda Drive
Los Altos, CA, 94024

Notice to successors in interest to either party shall be sent to the appropriate address. In the case of future Owner(s) of the Historic Property, notice shall be sent to the address on file with the county property tax office in power at the time.

18. **RECORDATION.** No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the Office of the County Recorder of the County of Monterey. From and after the time of the recordation, this Agreement shall impart a notice thereof to all persons as is afforded under state law.
19. **STATE LAW.** The Owner or agent of Owner shall provide written notice of this Agreement to the State Office of Historic Preservation within six (6) months of the date of this Agreement.
20. **GOVERNING LAW; VENUE.** This Agreement shall be constructed and governed in accordance with the laws of the State of California. Should either party to this agreement bring legal action against the other, the case shall be handled in Monterey County, California and the party prevailing in such action shall be entitled to a reasonable attorney fee which shall be fixed by the judge hearing the case and such fee shall be included in the judgment together with all costs.
21. **AMENDMENTS.** This agreement may be amended in whole or in part, only by a written-recorded instrument executed by the parties hereto.
22. **DESTRUCTION OF PROPERTY; EMINENT DOMAIN; CANCELLATION.** If the Historic Property is destroyed by earthquake, fire, flood, or other natural disaster such that in the opinion of the City Building Official more than sixty percent (60%) of the original fabric of the structure must be preplaced, this Agreement shall be cancelled because the historic value of the structure will have been destroyed. If the Historic Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City Council to frustrate the purpose of this Agreement, this Agreement shall be cancelled. No cancellation fee pursuant to Government Code Section 50286 shall be imposed if the Agreement is cancelled pursuant to this paragraph. Such Agreement shall be null and void for all purposes of determining the value of the property so acquired.
23. **INDEMNIFICATION.** Owner shall defend, indemnify, and hold harmless City and its elected officials, officers, agents and employees from any actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any

federal, state or local government agency, arising out of or incident to the direct or indirect use, operation, or maintenance of the Historic Property by Owner or any contractor, subcontractor, employee, agent, lessee, licensee, invitee, or any other person; (ii) Owner’s activities in connection with the Historic Property; and (iii) any restriction on the use of development of the Historic Property, from application or enforcement of the City’s Municipal Code, or from the enforcement of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of the City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. Owner’s obligation to indemnify shall survive the termination, cancellation, or expiration of this Agreement and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, employees, or agents.

- 24. **SEVERABILITY.** In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

IN WITNESS THEREOF, the City and Owners have executed this Agreement on the day and year written above.

CITY OF CARMEL-BY-THE-SEA:

By: _____

Date: _____

Name: Richard L. Rerig (“Chip”)
Title: City Administrator

PROPERTY OWNER(S):

By: _____

Date: _____

Name: Christopher Ludwick
Title: Property Owner

By: _____

Date: _____

Name: Adrienne Ludwick
Title: Property Owner

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
DPR 523A FORM

EXHIBIT C
REHABILITATION/RESTORATION AND MAINTENANCE PLAN

DRAFT

EXHIBIT A
LEGAL DESCRIPTION

Attachment 2

For APN/Parcel ID(s): 010-253-018

THE LAND REFERRED TO HEREIN BELOW IS SITUATION IN THE CITY OF CARMEL, COUNTY OF MONTEREY, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 28, IN THE BLOCK LETTERED "HH", AS SAID LOT AND BLOCK ARE SHOWN ON THAT CERTAIN MAP ENTITLED, "ADDITION NO. 3 TO CARMEL-BY-THE-SEA", FILED AUGUST 12, 1907 IN VOLUME 2 OF MAPS, "CITIES AND TOWNS", AT PAGE 5, MONTEREY COUNTY RECORDS.

Primary # _____
 HRI # _____
 Trinomial _____ Attachment 3
 NRHP Status Code 551

Other Listings
 Review Code _____ Reviewer _____ Date _____

Page of Resource Name or #: (Assigned by recorder) *F. Ten Winkel Hse.*

P1. Other Identifier:

P2. Location: Not for Publication Unrestricted a. County *Monterey*
 and (P2b and P2c or P2d. Attach a Location Map as necessary.)
 b. USGS 7.5' Quad _____ Date _____ T _____ ; R _____ ; 1/4 of _____ 1/4 of Sec _____ ; B.M. _____
 c. Address: _____ City *Carmel by-the-Sea* Zip *93921*
 d. UTM: (Give more than one for large and/linear resources) _____ ; _____ mE/ _____ mN
 e. Other Locational Data (Enter Parcel #, legal description, directions to resource, elevation, etc., as appropriate)
Blk HH, Lot 28 SE cr. of San Antonio & 4th

Parcel No. *010-253-018*

P3. Description (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

A one-and-one-half story wood-framed Tudor style bldg., irregular in plan, resting on a concrete foundation. The exterior wall cladding is smooth cement stucco. The steeply pitched cross-gable roof has a slightly lower dominant front gable. The roof planes of this feature, and that of the main building block flare dramatically towards the NW cr. of the main building block. The raised entry is found on the north side of the main building block. It is a round-headed flush-wood door w/wide wrought-iron strap hinges, reached by a straight run of open Carmel stone steps. All roof coverings are composition shingle w/staggared butts. There is a tall, Carmel stone exterior eave wall chimney found at the junction of the front gable and main building block along the s/side-elevation. It has a round-headed Carmel stone cap. Slightly stepped shed roof dormers on the north side of the west facing main building block die into the north roof plane of the lower front gable. A one-story angled bay w/a steep hipped roof projects from the front gable, toward the west. A smaller angled bay is found on the SE cr. of the building. Fenestration is irregular w/single, paired and banded multi-paned wood windows that are fixed, casement type and sliders, in a variety of sizes and shapes. The residence sits on the SE cr. of San Antonio & 4th, surrounded and masked by heavy foliage including two mature redwood trees.

b. Resource Attributes: (List attributes and codes)

4. Resources Present Building Structure Object Site District Element of District Other (Isolates, etc.)

P5a. Photograph or Drawing (Photograph required for buildings, structures, and objects)



P5b. Description of Photo: (View, date, accession#)
 (View toward _____). Photo No: *5124-*

P6. Date Constructed/Age and Sources:
 Prehistoric Historic Both

1925 Carmel bldg. records

P7. Owner and Address

*Wayne & Phyllis Kelly
 P.O. Box 554
 Carmel, CA 93921*

P8. Recorded by: (Name, affiliation, and address)

*Kent L. Seavey, Preservation Consultant, 310
 Lighthouse Ave., Pacific Grove, CA 93950*

P9. Date Recorded: *6/22/2002*

P10. Survey Type: (Describe)

Carmel Historic Resource Inventory - 2001

Report Citation: (Cite survey report and other sources, or enter "none")

Carmel by-the-Sea Survey 1989-1996

Attachments NONE Continuation Sheet District Record Rock Art Record Other: (List)
 Location Map Building, Structure, and Object Record Linear Feature Record Artifact Record
 Sketch Map Archaeological Record Milling Station Record Photograph Record

BUILDING, STRUCTURE, AND OBJECT RECORD

HRI #

Primary #

Attachment 3

NRHP Status Code

551

Resource Name or #: (Assigned by recorder) *F. Ten Winkel Hse.*

B1. Historic Name: *F. Ten Winkel Hse.*

B2. Common Name: *"An Neadin"*

B3. Original Use: *residence*

B4. Present Use: *residence*

B5. Architectural Style: *Tudor*

B6. Construction History: (Construction date, alterations, and date of alterations)

Constructed 1925 (Cbp# 967); interior kitchen/bath remodel 1960 (Cbp#3495); minor window change in bathroom remodel 1993 (Cbp#93-174)

B7. Moved? No Yes Unknown Date:

Original Location:

B8. Related Features: *extend rear of one car detached garage, NE cr. of parcel 1960 (Cbp#4524)*

B9a. Architect: *designer/M.J. Murphy*

b. Builder: *M.J. Murphy*

B10. Significance: Theme: *Architectural Development*

Area: *Carmel by-the-Sea*

Period of Significance: *1903-1940*

Property Type: *single family residence*

Applicable Criteria: *CR 3*

(Discuss importance in terms of historical or architectural context as defined by theme, period and geographic scope. Also address integrity.)

The Ten Winkel Hse. is significant under California Register criterion 3, in the area of architecture as an excellent and intact example of the Tudor style of architecture by Carmel Master-builder M.J. Murphy. The Ten Winkel Hse. is only slightly varied in design from Murphy's 1922 office building on Monte Verde, exhibiting the success of his model for potential clients. The Ten Winkel Hse. varies from the Murphy office building only in the placement of the front door in the west facing plane of the main building block, the size of some windows, and the placement of a chimney. The bays on the s/side of the Murphy office were added after the construction of the Ten Winkel Hse. Murphy was an astute builder who understood what his potential clients might be interested in. His Tudor cottages were less whimsical that the work of his chief competitor, Hugh Comstock, but easier to live in. The two buildings are most useful in comparison of Murphy designs in Carmel within the Tudor mode.

Michael J. Murphy (1885-1949), first came to Carmel as a painter in 1902, w/little training as a carpenter. Two years later Frank Devendorf hired him to be the builder for the Carmel Development Company. Murphy went on to become the most prolific designer-builder in Carmel's history, w/as many as 350 structures to his credit. In 1914 Murphy established his own contracting firm, and in 1924 opened M.J. Murphy, Inc., which sold building supplies, did rock crushing and concrete work and operated a lumber mill and cabinet shop, located between San Carlos and Mission Sts. Murphy was the most active designer-builder in the area between 1902 and 1940, and did as much to give Carmel its basic architectural character than any other person.

Frederick Ten Winkel, was a successful Carmel businessman. He operated a furniture and hardware store on the north side of Ocean Ave., in the building that later housed Village Hardware. The Ten Winkel Hse. clearly reflects the findings of, and is consistent with the 1997 Carmel Historic Context Statement under the theme of architectural development.

B11. Additional Resource Attributes: (List attributes and codes) *HP2 - Single Family Property*

B12. References:

*Carmel bldg. records, Carmel Planning Dept., City Hall, Carmel
Carmel Historic Context Statement 1997*

Hale, Sharron, A Tribute to Yesterday Valley Publishers: Santa Cruz, 1980

*Rasmussen, Lillian, bio. of M.J. Murphy, n/d
Weekly Sun, 10/3/91*

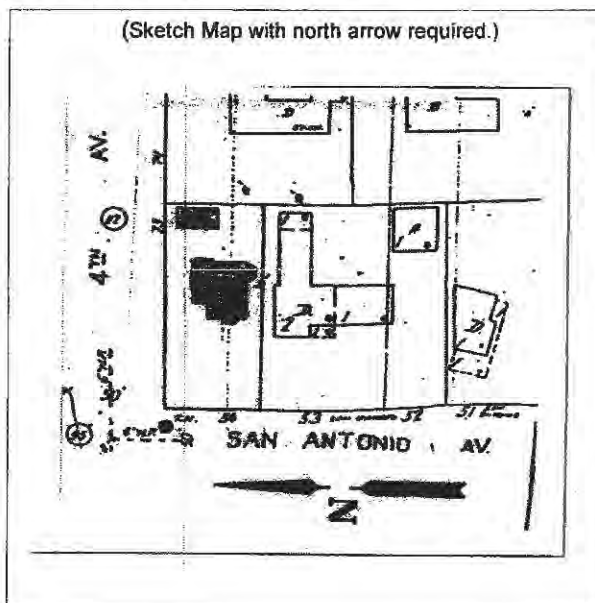
B13. Remarks: *Zoning R-1
CHCS (AD)*

B14. Evaluator: *Kent L. Seavey*

Date of Evaluation: *6/22/2002*

(This space reserved for official comments.)

(Sketch Map with north arrow required.)



CONTINUATION SHEET

Recorded by: **Resource Name or #:** (Assigned by recorder) F. Ten Winkel Hse.
Kent L. Seavey Date 6/22/2002 Continuation Update

P3. There is a formal garden fronting the house, w/low topiary hedges and flower beds. A small, wood-framed one-car garage, w/pent roof is located at the NE end of the parcel. It appears to have been constructed with the house, in 1925.

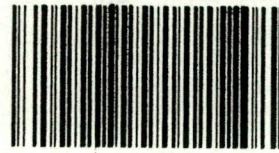
City of Carmel

Attachment 3

Return to:
Carmel City Hall
Post Office Drawer G
Carmel, CA 93921
Attention, Brian Roseth

DOCUMENT: 2007001127

Titles: 1/ Pages:



Fees.....
Taxes....
Other...
AMT PAID

RESOLUTION

DESIGNATING AN HISTORIC RESOURCE

The Department of Community Planning and Building of the City of Carmel-by-the-Sea completed intensive survey work, received approval from the California Coastal Commission and made an Administrative Determination that the property identified below meets the criteria for an historic resource as established in the City's General Plan, the Municipal Code and the Local Coastal Program for Carmel-by-the-Sea.

Based on this determination, effective 25 May 2005, the Department of Community Planning and Building resolved to designate the property described below as a local resource on the Carmel Inventory of Historic Resources.

This Resolution/Administrative Determination is recorded pursuant to section 5029(b) of the California Public Resources Code that requires the City to record all historic resource determinations. This action also is taken in furtherance of the Local Coastal Program certified by the California Coastal Commission and implemented by the City of Carmel-by-the-Sea Ordinances No. 2004-01 and 2004-02.

Assessor's Parcel Number: 010253018000

Block: HH **Lot(s):** ALL LOT 28

Current Owner: KELLEY, WAYNE G. & PHYLLIS TR

Street Location: SE CORNER SAN ANTONIO AND 4TH

It is the purpose of this Resolution/Administrative Determination to alert the owner, successors and assigns to the existence of an historic resource on the property. This historic resource is protected under laws of the State of California and of the City of Carmel-by-the-Sea including the California Coastal Act, the California Public Resources Code, the Carmel-by-the-Sea Municipal Code and the Local Coastal Program. Specific regulations affecting remodels, alterations, additions and demolitions can be found in the City of Carmel-by-the-Sea planning documents referenced above.

Certified by:

Brian Roseth,
Principal Planner, Carmel-by-the-Sea

END OF DOCUMENT

Mills Act Application House at Southeast Corner of San Antonio and 4th Avenues Carmel-by-the-Sea

This Mills Act Application was prepared by Anthony Kirk, Ph.D., with the assistance of Adrienne Ludwick, one of the property owners. Dr. Kirk holds a Ph.D. in American History from the University of California, Santa Barbara. For more than three decades he has been employed as a consultant specializing in environmental, cultural, and architectural history. He was appointed to the City of Santa Cruz Historic Preservation Commission in 1994 and served until 1998, chairing the commission for the final two years of his term. He meets the Secretary of the Interior's Professional Qualification Standards in history and in architectural history.

The historic property that is the subject of this paper is located on Lot 28, in the Block Lettered "HH", as said Lot and Block are shown on that certain Map entitled, "Addition No. 3 to Carmel-by-the-Sea", filed August 12, 1907 in Volume 2 of Maps, "Cities and Towns", at Page 5, Monterey County Records.

Chris and Adrienne Ludwick purchased the property at the southeast corner of San Antonio and 4th Avenues (APN 010-253-018) in December 2021. They wish to have it added to the Carmel Register of Historic Resources. It was evaluated in June 2002 by Kent L. Seavey, who is an approved architectural historian for Monterey County and the author of *Carmel: A History in Architecture* (Charleston, South Carolina, 2007). Mr. Seavey found the property to be significant under Criterion 3 of the California Register of Historical Resources as "an excellent and intact example of the Tudor style of architecture by Carmel Master-builder M. J. Murphy." The house was built for Frederick Ten Winkel, who operated a furniture and hardware store on Ocean Avenue in Carmel. There are a few corrections to Mr. Seavey's evaluation, none of which bear on the significance of the property. He characterized both the house and the garage as wood-frame construction, when, in fact, they are both single-wall construction. He also didn't mention the presence of a partial basement on the west side of the house, which is entered by descending a flight of steps to the doorway.

The property has been subject to general maintenance over the years, but as the Ludwicks have discovered, significant work needs to be done to address safety issues, such as replacing the original knob-and-tube electrical wiring and the plumbing, which leaks. It is their intention to make the following improvements to the property, to make sure this historic home is properly preserved and cared for.



Façade (west elevation), looking east.



Rear (east elevation), looking northwest.

10-Year Rehabilitation and Maintenance Plan

Work Item	'23	'24	'25	'26	'27	'28	'29	'30	'31	'32	Cost Estimate
1. Repair stone chimney	X										\$10,000
2. Restore gardens & landscaping		X									\$120,000
3. Restore exterior stone hardscape			X								\$60,000
4. Paint exterior				X							\$55,000
5. Repair/restore iron features: hinges and hardware etc.				X							\$25,000
6. Restore exterior gutters					X						\$20,000
7. Repair foundation & subfloor						X					\$25,000
8. Electrical: rewire home							X				\$25,000
9. Replace plumbing/pipes								X			\$25,000
10. Inspect/ restore windows & doors									X		\$85,000
11. Roofing maintenance										X	\$35,000
Total:											\$485,000

Work Item Descriptions

1. **Chimney:** The Ludwick's inspection report on the house states that there is moss and or algae growing on the exterior of the chimney. Water is retained in this area. Vegetation growth on the chimney can be damaging to the masonry structure. A certified chimney expert will be retained to address the problem.
2. **Tree/landscape/garden work:** The ground near the house does not drain properly after a storm. A landscape expert will be retained to slope it away from the house, preventing the entry of water and damage to the foundation and to interior finishes. Trees and bushes are in contact with the house. They will be properly trimmed to minimize damage to the house and to discourage animal activity. Also, the formal front gardens are a key part of the landscaping and feel of the home. They need to be restored. The garden lampposts will be restored as well.
3. **Exterior hardscape:** The patio shows surface wear and cracking. A professional mason will be retained to address the problem.
4. **Exterior painting:** The walls of the house are clad with stucco, which has been painted on numerous occasions. The paint has deteriorated in certain areas. General maintenance will be required to avoid further degradation. The paint on the trim is peeling, faded, or generally deteriorated. It will be repainted by professional painters to maintain a weather-resistant coating and to prevent water damage.
5. **Restore exterior iron 'features':** Over time it will be necessary to repair and restore various exterior features, such as the iron front door frame, window hardware, shutter hardware, and hinges throughout.
6. **Gutters:** The gutters and downspouts are leaking at the seams. An appropriate professional will be retained to repair the seams, which will promote the movement of water away from the structure. The downspouts have become loose. They will be repaired to provide proper drainage and to prevent water damage to the house.
7. **Foundation:** Earth to wood contact has been noted in the crawlspace beneath the house. An appropriate professional will be retained to remove the earth and to maintain necessary clearances. This will significantly reduce the opportunity for termites and other pests to damage beams and other wood members.
8. **Electrical:** The house retains its original knob-and-tube wiring, which needs to be replaced with modern wiring. It has, as well, ungrounded two-prong receptacles, which will be assessed and replaced as needed by a professional electrician.
9. **Plumbing:** An inspection of the house revealed the presence of leaky pipes, which will be assessed and replaced as needed by a professional plumber.
10. **Window and door restoration:** An inspection of the property revealed that the current paint on the window sash is flaking and deteriorated. It will be necessary for professional painters to repaint the window sash to maintain a weather resistant seal and to avoid further deterioration. The wooden doors are worn and weathered. General maintenance and repairs are needed to avoid further deterioration.
11. **Roof maintenance:** The current roof is about halfway through the average life cycle of a roof. It will be replaced in approximately ten years.

Work Item Descriptions with Photographs

- 1. Chimney:** The Ludwick's inspection report on the house states that there is moss and or algae growing on the exterior of the chimney. Water is retained in this area. Vegetation growth on the chimney can be damaging to the masonry structure. A certified chimney expert will be retained.



- 2. Tree/landscape work:** The ground near the house does not drain properly after a storm. A landscape expert will be retained to slope it away from the house, preventing the entry of water and damage to the foundation and to interior finishes. Trees and bushes are in contact with the house. They will be properly trimmed to minimize damage to the house and to discourage animal activity. Also, the formal front gardens are a key part of the landscaping and feel of the home. They need to be restored. The garden lampposts will be restored as well.



- 3. Exterior hardscape:** The patio shows surface wear and cracking. A professional mason will be retained to address the problem.



- 4. Exterior painting:** The walls of the house are clad with stucco, which has been painted on numerous occasions. The paint has deteriorated in certain areas. General maintenance will be required to avoid further degradation. The paint on the trim is peeling, faded, or generally deteriorated. It will be repainted by professional painters to maintain a weather-resistant coating and to prevent water damage.



- 5. Restore exterior iron 'features':** Over time it will be necessary to repair and restore various exterior features, such as the iron front door frame, window hardware, shutter hardware, and hinges throughout.



- 6. Gutters:** The gutters and downspouts are leaking at the seams. An appropriate professional will be retained to repair the seams, which will promote the movement of water away from the structure. The downspouts have become loose. They will be repaired to provide proper drainage and to prevent water damage to the house.



7. **Foundation:** Earth to wood contact has been noted in the crawlspace beneath the house. An appropriate professional will be retained to remove the earth and to maintain necessary clearances. This will significantly reduce the opportunity for termites and other pests to damage beams and other wood members.



8. **Electrical:** The house retains its original knob-and-tube wiring, which needs to be replaced with modern wiring. It has, as well, ungrounded two-prong receptacles, which will be assessed and replaced as needed by a professional electrician.



9. **Plumbing:** An inspection of the house revealed the presence of leaky pipes, which will be assessed and replaced as needed by a professional plumber.



10. Window and door restoration: An inspection of the property revealed that the current paint on the window sash is flaking and deteriorated. It will be necessary for professional painters to repaint the window sash to maintain a weather resistant seal and to avoid further deterioration. The wooden doors are worn and weathered. General maintenance and repairs are needed to avoid further deterioration.





11. Roof maintenance: The current roof is about halfway through the average life cycle of a roof. It will be replaced in approximately ten years.



CITY OF CARMEL-BY-THE-SEA
HISTORIC RESOURCES BOARD

HISTORIC RESOURCES BOARD RESOLUTION NO. 2022-008-HRB

**A RESOLUTION OF THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA
ADDING A HISTORIC RESOURCE TO THE CARMEL REGISTER AND RECOMMENDING THAT THE CITY
COUNCIL ENTER INTO A MILLS ACT CONTRACT WITH CHRISTOPHER & ADRIENNE LUDWICK TRUST
FOR THE PROPERTY LOCATED AT THE SOUTHEAST CORNER OF SAN ANTONIO AVENUE AND 4TH
AVENUE APN 010-253-018**

WHEREAS, Christopher and Adrienne Ludwick (“Applicant”) submitted an application on behalf of Christopher and Adrienne Ludwick Trust (“Owners”) requesting to add the historic “Frederick Ten Winkel House” to the Carmel Register of Historic Resources and enter into a Mills Act contract (MA 22-214, Ludwick) described herein as (“Application”); and

WHEREAS, the Application has been submitted for the property located at the southeast corner of San Antonio Avenue and 4th Avenue, Single Family Residential (R-1) District (Block HH, Lot 28); and

WHEREAS, the Applicant is requesting to add the historic “Frederick Ten Winkel House” to the Carmel Register of Historic Resources; and

WHEREAS, in accordance with Carmel Municipal Code (CMC) Section 17.32.090 (Carmel Register of Historic Resources) the City shall maintain a Register of Historic Resources designated by the City for public recognition and benefits; and

WHEREAS, historic resources identified as significant at a local or regional level shall be eligible for listing in the Register at the request of the property owner and upon approval by the Historic Resources Board; and

WHEREAS, one of the benefits of being included on the Register is the ability to enter into a Mills Act Historical Property Contract with the City; and

WHEREAS, the Applicant is also requesting to enter into a Mills Act contract with the City and in accordance with Carmel Municipal Code (CMC) Section 17.32.100.B.6 (Review Process), the Historic Resources Board shall consider the application and make a recommendation to the City Council to approve, approve with conditions, or deny the application; and

WHEREAS, notice of the August 15, 2022 public hearing was published in the Carmel Pine Cone on August 5, 2022 in compliance with State law (California Government Code 65091), and mailed to owners of real property within a 300-foot radius of the project indicating the date and time of the public hearing; and

WHEREAS, on August 5, 2022 the Applicant posted the public notice on the project site and hand-delivered a copy of the public notice to each property within a 100-foot radius of the project site indicating the date and time of the public hearing; and

WHEREAS, on August 12, 2022 the meeting agenda was posted in three locations in compliance with State law indicating the date and time of the public hearing; and

WHEREAS, on August 15, 2022, the Historic Resources Board held a public meeting to consider adding the historic “Frederick Ten Winkel House” to the Carmel Register and to consider the application for a Mills Act contract, including without limitation, information provided to the Historic Resources Board by City staff and through public testimony; and

WHEREAS, this Resolution and its findings are made based upon evidence presented to the Historic Resources Board at the August 15, 2022 meeting including, without limitation, the staff report and attachments submitted by the Community Planning and Building Department; and

WHEREAS, the Historic Resources Board did hear and consider all said reports, attachments, recommendations and testimony herein above set forth and used their independent judgement to evaluate the project; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED, that the Historic Resources Board of the City of Carmel-By-The-Sea does hereby make the following findings and determinations regarding the **Mills Act Contract**:

<u>FINDINGS REQUIRED FOR A MILLS ACT CONTRACT</u>		
For each of the required findings listed below, staff has indicated whether the application supports adoption of the findings. For all findings checked "no" the staff report discusses the issues to facilitate the Historic Resources Board decision-making. Findings checked "yes" may or may not be discussed in the report depending on the issues.		
CMC 17.32.100.B.6.c	YES	NO
i. The building is designated as an historic resource by the City and is listed on the Carmel Register.	✓	
ii. The proposed rehabilitation/restoration and maintenance plan is appropriate in scope and sufficient in detail to guide long-term rehabilitation/restoration and maintenance. Required maintenance and rehabilitation should be more significant than just routine maintenance that would be expected for any property.	✓	
iii. Alterations to the historic resource have been in the past, and will continue to be in the future, limited to interior work and to exterior rehabilitation and alterations that: (A) Comply with the Secretary’s Standards (future additions only); and	✓	

(B) Do not significantly alter, damage or diminish any primary elevation or character-defining feature; and (C) Do not increase floor area on the property by more than 15 percent beyond the amount established in the documented original or historic design of the resource; and (D) Do not result in any second-story addition to a single-story historic resource.		
iv. The Mills Act contract will aid in offsetting the costs of rehabilitating and maintaining the historic resource.	✓	
v. Approval of the Mills Act contract will represent an equitable balance of public and private interests and will not result in substantial adverse financial impact on the City.	✓	

BE IT FURTHER RESOLVED that the Historic Resources Board of the City of Carmel-by-the-Sea does hereby add the historic “Frederick Ten Winkel House” to the Carmel Register of Historic Resources and recommend that the City Council enter into a Mills Act Contract (MA 22-214, Ludwick) for the property located at the southeast corner of San Antonio Avenue and 4th Avenue (APN 010-253-018).

PASSED, APPROVED AND ADOPTED BY THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA this 15th day of August, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

 Erik Dyar
 Chair

 Leah Young
 Historic Resources Board Secretary

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
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BETTY T. YEE
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First District, San Francisco

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econd District, Sacramento/Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

No. 2005/035

June 2, 2005

O COUNTY ASSESSORS AND INTERESTED PARTIES:

NOTICE OF BOARD ACTION

**GUIDELINES FOR THE ASSESSMENT OF
ENFORCEABLY RESTRICTED HISTORICAL PROPERTY**

On May 25, 2005, the Board of Equalization approved the following guidelines pertaining to the assessment of enforceably restricted historical property. These guidelines supersede Letter To Assessors No. 77/174 (dated December 19, 1977).

On June 8, 1976, the voters of California approved Proposition 7 which amended section 8 of article XIII of the California Constitution. This amendment requires that enforceably restricted historical property be valued on a basis that is consistent with its restrictions and uses. Sections 439 through 439.4 were added to the Revenue and Taxation Code to implement Proposition 7. These statutes, in particular section 439.2, prohibit a valuation of enforceably restricted historical property based on sales data and instead require that such property be valued by a prescribed income capitalization method.

Staff drafted these guidelines in consultation with interested parties and, after discussions, no issues remained unresolved. The guidelines discuss the enforceably restricted historical property requirements, the income to be capitalized, the capitalization rate, the effect of Proposition 13 upon enforceably restricted historical properties that undergo change in ownership or new construction, and the valuation of property under notice of nonrenewal.

The guidelines are posted on the Board's website at www.boe.ca.gov/proptaxes/guideproc.htm. We hope this information proves useful and promotes uniformity of assessment for these properties. If you have any questions, please contact our Real Property Technical Services Unit at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs
Enclosure

GUIDELINES FOR THE ASSESSMENT OF ENFORCEABLY RESTRICTED HISTORICAL PROPERTY

HISTORY

Effective March 7, 1973, Chapter 1442 of the Statutes of 1972 (also known as the Mills Act) added sections 50280 through 50289 to the Government Code to allow an owner of qualified historical property to enter into a preservation contract with local government. When property is placed under such a contract, the owner agrees to restore the property if necessary, maintain its historic character, and use it in a manner compatible with its historic characteristics.

Prior to the passage of Proposition 7 in 1976, these agreements (i.e., Mills Act contracts) constituted enforceable restrictions on the use of land within the meaning of Revenue and Taxation Code section 402.1¹ (Property Tax Rule 60, repealed January 10, 1978). However, Proposition 7 added the second paragraph to section 8 of article XIII of the California Constitution:

To promote the preservation of property of historical significance, the Legislature may define such property and shall provide that when it is enforceably restricted, in a manner specified by the Legislature, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses.

To implement Proposition 7, Chapter 1040 of the Statutes of 1977 (Senate Bill 380) added sections 439 through 439.4 to the Revenue and Taxation Code. These statutes, in particular section 439.2, prohibit a valuation of enforceably restricted historical property based on sales data and instead require that such property be valued by a prescribed income capitalization method.

ENFORCEABLY RESTRICTED HISTORICAL PROPERTY

Under section 439, historical property is "enforceably restricted" if it meets the definition of a "qualified historical property" as defined in Government Code section 50280.1 and is subject to a historical property contract executed pursuant to Government Code section 50280 and following. A qualified historical property includes qualified historical improvements and the land on which the improvements are situated, as specified in the historical property contract. If the contract does not specify the land to be included, the qualified historical property includes only a land area of reasonable size to situate the improvements.

A qualified historical property is privately-owned property that is not exempt from property taxation and that also meets either of the following criteria:

- The property is listed in the National Register of Historic Places, or is located within a registered historic district; or

¹ Unless otherwise noted, all statutory references are to the Revenue and Taxation Code.

- The property is listed in any official state, county, city, or city and county official register of historical or architecturally significant sites, places or landmarks, including the California Register of Historical Resources, California Historical Landmarks, State Points of Historical Interest, local landmarks, and local survey listings of historical properties.

The historical property contract must have a minimum term of ten years, and, as applicable, must contain certain other elements, including the following:

- A provision relating to the preservation of the qualified historical property and, when necessary, the restoration and rehabilitation of the property in conformance with state historic preservation guidelines;
- A requirement for the periodic examination of the property to ensure compliance with the agreement;
- A requirement that the historical property agreement be binding upon successor owners of the qualified historical property; and
- A provision for an automatic one-year extension of the contract, with an additional year added to the initial contract term on each anniversary of the contract, unless either party provides notice of nonrenewal. If a notice of nonrenewal is given, the contract runs for its remaining term.

Once a contract is signed, accepted, and recorded, the property subject to the contract must be assessed under section 439.2 on the ensuing lien date. For example, if a contract were recorded in August 2004, the property should have been valued pursuant to section 439.2 for lien date January 1, 2005.

Local authorities may cancel a historical property agreement for breach of contract or failure to protect the historical property. Alternatively, the local entity may take legal action to enforce the contract.

ASSESSMENT

The assessment of an enforceably restricted historical property involves the following aspects: (1) valuing the restricted historical property; (2) properly applying certain assessment provisions relating to article XIII A of the California Constitution (Prop 13); (3) valuing the restricted historical property following a notice of nonrenewal; and (4) valuing the restricted historical property following cancellation of the contract.

Valuing the Restricted Historical Property

Section 439.2 prohibits the assessor from using sales data relating to similar properties, whether or not enforceably restricted, to value an enforceably restricted historical property. Instead, the assessor must annually value a restricted historical property using an income approach that

follows the specific provisions of section 439.2. These provisions explicitly address (1) the determination of the income to be capitalized, (2) the development of the capitalization rate, (3) the capitalization technique to be used, and (4) the determination of the restricted historical property's taxable value on each lien date.

Income to be Capitalized

As provided in section 439.2(a), the income to be capitalized when valuing a restricted historical property is the property's fair rent less allowed expenditures, or allowed expenses. In general, section 439.2(a) follows Property Tax Rule 8(c), with fair rent in section 439.2 corresponding to gross return in Rule 8(c); allowed expenditures, or allowed expenses, in section 439.2 corresponding to gross outgo in Rule 8(c); and the income to be capitalized in section 439.2 corresponding to net return in Rule 8(c). In addition, for the purposes here, "gross income" is synonymous with fair rent, and "net operating income" is synonymous with the income to be capitalized.

The parties to a historical property agreement may stipulate a minimum annual income to be capitalized, in which case the income to be capitalized may not be less than the stipulated amount.

Fair rent, or gross income. The gross income of a restricted historical property is the fair rent for the property considering the restrictions on the property's use. When establishing the fair rent for a restricted historical property, the appraiser should consider the actual rent and typical rents in the area for similar properties in similar use, where the owner pays the property taxes.

The actual rent received by the owner of the subject restricted historical property is relevant to an estimate of fair market rent only if the actual rent is the same rent that would be expected if the existing lease were renegotiated in light of current market conditions, including the subject property's enforceable restrictions on use. With respect to rents from similar, or comparable, properties, if such rents are from properties outside the geographic or market area of the subject property, or from properties that are otherwise dissimilar to the subject property, the rents may not be relevant to an estimate of the subject property's fair rent.

Comparable rental data for single-family residences can be obtained from real estate brokers, rental agencies, and newspaper ads. Many assessors offices maintain rental data for commercial properties, and this data may be helpful when establishing the fair rent for restricted historical property when the contract allows a commercial use. Rental data for commercial property also can be obtained from commercial real estate brokers. For the purpose of estimating anticipated market fair rent and expenditures for use in calculating the subject property's value, rental and expense data for existing restricted historical properties, including the subject historical property, can be obtained through an annual questionnaire sent to property owners.

If sufficient rental data are not available, or such data are unreliable, the appraiser must impute a gross income for the subject restricted historical property. The imputed income should be based on what an informed investor would reasonably expect the property to yield under prudent management, given the provisions under which the property is enforceably restricted.

Allowed expenditures. Section 439.2(a)(3) defines allowed expenditures, or allowed expenses, as expenses necessary for the maintenance of the property's income. Allowed expenses are the same as those permitted in Property Tax Rule 8(c).

Typical expenses include the cost of utilities, maintenance and repair, insurance and property management. Allowed expenses also may include amounts owing for special assessments and special taxes. Expenses related to debt service, general property taxes, and depreciation should not be deducted.

In general, to arrive at the net income to be capitalized, allowed expenses are subtracted from the estimated rental income. However, in order to properly process the income, the appraiser must be aware of the structure of the lease with regard to how expenses are shared between the landlord-owner and the tenant.

The proper perspective from which to view the processing of income and expenses is that of the landlord-owner. The objective is to estimate the net income to the landlord-owner—this is the amount that should be capitalized—and the correct question to ask is the following: What, if any, allowed expenses must the landlord-owner pay out of the rental income that he or she receives?

In a gross lease, almost all of the allowed expenses must be paid out of the gross rent and, therefore, must be subtracted from the gross rent to arrive at the net income to be capitalized. In a net lease, relatively few allowed expenses must be paid by the landlord-owner out of the net rent (because the tenant pays most expenses) and only these expenses should be subtracted from the net rent to arrive at the net income to be capitalized. Frequently, there is a hybrid arrangement—some expenses are paid by the landlord-owner and some by the tenant. How expenses are shared often depends upon the property type together with local conventions.

Income to be capitalized, or net operating income. The income to be capitalized, or net operating income, is simply the fair rent, or gross income, described above less the allowed expenditures described above.

Capitalization Rate

The method of developing the capitalization rate to be used when valuing restricted historical property is prescribed by statute; a capitalization rate derived from sales data or the band of investment is not permitted.

Section 439.2 prescribes two types of capitalization rates for restricted historical property: (1) a capitalization rate to be used when valuing restricted historical property that is an owner-occupied single-family residence and (2) a capitalization rate to be used when valuing all other restricted historical property. Both types of capitalization rates include components for interest (i.e., yield), risk, property taxes, and amortization of improvements; in fact, the two rates are identical except for the amount of the risk component. The capitalization rate contains the following components:

- An interest component annually determined by the State Board of Equalization and based on the effective rate on conventional mortgages as determined by the Federal Housing Finance Board. The interest component is announced annually, in a Letter To Assessors, by October 1 of the preceding assessment year.
- A historical property risk component determined by property type. For owner-occupied single-family residences, the rate is 4 percent; for all other types of restricted historical property, the rate is 2 percent.
- An amortization component for improvements defined as a percentage equal to the reciprocal of the remaining life of the improvements (e.g., if the remaining economic life of the improvements were 20 years, the amortization component would be 5 percent). Since the amortization component applies only to improvements, not to land, which is a non-depreciating asset, it is necessary to adjust the amortization component described in the statute. We recommend the following method of adjustment:
 1. Based upon market data, estimate the percentage of total property value attributable to improvements.
 2. Multiply this percentage by the amortization component described in the statute (i.e., by the reciprocal of the remaining life of the improvements). For example, if the remaining life of the improvements was 20 years, yielding a reciprocal percentage of 5 percent, and if 70 percent of the total property value was attributable to the improvements, the adjusted amortization factor would be 3.5 percent ($0.05 \times 0.70 = 0.035$).
 3. Add the adjusted amortization component to the other capitalization rate components to arrive at the total capitalization rate.
- A property taxes component equal to the percentage of the estimated total tax rate applicable to the property for the assessment year multiplied by the assessment ratio. Typically, the property tax component includes the basic tax rate of 1 percent plus an additional ad valorem rate related to any bonded indebtedness pertaining to the tax rate area in which the property is located. Special district assessments and special taxes are not included in the property tax component. As noted above, they should be treated as allowed expenses.

Capitalization Technique

The capitalization technique to be used when valuing a restricted historical property is prescribed by statute and is formulaic. Section 439.2(e) provides that the restricted value shall be the income to be capitalized, or net operating income, developed as prescribed by statute, divided by one of the two types of capitalization rates prescribed by statute. In other words, the restricted value is the simple quotient of the prescribed income to be capitalized and the prescribed capitalization rate.

Determination of Taxable Value on Each Lien Date

Section 439.2(d) provides that a historical property's restricted value may not be enrolled if it exceeds either (1) the value of the subject property as determined under section 110 (i.e., current market value) or (2) the value of the subject property as determined under section 110.1 (i.e., factored base year value). In other words, section 439.2 states that the taxable value of a restricted historical property on each lien date shall be the lowest of its restricted value, current market value, or factored base year value. The factored base year value for an enforceably restricted historical property is the value that was established for the 1975 lien date² or as of the date of the most recent change in ownership, whichever is later, adjusted by the annual inflation factor.

Article XIII A (Prop 13) Considerations

This section discusses how three important elements relating to implementation of article XIII A—change in ownership, new construction, and supplemental assessment—relate to the assessment of restricted historical property. Also discussed is the case in which only a portion of a property is subject to the historical property agreement—that is, the case in which a single property unit contains both restricted and unrestricted portions.

Change in Ownership

When a property subject to a historical property contract undergoes a change in ownership, a new base year value should be established for the property as of the date of change in ownership, as provided in section 110.1. Typically, a restricted historical property's base year value will be greater than its restricted value determined under section 439.2 and hence will not be enrolled as the property's taxable value. However, the establishment of a new base year value enables the assessor to perform the three-way value comparison prescribed by section 439.2(d) and described above. The establishment of a base year value is also necessary in order to calculate the assessed values of historical property should the historical property agreement enter nonrenewal status.

New Construction

Section IV of National Register Bulletin #15 defines a "building" as follows:

A building, such as a house, barn, church, hotel, or similar construction, is created principally to shelter any form of human activity. "Building" may also be used to refer to a historically and functionally related unit, such as a courthouse and jail or a house and barn.

Section IV further specifies that "[b]uildings eligible for the National Register must include all of their basic structural elements. Parts of buildings, such as interiors, facades, or wings, are not eligible independent of the rest of the existing building. The whole building must be considered,

² Sections 110.1(d) and 405.5 do not apply to historical properties under contract as of lien date 1975 because the constitutional amendment which placed the valuation of historical property under article XIII rather than article XIII A had not yet been passed and, thus, was not in effect for the 1975 lien date.

and its significant features must be identified." Thus, eligibility for the National Register is determined by the extent to which the basic structural elements of an existing building are intact. In general, a newly constructed building would not be eligible because it is not an existing building with basic structural elements.³

Also, a newly constructed building is not a historic resource, and, thus, is not a qualified historical property within the meaning of Government Code section 50280.1. For example, a newly constructed detached garage (assuming it is not a reconstruction of a historical garage) clearly would not be eligible because it has no significance in American history or architecture, nor does it meet any of the other requisite criteria.

Bulletin 15, however, does list one type of newly constructed property that may be eligible for inclusion under the Mills Act. A reconstructed historic building is eligible for the National Register if the reconstruction is "accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan, and when no other building or structure with the same association has survived."

The historical property contract typically specifies the scope and type of any work to be performed on the historical improvements. Improvements existing as of the date of the contract would be subject to the provisions of section 439.2 unless specifically excluded by the contract. Any new construction made to the historical structure after the issuing date of the contract would not be subject to the provisions of section 439.2 unless specifically included in the contract or an amendment to the contract. Any questions regarding new construction to enforceably restricted historical structures should be directed to the counsel of the legislative body of the city, county, or city and county that contracted with the property owner.

Assuming that the newly constructed property is subject to the historical property contract, a base year value should be established for the newly constructed portion and this value added to the factored base year value of the existing restricted property.

In some cases, an existing historical property may include a portion that is restricted (i.e., subject to a historical property contract) and a portion that is unrestricted. In this case, separate factored base year values should be maintained for the restricted and unrestricted portions and the base year value of any newly constructed property added to the appropriate portion. The assessment treatment of this type of property is discussed further below.

Supplemental Assessment

Although the assessor is required to establish a new base year value upon a change in ownership or completed new construction involving restricted historical property, such property is not subject to supplemental assessment. As provided in Revenue and Taxation Code section 75.14:

Supplemental assessment; limitation. A supplemental assessment pursuant to this chapter shall not be made for any property not subject to the assessment

³ National Register Bulletin 15, "How to Apply the National Register Criteria for Evaluation," U.S. Department of the Interior, National Park Service (www.cr.nps.gov/nr/publications/).

limitations of Article XIII A of the California Constitution. All property subject to the assessment limitations of Article XIII A of the California Constitution shall be subject to the provisions of this chapter, except as otherwise provided in this article.

As discussed above, the assessment of enforceably restricted historical property is subject to the provisions of article XIII, section 8 of the California Constitution, not article XIII A. Thus, section 75.14 precludes the assessor from enrolling supplemental assessments for enforceably restricted historical property.

Historical property not yet under contract that undergoes a change in ownership or new construction is subject to supplemental assessment, even if the property owner later executes a historical property contract in the same fiscal year. Also, any new construction involving a historical property that does not come under the existing historical property contract (e.g., a detached garage added to a restricted historical property) would be subject to supplemental assessment.

When a Property Contains Both Restricted and Unrestricted Portions

When only a portion of a property that would normally be considered a single appraisal unit is restricted by a historical property contract, the assessed value should be determined by making a comparison of three values, determined as follows. First, the portion under contract should be valued using the capitalization method prescribed by section 439.2. Added to this figure should be the lower of the unrestricted portion's fair market value or factored base year value. The resulting sum should be compared to both the fair market value and the factored base year value of the entire property (i.e., both restricted and unrestricted portions) and the lowest of the three figures should be enrolled.

Valuing Property Under Notice of Nonrenewal

As provided in Government Code section 50282, either the owner of a restricted historical property or the local government entity may serve notice that it does not intend to renew the historical property contract. If such notice is not given, another year is automatically added to the term of the initial contract, thus creating a "rolling" contract term that is always equal to the initial contract term.

Section 439.3 prescribes the valuation method for a restricted historical property in nonrenewal status; this valuation method applies until the end of the restricted period (i.e., until the existing contract expires). In essence, the method results in a restricted value that gradually approaches the historical property's factored base year value as the remaining term under the contract decreases. For a property in nonrenewal status, the assessor must annually value the property as follows:

1. Determine the full cash value (i.e., factored base year value) of the property in accordance with section 110.1. (Alternatively, if the property will not be subject to section 110.1 when the historical property agreement expires, determine its fair market value in accordance with

section 110, as if the property were free of the agreement's restrictions; or, if the property will be subject to another type of restricted value standard when the historical property agreement expires, determine the property's value as if it were subject to the new restrictions.)

2. Determine the restricted value of the property by the capitalization of income method provided in section 439.2.
3. Subtract the restricted value determined in Step 2 from the factored base year (or other) value determined in Step 1.
4. Using the amount for the interest rate component (section 439.2(b)(1)) announced by the Board, discount the amount obtained in Step 3 for the number of years remaining until the termination of the contract.
5. Determine the restricted value of the property in nonrenewal status by adding the value determined in Step 2 to the amount obtained in Step 4.

The historical property's restricted value in nonrenewal status—that is, the value determined above, in accordance with section 439.3—should be compared with the historical property's factor base year and current market values, and the lowest of these three values should be enrolled as the property's taxable value.

Cancellation of Contract

The government entity party to a historical property contract may cancel the contract, after notice and a public hearing, if it determines that either the owner has breached the agreement or the property has deteriorated to the extent that it no longer meets the standards of a historical property. If the contract is cancelled, the property owner must pay a cancellation fee equal to 12½ percent of the property's current fair market value as though free of the contractual restriction, such value to be determined by the county assessor. After a contract is cancelled, the lower of the property's factored base year value or current market value should be enrolled for the ensuing lien date.

SUMMARY

The key points contained in these guidelines can be summarized as follows:

1. An owner of qualified historical property may enter into a preservation contract with local government. When property is placed under such a contract, the owner agrees to restore the property if necessary, maintain its historic character, and use it in a manner compatible with its historic characteristics. Such property receives the special valuation treatment prescribed under Revenue and Taxation Code sections 439 through 439.4.
2. Enforceably restricted historical property is to be annually valued by the income capitalization method prescribed in section 439.2, which contains specific instructions with

regard to the income to be capitalized, the capitalization rate, and the capitalization technique to be used. The restricted value must be compared to the property's current market value and factored base year value, with the lowest of these three values enrolled as the property's taxable value.

3. When assessing restricted historical property, the appraiser should consider how three important elements of article XIII A—change in ownership, new construction, and supplemental assessment—relate to the assessment. The appraiser should consider how a property should be assessed when only a portion of it is subject to a historical property agreement.
4. Restricted historical property under a notice of nonrenewal should be valued in accordance with section 439.3.
5. The government entity party to a historical property contract may cancel the contract. The cancellation fee is 12½ percent of the property's current fair market value as though free of the contractual restriction, with such value to be determined by the local assessor.

Additional information about Mills Act contracts may be obtained from the state Office of Historic Preservation, either by telephone at 916-653-6624, or from their website (www.ohp.parks.ca.gov).

(Note: Please see the assessment examples following.)

EXAMPLE 1 (OWNER-OCCUPIED SINGLE-FAMILY RESIDENCE)

Subject Restricted Historical Property

Restored, 105-year-old, Victorian single-family residence. Excellent condition. Under Mills Act contract since 1985 and not in nonrenewal status. Owner-occupied.

Determination of Restricted Value (current lien date)

Gross income (Fair rent)		
\$1,500 per month x 12 months =		\$18,000
Less: Anticipated vacancy and collection loss		
\$18,000 x 5%		<u>- 900</u>
Effective gross income		\$17,100
Less: Anticipated operating expenses		
Grounds maintenance	\$600	
Fire insurance	400	
Management Fee	360	
Water and garbage	240	
Building maintenance	+ 500	<u>- 2,100</u>
Net Operating Income		\$15,000

Restricted Capitalization Rate

Rate Components:

Interest rate	.080	
Risk (owner-occupied SFR)	.040	
Property tax (ad valorem)	.015	
Amortization (50-year remaining life; improvements constitute 70% of total property market value; 0.02 x 0.70 – 0.014)	+ .014	<u>.149</u>

Restricted Value		
\$15,000 ÷ .149		= <u>\$100,671</u>

Taxable Value—Three-Way Value Comparison

Restricted value	\$100,671
Factored base year value (based on prior change in ownership)	\$357,000
Current market value (based on comparable sales)	\$450,000

The lowest of the three possible values is the restricted value. Thus, the net taxable value would be \$93,671 (\$100,671 restricted value less the homeowners' exemption of \$7,000).

Note 1: If this property had been a non-owner-occupied SFR, the only difference in the determination of the restricted value would have been the use of a risk rate component of 2% rather than 4% in the capitalization rate.

Note 2: In this and the following examples, the gross income, or fair rent, is presented on a gross rent basis, that is, under the assumption that the landlord-owner pays all operating expenses out of the gross income.

EXAMPLE 2 (OFFICE USE)

Subject Restricted Historical Property

Multi-tenant, restored historical office building in a downtown commercial district. Under Mills Act contract since 1985 and not in nonrenewal status.

Determination of Restricted Value (current lien date)

Gross Income (Fair rent):		
Offices	140,000 sf @ \$1.75/sf = <u>\$245,000</u>	
	x 12 months	= \$2,940,000
Less: Anticipated vacancy and collection loss		
	\$2,940,000 x 5%	<u>- 147,000</u>
Effective gross income		\$2,793,000
Less: Anticipated operating expenses		
Management	\$290,000	
Maintenance	95,000	
Insurance	75,000	
Utilities	360,000	
Janitorial	+ <u>140,000</u>	<u>- 960,000</u>
Net Operating Income		\$1,833,000

Restricted Capitalization Rate

Rate Components:

Interest component	.08	
Risk	.02	
Property tax (ad valorem)	.011	
Amortization (50-year remaining life; improvements constitute 75% of total property market value		
0.02 x 0.75 = 0.015)	+ <u>.015</u>	<u>.126</u>

Restricted Value		
(\$1,833,000 ÷ .126)		= \$14,547,619

Taxable Value—Three-Way Value Comparison

Restricted value	\$14,547,619
Factored base year value (based on prior change in ownership)	\$18,191,077
Current market value (based on comparable sales)	\$21,000,000

The lowest of the three possible values is the restricted value. Thus, the taxable value would be \$14,547,619

EXAMPLE 3 (MIXED USE—RESIDENTIAL AND OFFICE)

Subject Restricted Historical Property

Two-story, restored historical property in a downtown district. Upper level is residential unit occupied by owner. Lower level contains three office spaces subject to short-term rental agreements. The income stream for the upstairs unit must be calculated separately from the downstairs unit because the risk rate is different for the owner-occupied unit.

Determination of Restricted Value

Separate restricted values for the upper-level residence and the lower-level office space must be determined, because the risk components are different for the two types of use. The total restricted value is sum of these two values.

Upper-Level Unit

Gross income (Fair rent) based upon comparable rent data		
\$975 per month x 12 months =		\$11,700
Less: Anticipated vacancy and collection loss		
\$11,700 x 5%		<u>- 585</u>
Effective gross income		\$11,115
Less: Anticipated operating expenses		
Grounds maintenance	\$300	
Fire insurance	200	
Management Fee	180	
Water and garbage	120	
Building maintenance	+ 250	<u>- 1,050</u>
Upper-Level Net Operating Income		\$10,065

Restricted Capitalization Rate (owner-occupied SFR)

Rate components:

Interest rate	.080
Risk	.040
Property tax	.010

Amortization (50-year remaining life; improvements

constitute 70% of total property market value;

0.02 x 0.70 = 0.014	+ .014	<u>.144</u>
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Upper-level Restricted Value (\$10,065 ÷ .144) = \$69,895

Lower-Level Offices

Gross income (Fair rent)		
1000 sf @ \$1.60/sf = \$1,600 x 12 months		\$19,200
Less: Anticipated vacancy and collection loss		
\$19,200 x 5%		<u>- 960</u>
Effective gross income		\$18,240

Less: Anticipated operating expenses		
Grounds maintenance	\$300	
Fire insurance	200	
Management Fee	180	
Water and garbage	120	
Building maintenance	+ 250	- 1,050
Lower-Level Net Operating Income		\$17,190

Restricted Capitalization Rate		
Rate components:		
Interest component	.080	
Risk	.020	
Property tax	.010	
Amortization (50-year remaining life; improvements constitute 70% of total property market value; $0.02 \times 0.70 = 0.014$)	+ .014	.124
Lower Level Restricted Value ($\$17,190 \div .124$)		\$138,629
Add: Upper Level Restricted Value		+ \$69,895
Total Restricted Value		\$208,524

Taxable Value—Three-Way Value Comparison

Restricted Value	\$208,524
Factored base year value (based upon prior change in ownership)	\$364,140
Current market value (based upon comparable sales data)	\$400,000

The lowest of the three possible values is the restricted value. Thus, the net taxable value would be \$201,524 (\$208,524 less the homeowners' exemption of \$7,000).

EXAMPLE 4 (MIXED VALUATION—PART RESTRICTED AND PART UNRESTRICTED)

Description of Subject Property (Comprises Both Restricted and Unrestricted Portions)

The subject property is a 10-acre parcel with a farmhouse and barn situated on 2 acres; the remaining 8 acres are farmland. The farmhouse and barn are used as an owner-occupied single-family residence; this portion of the property is restricted under a Mills Act contract. The remaining 8 acres of farmland are unrestricted.

Value of Restricted Portion (current lien date)

Gross income (Fair rent) for farmhouse and barn		
\$2,000 per month x 12 months =		\$24,000
Less: Anticipated vacancy and collection loss		
\$24,000 x 5%		- 1,200
Effective gross income		\$22,800
Less: Anticipated operating expenses		
Grounds maintenance	\$600	
Fire insurance	400	
Management Fee	360	
Water and garbage	240	
Building maintenance	+ 500	- 2,100
Net Operating Income		= \$20,700

Restricted Capitalization Rate

Rate components:		
Interest component	.080	
Risk (owner-occupied)	.040	
Property tax (ad valorem)	.010	
Amortization (50-year remaining life; improvements constitute 70% of total property market value)		
0.02 x 0.70 = 0.014	+ .014	.144
Restricted Value (\$20,700 ÷ .144)		= \$143,750

Taxable Value—Three-Way Comparison

Total Property Restricted Value (sum of restricted value above and lower of FBV or current market value of unrestricted portion)

Restricted Value (portion under contract)	\$143,750
FBV (unrestricted portion)	+ \$102,000
Restricted Value (total property)	\$245,750

Factored base year values (based upon a prior change in ownership of the entire property, allocated between restricted and unrestricted portions):

Farmhouse, barn, and 2 acres (restricted portion)	\$204,000
8 acres (unrestricted portion)	+ \$102,000
Total FBV (total property)	\$306,000

Current market values (based upon comparable sales data):

Farmhouse, barn, and 2 acres (restricted portion)	\$230,000
8 acres (unrestricted portion)	+ <u>\$120,000</u>
Total Current Market Value (total property)	\$350,000

The lowest of the three values is the Restricted Value (total property), \$245,750. Thus, the net taxable value would be \$238,750 (\$245,750 less \$7,000 homeowners' exemption).

EXAMPLE 5 (PROPERTY IN NONRENEWAL STATUS)

Description of Subject Restricted Historical Property

The same property as in Example 2, except the property owner has served notice of nonrenewal. The Mills Act contract covering the property was originally executed in September 1995, and the owner served notice of nonrenewal in June 2004. Value the property for the 2005 lien date, reflecting its nonrenewal status. Assume that the property's restricted, current market, and factored base year values from Example 2, provided below, also refer to January 1, 2005.

Restricted value	\$14,547,619
Current market value	\$21,000,000
Factored base year value	\$18,191,077

Restricted Value in Nonrenewal Status

Value as if unrestricted (factored base year value)	\$18,191,077
Restricted value	<u>- 14,547,619</u>
Difference	\$ 3,643,458
Present worth of difference	
PW1 @ 6.00 %, 9 years (interest component for lien date 2005)	<u>x .591898</u>
	= \$ 2,156,555
Plus restricted value	<u>+ \$14,547,619</u>
Restricted value in nonrenewal status—lien date January 1, 2005	\$16,704,174

Taxable Value

Since the restricted value in nonrenewal status, \$16,704,174, is less than either the property's current market value or its factored base year value, this is the taxable value.



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

October 4, 2022
PUBLIC HEARINGS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Katherine Wallace, Associate Planner

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: MA 22-254 (Strom & Miller): Consideration of a recommendation from the Historic Resources Board to the City Council that the City enter into a Mills Act Historical Property Contract MA 22-254 (Strom & Miller) with Nancy Strom and Gavin Miller for the historic "Enoch A. Lewis House" located at Monte Verde Street 2 northeast of 9th Avenue (APN 010-193-010)

RECOMMENDATION:

Accept the recommendation of the Historic Resources Board, and Approve the Mills Act Historical Property Contract MA 22-254 (Strom & Miller) for the historic "Enoch A. Lewis House" located at Monte Verde Street 2 northeast of 9th Avenue (APN 010-193-010) and authorize the City Administrator to execute the contract.

BACKGROUND/SUMMARY:

The project site is located at Monte Verde Street 2 northeast of 9th Avenue in the Single Family Residential (R-1) Zoning District. The existing single-story-over basement residence was built c.1906 by an unknown architect/builder for original owner Enoch A. Lewis.

A Department of Parks and Recreation (DPR) Form 523A was completed for the property in 2002 by Kent Seavey (Attachment 3, Exhibit B) and the resource was added to the Carmel Inventory on May 25, 2005. A Resolution Designating a Historic Resource for the property at Monte Verde Street 2 northeast of 9th Avenue was recorded with the County Recorder on January 4, 2007 (Instrument No.2007001247).

On August 2, 2022, Nancy Strom, one of the property owners, submitted an application for a Mills Act Historical Property Contract. The Mills Act is an incentive program available to owners of historical resources listed on the Carmel Inventory and the local Register of Historic Resources. As noted above, the property was added to the Carmel Inventory in 2005. On August 15, 2022, the Historic Resources Board adopted Resolution 2022-009-HRB (Attachment 5), recommending that the City Council enter into a Mills Act Contract with Nancy Strom and Gavin Miller for the historic "Enoch A. Lewis House."

Contract Value

The Monterey County Assessor's Office is responsible for determining the value of a property under Mills

Act Contract in accordance with sections 439 through 439.4 of the Revenue and Taxation Code. Properties with a Mills Act Contract are not valued based on sales data; rather they are valued by a prescribed income capitalization method (Attachment 6). After a Contract is approved, it is forwarded to the Monterey County Assessor who then determines the Mills Act value.

At previous Mills Act hearings, members of Council requested that staff obtain a preliminary calculation of Mills Act Contract values for the purposes of understanding the potential local tax revenue offset. A request was made to the Assessor's Office on August 16, 2022, and a response was received on August 17, 2022, informing the City that time constraints and process complexity make preliminary calculations by the Assessor infeasible. There is typically a 40% to 60% tax reduction for Mills Act properties. The 2022 tax bill for this property was \$19,977.04, with 6% of that amount going to the City's tax base (\$1,198.62); an estimated 50% reduction would lower the amount collected to \$9,988.52. Since the City receives 6% of the property tax collected by the County, granting the Mills Act Contract would also reduce the City's annual portion of property tax by an estimated 50% from \$1,198.62 to \$599.31.

STAFF ANALYSIS:

A Mills Act contract under State law is an agreement between the City of Carmel and a property owner of a historic building listed on the Carmel Register. In exchange for reduced property taxes, the property owner is contractually obligated to perform annual maintenance on the building. The property owner benefits from a reduction in property taxes. The City benefits from assurance, via contract, that the historic building is rehabilitated, maintained, and preserved with a portion of those property taxes that the city is giving up.

The primary purpose for offering Mills Act contracts in the City of Carmel-by-the-Sea is to assist in and ensure the rehabilitation or restoration and long-term maintenance of historic resources. All properties listed on the City's Historic Register in all districts that have been preserved in their historical size, form, and design without significant alterations are eligible for Mills Act contracts.

All Mills Act contracts have a term of 10 years, and one year is added to this term annually upon each anniversary date of the contract unless one or both parties (City and property owner) have taken action to terminate the contract. The City Administrator is authorized to initiate contract termination on behalf of the City based on recommendations of the Community Planning & Building Department. The contract rights and obligations are binding upon all successive owners of the property during the life of the contract. The property retains the lower Mills Act tax rate when sold. To end a contract, either party may submit a notice of non-renewal to the other party. Such notices shall cause the contract to terminate at the end of the then-current 10-year contract period. Cancellation of a contract by the City due to non-compliance requires a public hearing and, if canceled, results in the immediate termination of the contract and a penalty equal to 12.5 percent of the assessed market value of the property.

The contract requires that the historical elements of the property are maintained in good condition. This includes a plan for rehabilitation and maintenance and may include a program to restore deteriorated features. All recipients of Mills Act contracts are required to implement a rehabilitation/restoration and maintenance plan prepared by a qualified professional. An annual report is submitted to the Community Planning & Building Department specifying all work that has been done to maintain and preserve the historic resource over the year in compliance with the approved rehabilitation/restoration and maintenance plan. All rehabilitation/restoration and maintenance work must be completed in conformance with the Secretary of Interior's Standards for Rehabilitation. All Mills Act contracts must specify that the rehabilitation/restoration and maintenance plan shall be updated at least every ten years by a qualified professional and approved by both parties.

The Historic Resources Board considers each application for a Mills Act contract and provides a recommendation to the City Council to approve, approve with conditions, or deny the application.

The City Council considers the recommendations from the Historic Resources Board at a public hearing and resolves to approve, approve with conditions, or deny the proposed contract with sufficient time for action by the City Clerk so that recordation of approved contracts occurs before December 31st of the year in which the application is received.

Carmel Municipal Code Section 17.32.100.B.6(c) sets forth findings that the Historic Resources Board and City Council shall make in order to grant approval of a Mills Act Contract. The required findings are listed below followed by a staff response on whether the application meets the requirements.

1. *The building is designated as a historic resource by the City and is listed on the Carmel Register.*

Staff Response: A DPR 523A form was prepared by Kent Seavey in 2002 (Attachment 3, Exhibit B), evaluating the property for historical significance and finding the property meets the criteria for listing as a local historic resource. The City added the property to the Carmel Inventory of Historic Resources on May 25, 2005. A Resolution Designating a Historic Resource for the property at the southeast corner of San Antonio Avenue and 4th Avenue was recorded with the Monterey County Recorder on January 4, 2007 (Instrument No.2007001247). On August 15, 2022, the Historic Resources Board adopted Resolution 2022-009-HRB adding the property to the Carmel Register. This application meets this finding.

2. *The proposed rehabilitation/restoration and maintenance plan is appropriate in scope and sufficient in detail to guide long-term rehabilitation/restoration and maintenance. Required maintenance and rehabilitation should be more significant than just routine maintenance that would be expected for any property.*

Staff Response: The proposed rehabilitation/restoration and maintenance plan (Attachment 4, Exhibit C) includes improvements that will protect the integrity of the resource. The plan covers a period of 10 years from 2023-2032. The plan includes rehabilitation and maintenance work which has been reviewed by Brian Congleton, who meets the Secretary of the Interior's professional qualification standards for historic architecture, and determined to be consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties. The work will include rehabilitation and maintenance projects to include: front stair; side stair and porch; roof; chimney; drainage; paint and caulking; fenestration repair; roof work; chimney work; and rear shed. All exterior work is subject to Design Study approval and a determination of consistency with the Secretary of the Interior's Standards for Rehabilitation. In total, the applicant estimates spending \$182,450 in rehabilitation and maintenance activities over the course of the 10-year contract period. The proposed Plan meets this finding.

3. *Alterations to the historic resource have been in the past, and will continue to be in the future, limited to interior work and to exterior rehabilitation and alterations that:*

- (A) *Comply with the Secretary's Standards (future additions only); and*
- (B) *Do not significantly alter, damage or diminish any primary elevation or character-defining feature; and*
- (C) *Do not increase floor area on the property by more than 15 percent beyond the amount established in the documented original or historic design of the resource; and*
- (D) *Do not result in any second-story addition to a single-story historic resource.*

Staff Response: As noted above, rehabilitation/restoration and maintenance work will be performed in conformance with the Secretary of Interior's Standards for Rehabilitation. Any future alterations are required

to be consistent with conditions A-D above. Minor alterations may be approved by staff; however, major alterations would be evaluated by a qualified professional and presented to the Historic Resources Board for review. The application meets this finding.

4. *The Mills Act contract will aid in offsetting the costs of rehabilitating and maintaining the historic resource.*

Staff Response: Approval of the contract would assist in offsetting the rehabilitation/restoration and maintenance costs of preserving the “Enoch A. Lewis House” by reducing the tax liability on the property thereby freeing up funds for the rehabilitation over the next ten years. Some of the more notable work that is proposed to be accomplished within the first few years would include: replace front stair; repair side stair/landing; rehabilitate studio/shed; electrical to shed; water line to potting area; remove soil around shed; door repair; patch and paint; chimney repair; gutter cleaning; and drainage work. The application meets this finding.

5. *Approval of the Mills Act contract will represent an equitable balance of public and private interests and will not result in substantial adverse financial impact on the City.*

Staff Response: Approval of the Mills Act Contract would be consistent with Goal 1-5 and Objective 1-16 of the Land Use & Community Character Element of the General Plan, which encourages providing incentives for property owners to preserve and rehabilitate historic resources. Although entering into a Mills Act Contract will decrease property tax revenue to the City, the financial impact would be minimal because:

- 1) The City Council adopted Resolution 2016-068 on September 13, 2016, limiting the number of Mills Act contracts that can be approved to fifteen (15) in any three-year calendar period. Two Mills Act Contracts have been approved in the last three years; one approval was granted in 2019 and one in 2022. The Council is considering a total of three contracts at this meeting, which, if approved, would increase the total to five in the last three years.
- 2) Carmel currently has 284 historic resources, and since the adoption of the Mills Act program in 2004, the City has entered into a total of eleven Mills Act Contracts.
- 3) The City would continue to receive a portion of the property tax revenue, and the investment in rehabilitation and maintenance supports local tourism, which benefits both private and public interests.
- 4) The value of preserving the historic resource offsets the loss of property tax revenue.

FISCAL IMPACT:

The City will have a diminished tax base from the property at Monte Verde Street 2 northeast of 9th Avenue for the term of the contract. The amount is unknown at this point. At previous Mills Act hearings, members of Council requested that staff obtain a preliminary calculation of Mills Act Contract values for the purposes of understanding the potential local tax revenue offset. A request was made to the Assessor’s Office on August 16, 2022, and a response was received on August 17, 2022, informing the City that time constraints and process complexity make preliminary calculations by the Assessor infeasible. There is typically a 40% to 60% tax reduction for Mills Act properties. The 2022 tax bill for this property was \$19,977.04, with 6% of that amount going to the City's tax base (\$1,198.62); an estimated 50% reduction would lower the amount collected to \$9,988.52. Since the City receives 6% of the property tax collected by the County, granting the Mills Act Contract would also reduce the City's annual portion of property tax by an estimated 50% from \$1,198.62 to \$599.31.

PRIOR CITY COUNCIL ACTION:

On March 3, 2020, the City Council adopted standard contract language for Mills Act Contracts.

ATTACHMENTS:

Attachment 1) Standard Mills Act Contract, with exhibits

Attachment 2) Exhibit A - Legal Description

Attachment 3) Exhibit B - DPR 523A Form

Attachment 4) Exhibit C - Maintenance Plan

Attachment 5) Resolution 2022-009-HRB

Attachment 6) Guidelines for the Assessment of Enforceably Restricted Historical Property

RECORDING REQUESTED BY
CITY OF CARMEL-BY-THE-SEA

AND WHEN RECORDED MAIL TO

Carmel City Hall
Attn: Community Planning & Building
P.O. Box CC
Carmel-By-The-Sea, CA 93921

This space reserved for the Recorder's use only

CITY OF CARMEL-BY-THE-SEA
MILLS ACT HISTORIC PROPERTY PRESERVATION CONTRACT

THIS AGREEMENT is made and entered by and between the CITY OF CARMEL-BY-THE-SEA a municipal corporation (hereinafter referred to as "City"), and Nancy Strom and Gavin Miller (hereinafter referred to as "Owner").

RECITALS

- (i) California Government Code Section 50280, et seq. (known as the Mills Act) authorizes cities to enter into contracts with the owners of qualified historic properties to provide for their appropriate use, maintenance and restoration such that these historic properties retain their historic characteristics;
- (ii) The Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, located at Monte Verde 2 northeast of 9th Avenue (APN: 010-193-010), Carmel-By-The-Sea, California, (hereinafter referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as "**Exhibit A**" and is incorporated herein by reference;
- (iii) The property is identified as a historic resource on the City of Carmel-By-The-Sea's Historic Inventory and Register of Historic Resources and is further described in the DPR 523A Form attached hereto, marked as "**Exhibit B**" and is incorporated herein by reference;
- (iv) City and Owner, for their mutual benefit, now desire to enter into this Agreement both to protect and preserve the characteristics of historical significance of the Historic Property, as it exists at the date of this contract and as described in the City's Register of Historic Resources and the National Register of Historic Places, and to qualify the Historic Property for an assessment of valuation pursuant to the provisions of Article 1.9 (commencing with section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

NOW, THEREFORE, City and Owner, in consideration of the mutual covenants and conditions contained herein, do hereby agree as follows:

1. **INCORPORATION OF RECITALS.** All recitals are incorporated into this Agreement.
2. **EFFECTIVE DATE AND TERM.** This Agreement shall be effective and commence on the date the Agreement is signed by the City, unless otherwise indicated by the County of Monterey, and shall remain in effect for a minimum term of ten (10) years thereafter.
3. **AUTOMATIC RENEWAL.** Each year, upon the anniversary of the effective date of this Agreement (hereinafter referred to as “annual renewal date”), one (1) year shall be added automatically to the term of this Agreement, unless timely notice of nonrenewal is given as provided in paragraph 4 of this Agreement. The total length of the contract shall not exceed twenty (20) years.
4. **NOTICE OF NONRENEWAL.** If City or Owner desires in any year not to renew this Agreement, that party shall serve written notice of nonrenewal in advance of the annual renewal date of this Agreement as follows: Owner must serve written notice of nonrenewal at least ninety (90) days prior to the annual renewal date; City must serve written notice of the nonrenewal at least sixty (60) days prior to the annual renewal date. If notice is not received, the Agreement shall automatically be renewed for another year. Upon receipt by Owner of a notice of nonrenewal from the City, Owner may make a written protest. At any time prior to the annual renewal date, City may withdraw its notice of nonrenewal.
5. **EFFECT OF NOTICE OF NONRENEWAL.** If either City or Owner serves timely notice of nonrenewal in any year, and this contract is not renewed, this Agreement shall remain in effect shall remain in effect for the balance of the period remaining since the original execution or the last annual renewal date.
6. **FEES.** The City may require that the Owner(s) of the Historic Property pay a fee that shall not exceed the reasonable cost of providing services, such as inspections, pursuant to Government Code Section 50281.1 (Article 12 of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code), for which the fee is charged.
7. **VALUATION OF PROPERTY.** During the term of this Agreement, Owner is entitled to seek assessment of valuation of the Historic Property pursuant to the provisions of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.
8. **PRESERVATION OF PROPERTY.** Owner shall preserve and maintain the characteristics of historical significance of the Historic Property and agrees to complete rehabilitation and/or maintenance activities as defined in the Rehabilitation/Restoration and Maintenance Plan attached as “**Exhibit C**”. Requests for revisions to the Maintenance and

Rehabilitation plan shall be reviewed by the Historic Resources Board prior to implementation. In addition, Owner shall comply with the terms of the City's Historic Preservation Ordinance (CMC 17.32). Owners shall not be permitted to further impede any view corridor with any new structure, including but not limited to walls, fences, or shrubbery, so as to prevent the viewing of the Historic Property from the public right-of-way.

9. **RESTORATION OF PROPERTY.** Owner shall, where necessary, restore and rehabilitate the Historic Property to conform to the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation, U. S. Secretary of the Interior's Standards for Rehabilitation, the State Historical Building Code, and the City of Carmel-by-the-Sea, all as amended.
10. **INSPECTIONS.** Owner shall allow periodic examinations, at least every five (5) years, with reasonable notice thereof, of the interior and exterior of the Historic Property by representatives of the County of Monterey Assessor and the City of Carmel-By-The-Sea as may be necessary to determine Owner's compliance with the terms and provisions of this Agreement. The City will coordinate inspections by such other agencies that have jurisdiction and will keep them to the minimum necessary to determinate such compliance.
11. **PROVISION OF INFORMATION.** Owner shall furnish City with any and all information required by City, in order to determine the eligibility of the Historic Property, and that City deems necessary or advisable to determine compliance with the terms and provisions of this Agreement.
12. **ANNUAL REPORT.** Owner shall submit an annual report at least 90 days prior to each annual renewal date (October 1st) to the Department of Planning and Building specifying all work that has been done to maintain and preserve the historic resource over the preceding year in compliance with the approved maintenance plan.
13. **CANCELLATION.** The City has the right to cancel the contract if the owner allows the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. The City also has the right to cancel this contract if the owner(s) breaches the provisions of paragraph's # 8, 9, 10 or 12 of this Agreement after the City has provided reasonable notice of any failure to comply with the agreement, and a public hearing. Notice of the hearing shall be mailed to the last known address of each owner of the property, with the notice conforming to the provisions of Government Code section 6061., If after notice and a hearing, the contract is cancelled, termination of the Agreement is immediate, and the owner shall pay a cancellation fee equal to 12.5 percent of the current fair market value of the property, as determined by the Monterey County Assessor as though the property were free of the contractual restriction. The cancellation fee shall be paid to the Assessor, at the time and in the manner that the Assessor shall prescribe. City's right to cancel this Agreement pursuant to this paragraph

shall in no way limit or restrict its rights or legal remedies arising from City's Historic Preservation Ordinance and Municipal Code.

14. **ENFORCEMENT OF AGREEMENT.** In lieu of and/or in addition to any provisions to cancel this Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement.
15. **WAIVER.** City does not waive any claim or default by Owner if City does not enforce or cancel this Agreement. All remedies at law or in equity, which are not otherwise provided for this Agreement or in City's regulations governing historic properties are available to City to pursue in the event there is a breach of this Agreement. No waiver by City of any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.
16. **BINDING EFFECT OF AGREEMENT.** Owner hereby subjects the Historic Property to the covenants, reservations and restrictions set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations, and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon Owner's successors and assigns in title or interest to the Historic Property. A successor in interest shall have the same rights and obligations under this Agreement as the original owner who executed the Agreement.
Each and every contract, deed or other instrument hereinafter executed, governing or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions expressed in this Agreement regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that it restricts development of the Historic Property. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the cultural and historic characteristics and significance of the Historic Property for the benefit of the public and Owner.
17. **NOTICE.** Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below, by personal delivery or United States mail, postage prepaid, addressed as follows:

City: Carmel-By-The-Sea
Community Planning & Building Department
Attn: Community Planning & Building Director
P.O. Box CC
Carmel-By-The-Sea, CA 93921

Owner: Nancy Strom and Gavin Miller
980 Russell Avenue
Los Altos, CA, 94024

Notice to successors in interest to either party shall be sent to the appropriate address. In the case of future Owner(s) of the Historic Property, notice shall be sent to the address on file with the county property tax office in power at the time.

18. **RECORDATION.** No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the Office of the County Recorder of the County of Monterey. From and after the time of the recordation, this Agreement shall impart a notice thereof to all persons as is afforded under state law.
19. **STATE LAW.** The Owner or agent of Owner shall provide written notice of this Agreement to the State Office of Historic Preservation within six (6) months of the date of this Agreement.
20. **GOVERNING LAW; VENUE.** This Agreement shall be constructed and governed in accordance with the laws of the State of California. Should either party to this agreement bring legal action against the other, the case shall be handled in Monterey County, California and the party prevailing in such action shall be entitled to a reasonable attorney fee which shall be fixed by the judge hearing the case and such fee shall be included in the judgment together with all costs.
21. **AMENDMENTS.** This agreement may be amended in whole or in part, only by a written-recorded instrument executed by the parties hereto.
22. **DESTRUCTION OF PROPERTY; EMINENT DOMAIN; CANCELLATION.** If the Historic Property is destroyed by earthquake, fire, flood, or other natural disaster such that in the opinion of the City Building Official more than sixty percent (60%) of the original fabric of the structure must be preplaced, this Agreement shall be cancelled because the historic value of the structure will have been destroyed. If the Historic Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City Council to frustrate the purpose of this Agreement, this Agreement shall be cancelled. No cancellation fee pursuant to Government Code Section 50286 shall be imposed if the Agreement is cancelled pursuant to this paragraph. Such Agreement shall be null and void for all purposes of determining the value of the property so acquired.
23. **INDEMNIFICATION.** Owner shall defend, indemnify, and hold harmless City and its elected officials, officers, agents and employees from any actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any

federal, state or local government agency, arising out of or incident to the direct or indirect use, operation, or maintenance of the Historic Property by Owner or any contractor, subcontractor, employee, agent, lessee, licensee, invitee, or any other person; (ii) Owner’s activities in connection with the Historic Property; and (iii) any restriction on the use of development of the Historic Property, from application or enforcement of the City’s Municipal Code, or from the enforcement of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of the City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. Owner’s obligation to indemnify shall survive the termination, cancellation, or expiration of this Agreement and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, employees, or agents.

- 24. **SEVERABILITY.** In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

IN WITNESS THEREOF, the City and Owners have executed this Agreement on the day and year written above.

CITY OF CARMEL-BY-THE-SEA:

By: _____

Date: _____

Name: Richard L. Rerig (“Chip”)
Title: City Administrator

PROPERTY OWNER(S):

By: _____

Date: _____

Name: Nancy Strom
Title: Property Owner

By: _____

Date: _____

Name: Gavin Miller
Title: Property Owner

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
DPR 523A FORM

EXHIBIT C
REHABILITATION/RESTORATION AND MAINTENANCE PLAN

DRAFT

LEGAL DESCRIPTION

Real property in the City of Carmel, County of Monterey, State of California, described as follows:

LOTS NUMBERED 18 IN BLOCK NUMBERED 94, AS SAID LOT AND BLOCK ARE SHOWN ON THAT CERTAIN MAP ENTITLED, MAP OF "CARMEL-BY-THE-SEA, MONTEREY COUNTY, CALIFORNIA", FILED FOR RECORD MARCH 7, 1902 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, IN [VOLUME 1 OF MAPS, "CITIES AND TOWNS", AT PAGE 2.](#)

APN: 010-193-010

Primary # _____ Attachment 3
 HRI # _____
 Trinomial _____
 NRHP Status Code 5S1
 Other Listings _____
 Review Code _____ Reviewer _____ Date _____

Page of Resource Name or #: (Assigned by recorder) *Enoch A. Lewis Hse.*

P1. Other Identifier:

P2. Location: Not for Publication Unrestricted a. County *Monterey*
 and (P2b and P2c or P2d. Attach a Location Map as necessary.)
 b. USGS 7.5' Quad Date T ; R ; 1/4 of 1/4 of Sec ; B.M.
 c. Address: City *Carmel by-the-Sea* Zip *93921*
 d. UTM: (Give more than one for large and/linear resources) ; mE/ mN
 e. Other Locational Data (Enter Parcel #, legal description, directions to resource, elevation, etc., as appropriate)
2 NE of 9th, E/side Monte Verde (Blk 94, Lot 18)

Parcel No. 010-193-010

P3. Description (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

A one-story, wood-framed vernacular hipped cottage, w/a full lower story, basically rectangular in plan, resting on a concrete foundation. The exterior wall cladding is a narrow horizontal clapboard wood siding. The steep-pitched hipped roof has overhanging eaves w/a closed soffit. It is covered in a composition shingle. A new, exterior brick chimney, located along the rear (east) elevation, was added in a 1978 remodeling that saw some repair and in kind replacement, as well as the addition of an angled bay about midway along the south side-elevation, and a slight extension of the building envelope to the rear. A remodeling in 1994 saw the addition of an inappropriate anodized sliding glass door at the SW cr. on the lower floor. The residence has a raised cutaway porch entry at the SW cr., reached by a straight run of open wood steps w/an open rail and balusters. Fenestration is irregular, w/a combination of Colonial revival style 1/1 double hung wood sash and 1/1 double-hung wood sash along the side and rear elevations. The property is sited high above the street on ground rising to the east, in an informal landscape setting of mature pine trees and low ground cover.

4b. Resource Attributes: (List attributes and codes)

P4. Resources Present Building Structure Object Site District Element of District Other (Isolates, etc.)

P5a. Photograph or Drawing (Photograph required for buildings, structures, and objects)



P5b. Description of Photo: (View, date, accession #)
(View toward). Photo No: 3053-, .

P6. Date Constructed/Age and Sources:
 Prehistoric Historic Both
Ca 1905, Mo. Co. title records

P7. Owner and Address
*Lawrence & Chloe Rubenstein
 1641 Arboles Dr.
 Glendale, CA 91207*

P8. Recorded by: (Name, affiliation, and address)
*Kent L. Seavey, Preservation Consultant, 310
 Lighthouse Ave., Pacific Grove, CA 93950*

P9. Date Recorded: *12/19/2002*

P10. Survey Type: (Describe)
Carmel Historic Resource Inventory -2001

***1. Report Citation:** (Cite survey report and other sources, or enter "none")
none

Attachments NONE Continuation Sheet District Record Rock Art Record Other: (List)
 Location Map Building, Structure, and Object Record Linear Feature Record Artifact Record
 Sketch Map Archaeological Record Milling Station Record Photograph Record

BUILDING, STRUCTURE, AND OBJECT RECORD

HRI #

Primary #

je of

NRHP Status Code

5S1

Resource Name or #: (Assigned by recorder) *Enoch A. Lewis Hse.*

B1. Historic Name: *Enoch A. Lewis Hse.*

B2. Common Name:

B3. Original Use: *residence*

B4. Present Use: *residence*

B5. Architectural Style: *Vernacular (hipped cottage)*

B6. Construction History: (Construction date, alterations, and date of alterations)

Constructed ca. 1906; Lower floor remodeled for occupancy 1978 (Cbp# 78-230); remodeled 1994 (Cbp# 94-18)

B7. Moved? No Yes Unknown Date :

Original Location:

B8. Related Features:

B9a. Architect:

b. Builder:

B10. Significance: Theme: *Architectural Development*

Area: *Camel by-the-Sea*

Period of Significance: *1903-1940*

Property Type: *single family residence*

Applicable Criteria: *CR 3*

(Discuss importance in terms of historical or architectural context as defined by theme, period and geographic scope. Also address integrity.)

The Enoch A. Lewis Hse. is significant under California Register criterion 3, in the area of architecture as one of the few homes from the early 20th century conveying a strong sense of time and place, and of feeling and association with early Camel.

The property has been remodeled at least twice since its construction in 1906. A 1978 remodel by Pacific Grove architect Ted Larson was sympathetic to the historic character of the building, repairing damaged material and matching the historic fabric of the residence in a small bay addition on the south side-elevation and in a slight extension of the building to the rear (east). In a less sympathetic remodel in 1994, an anodized sliding glass door was added to the ground floor at the SW cr. of the bldg. This feature is somewhat visible from the street. This is work that can be reversed. The real significance of this early vernacular residence is in its siting near the NE cr. of 9th & Monte Verde, where there is a vacant lot between the early house and the corner, retaining the same view from that intersection that has been in place since about 1906. This significant setting reflects the findings of, and is consistent with the 1997 Camel Historic Context Statement under the theme of architectural development. In spite of the minor distraction of the sliding door, the property continues to evoke a particularly strong sense of time and place, and feeling and association for early Camel.

B11. Additional Resource Attributes: (List attributes and codes) *HP2 - Single Family Property*

B12. References:

- Camel bldg. records, Camel Planning Dept., City Hall, Camel*
- Camel Historic Context Statement 1997*
- Monterey County Book of Deeds, Vol. 82, p. 46*
- Sanborn fire insurance maps of Camel 1910, 1924, 1930, 1930-62*

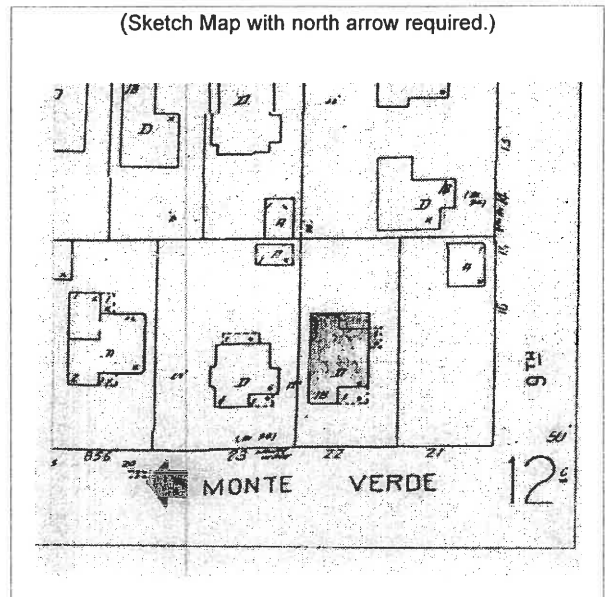
B13. Remarks: *Zoning R-1
CHCS (AD)*

B14. Evaluator: *Kent L. Seavey*

Date of Evaluation: *12/19/2002*

(This space reserved for official comments.)

(Sketch Map with north arrow required.)



Primary #

HRI #

Trinomial

Attachment 3

CONTINUATION SHEET

Name of
Recorded by:

Resource Name or #: (Assigned by recorder)
Kent L. Seavey

Enoch A. Lewis Hse.
Date 12/19/2002

Continuation Update

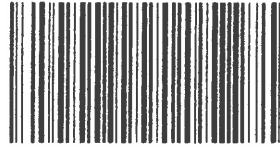
Return to:
Carmel City Hall
Post Office Drawer G
Carmel, CA 93921
Attention, Brian Roseth

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
City of Carmel

RANJELI QUE
Attachment 3
10/1/2007
10:50:29

DOCUMENT: **2007001247**

Titles: 1/ Pages: 1



Fees.....
Taxes....
Other....
AMT PAID _____

RESOLUTION

DESIGNATING AN HISTORIC RESOURCE

The Department of Community Planning and Building of the City of Carmel-by-the-Sea completed intensive survey work, received approval from the California Coastal Commission and made an Administrative Determination that the property identified below meets the criteria for an historic resource as established in the City's General Plan, the Municipal Code and the Local Coastal Program for Carmel-by-the-Sea.

Based on this determination, effective 25 May 2005, the Department of Community Planning and Building resolved to designate the property described below as a local resource on the Carmel Inventory of Historic Resources.

This Resolution/Administrative Determination is recorded pursuant to section 5029(b) of the California Public Resources Code that requires the City to record all historic resource determinations. This action also is taken in furtherance of the Local Coastal Program certified by the California Coastal Commission and implemented by the City of Carmel-by-the-Sea Ordinances No. 2004-01 and 2004-02.

Assessor's Parcel Number: 010193010000

Block: 94 **Lot(s):** ALL LOT 18

Current Owner: SENZA, LLC

Street Location: E/S MONTE VERDE BET. 8TH AND 9TH

It is the purpose of this Resolution/Administrative Determination to alert the owner, successors and assigns to the existence of an historic resource on the property. This historic resource is protected under laws of the State of California and of the City of Carmel-by-the-Sea including the California Coastal Act, the California Public Resources Code, the Carmel-by-the-Sea Municipal Code and the Local Coastal Program. Specific regulations affecting remodels, alterations, additions and demolitions can be found in the City of Carmel-by-the-Sea planning documents referenced above.

Certified by:

Brian Roseth,
Principal Planner, Carmel-by-the-Sea

END OF DOCUMENT



July 19, 2022
Revised August 8, 2022

**Mills Act Rehabilitation & Maintenance Program
Enoch A. Lewis House
Monte Verde Street 2NE Ninth Avenue
Carmel-by-the-Sea California**

This report presents proposed rehabilitation and maintenance work to be performed over the next ten years, to comply with requirements of Mills Act Designation.

Property: Enoch A. Lewis House
Monte Verde Street 2 NE Ninth Avenue
Carmel-by-the-Sea California 93921
Block 94, Lot 18 APN 010-193-010-000

Owners: Gavin Miller & Nancy Strom
211 Yerba Buena Avenue
Los Altos, California 94022

The Property

The property (the Enoch A. Lewis House) is a residence in Carmel-by-the-Sea with a detached studio/shed structure in the rear of the lot. The residence was constructed in 1906, and is in overall good condition. The owners, Nancy Strom and Gavin Miller, use the property as a second home. Their only plans for the home are to upgrade existing stairs and landings, and rehabilitate the rear studio building. No additions or moderations are proposed.

Condition of Property

The residence is in overall fair-to-good condition. Significant upgrades and an addition were constructed in 1978, with no major work performed since that time. The roof, windows and exterior siding are in good condition, showing signs of aging with upcoming needed maintenance. The interior elements are in overall very good condition, and in keeping with the historic character of the exterior.

The site is sloping west to Monte Verde Street. Overall surface drainage is good. An area well located at the exterior stair to the lower level is not properly draining, resulting in flooding of the lower level during storm periods. Damaged gutters on the rear (east) side of the house do not drain; the overflow has resulted in damage to a door below. Topsoil buildup around the rear studio/shed has resulted in damage to the bottom of some wall areas.

The rear studio/shed is original to the property. Condition is fair-to-poor, but with excellent potential. Boards are cracked or damaged, needing repair or replacement-in-kind. The hip roof structure is in good condition. The roof needs replacement. The foundation is in poor-to-nonexistent condition, resulting in significant subsidence to the structure above. The building needs to be lifted up, the foundation replaced, and the building refitted to the new base.

Rehabilitation Work Proposed

Plans have been prepared for needed upgrades to the property to stop deterioration and make the property more usable and code compliant. The proposed rehabilitation work includes three components:

1. Replacement of existing exterior front stair, to arrest dry rot damage and make the stair more usable and code-compliant.
2. Repair to existing exterior side stair and porch, to arrest foundation subsidence, make the stair more usable and code-compliant.
3. Rehabilitation of rear studio/shed, including new foundation/floor, repair to board-and-batt siding, new cedar shingle roof, and addition of interior electrical upgrades.
4. Drainage @ exterior stair to lower level. Clear drain. Install gutter/diverter at wall above stairwell to direct storm wall wash away from stairwell. Remove concrete from doorway.

Maintenance Items

Following are maintenance items proposed for immediate or ongoing repair:

- A. Drainage: Area well drainage correction, gutter repair or replacement, and removal of soil from around the shed are required immediate and ongoing maintenance items.
- B. Paint & Caulking Repair: Areas on the siding, trim, doors and windows are spalling. Prep and painting of these areas should be done immediately, and as they occur, to maintain the water-resistant surface of the building. Areas showing significant or repeated spalling should be investigated to determine if water or moisture is penetrating the wall from within; if so, the origin of the moisture should be identified and eliminated.
- C. Door & Window Repair: Dry rot damaged doors on the east side of the residence, plus the door into the shed, need repair to bottom stiles and rails. Window glazing, currently in sound condition, need to be monitored for weathering and repaired as needed.
- D. Roof maintenance, repair and replacement: Periodic inspection of existing wood shake roof. Repair or replacement of damaged or deteriorated areas. If and when roof reaches end of service life, replace roof – apply to City of Carmel Planning & Building Department for approval and permit of proposed replacement roof, to be in compliance with Secretary of Interior Standards.
- E. Chimney maintenance and repair: Periodic inspection of chimney. Repair of damaged or deteriorated areas, using materials and methods recommended by Secretary of Interior Standards.

Task	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Cost
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Replace front stair	X										\$46,400
Repair side Stair/landing	X										\$18,600
Rehabilitate Studio/Shed	X										\$56,300
Electrical to shed	X										\$4,600
Water line to potting area	X										\$1,200
Remove soil around shed	X										\$2,100
Door repair	X										\$800
Window repair				2,600			2,600			2,600	\$7,800
Patch & Paint	1,200			1,200			1,200			1,200	\$4,800
Roof repair		1,650				1,650					\$3,300
Replace roof										22,400	\$22,400
Chimney repair	350		350		350		350		350		\$1,750
Gutter Clean	250	250	250	250	250	250	250	250	250	250	\$2,500
Drainage	9,900										\$9,900
Total											\$182,450

This presents the Mills Act Maintenance Plan for the Enoch A. Lewis House.

Sincerely,



Brian T. Congleton, Architect

DRYCREEK CONSTRUCTION, INC.

1110 Sylvan Place

Monterey Ca 93940

Lic#741911 831-320-1221

Drycreek5@yahoo.com

TO-Enoch H Lewis House

INVOICE 0198 Attachment 4

Date 8-7 -2022

Description

Amount

Dry Creek Construction Inc will perform work and maintenance for the sum of

\$182,450.00

Plan 071922Enoch

Total \$ 182,450.00

If you have any questions concerning this invoice, contact Vince Dorio 831-320-1221

THANK YOU FOR YOUR BUSINESS!

Work Item Descriptions with Photographs

1. Replace front stair.



1. Repair side stair/landing.



2. Rehabilitate Studio/Shed.

3. Electrical to Studio/Shed.



3. Water line to potting area.



4. Remove soil around shed.



5. Door repair.



6. Window repair.



7. Patch and paint.



8. Roof repair.
9. Replace roof.

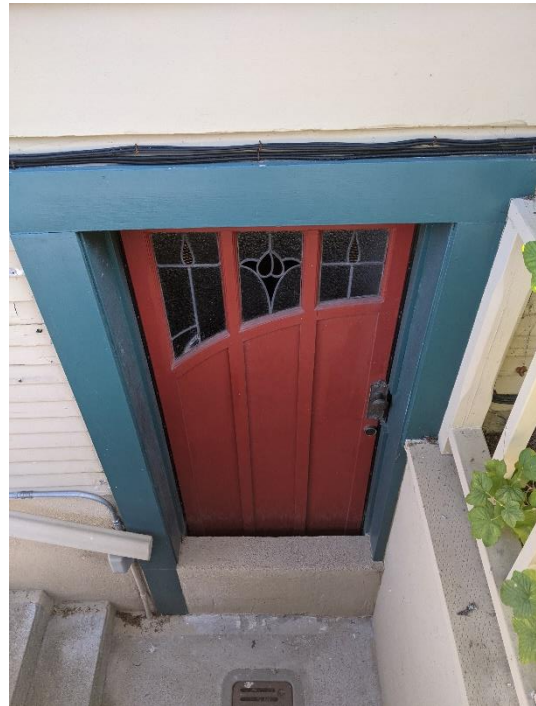


10. Chimney repair.



11. Gutter cleaning.

12. Drainage.



CITY OF CARMEL-BY-THE-SEA
HISTORIC RESOURCES BOARD

HISTORIC RESOURCES BOARD RESOLUTION NO. 2022-009-HRB

A RESOLUTION OF THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA
ADDING A HISTORIC RESOURCE TO THE CARMEL REGISTER AND RECOMMENDING THAT THE CITY
COUNCIL ENTER INTO A MILLS ACT CONTRACT WITH NANCY STROM AND GAVIN MILLER FOR THE
PROPERTY LOCATED AT MONTE VERDE STREET 2 NORTHEAST OF 9TH AVENUE
APN 010-193-010

WHEREAS, Brian Congleton, Architect (“Applicant”) submitted an application on behalf of Nancy Strom and Gavin Miller (“Owners”) requesting to add the historic “Enoch A. Lewis House” to the Carmel Register of Historic Resources and enter into a Mills Act contract (MA 22-254, Strom & Miller) described herein as (“Application”); and

WHEREAS, the Application has been submitted for the property located at Monte Verde Street 2 northeast of 9th Avenue, in the Single Family Residential (R-1) District (Block 94, Lot 18); and

WHEREAS, the Applicant is requesting to add the historic “Enoch A. Lewis House” to the Carmel Register of Historic Resources; and

WHEREAS, in accordance with Carmel Municipal Code (CMC) Section 17.32.090 (Carmel Register of Historic Resources) the City shall maintain a Register of Historic Resources designated by the City for public recognition and benefits; and

WHEREAS, historic resources identified as significant at a local or regional level shall be eligible for listing in the Register at the request of the property owner and upon approval by the Historic Resources Board; and

WHEREAS, one of the benefits of being included on the Register is the ability to enter into a Mills Act Historical Property Contract with the City; and

WHEREAS, the Applicant is also requesting to enter into a Mills Act contract with the City and in accordance with Carmel Municipal Code (CMC) Section 17.32.100.B.6 (Review Process), the Historic Resources Board shall consider the application and make a recommendation to the City Council to approve, approve with conditions, or deny the application; and

WHEREAS, notice of the August 15, 2022 public hearing was published in the Carmel Pine Cone on August 5, 2022 in compliance with State law (California Government Code 65091), and mailed to owners of real property within a 300-foot radius of the project indicating the date and time of the public hearing; and

WHEREAS, on August 5, 2022 the Applicant posted the public notice on the project site and hand-delivered a copy of the public notice to each property within a 100-foot radius of the project site indicating the date and time of the public hearing; and

WHEREAS, on August 12, 2022 the meeting agenda was posted in three locations in compliance with State law indicating the date and time of the public hearing; and

WHEREAS, on August 15, 2022, the Historic Resources Board held a public meeting to consider adding the historic “Enoch A. Lewis House” to the Carmel Register and to consider the application for a Mills Act contract, including without limitation, information provided to the Historic Resources Board by City staff and through public testimony; and

WHEREAS, this Resolution and its findings are made based upon evidence presented to the Historic Resources Board at the August 15, 2022 meeting including, without limitation, the staff report and attachments submitted by the Community Planning and Building Department; and

WHEREAS, the Historic Resources Board did hear and consider all said reports, attachments, recommendations and testimony herein above set forth and used their independent judgement to evaluate the project; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED, that the Historic Resources Board of the City of Carmel-By-The-Sea does hereby make the following findings and determinations regarding the **Mills Act Contract**:

<u>FINDINGS REQUIRED FOR A MILLS ACT CONTRACT</u>		
For each of the required findings listed below, staff has indicated whether the application supports adoption of the findings. For all findings checked "no" the staff report discusses the issues to facilitate the Historic Resources Board decision-making. Findings checked "yes" may or may not be discussed in the report depending on the issues.		
CMC 17.32.100.B.6.c	YES	NO
i. The building is designated as an historic resource by the City and is listed on the Carmel Register.	✓	
ii. The proposed rehabilitation/restoration and maintenance plan is appropriate in scope and sufficient in detail to guide long-term rehabilitation/restoration and maintenance. Required maintenance and rehabilitation should be more significant than just routine maintenance that would be expected for any property.	✓	
iii. Alterations to the historic resource have been in the past, and will continue to be in the future, limited to interior work and to exterior rehabilitation and alterations that: (A) Comply with the Secretary’s Standards (future additions only); and	✓	

<p>(B) Do not significantly alter, damage or diminish any primary elevation or character-defining feature; and</p> <p>(C) Do not increase floor area on the property by more than 15 percent beyond the amount established in the documented original or historic design of the resource; and</p> <p>(D) Do not result in any second-story addition to a single-story historic resource.</p>		
<p>iv. The Mills Act contract will aid in offsetting the costs of rehabilitating and maintaining the historic resource.</p>	✓	
<p>v. Approval of the Mills Act contract will represent an equitable balance of public and private interests and will not result in substantial adverse financial impact on the City.</p>	✓	

BE IT FURTHER RESOLVED that the Historic Resources Board of the City of Carmel-by-the-Sea does hereby add the historic “Enoch A. Lewis House” to the Carmel Register of Historic Resources and recommend that the City Council enter into a Mills Act Contract (MA 22-254, Strom & Miller) for the property located at Monte Verde Street 2 northeast of 9th Avenue (APN 010-193-010).

PASSED, APPROVED AND ADOPTED BY THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA this 15th day of August, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Erik Dyar
Chair

Leah Young
Historic Resources Board Secretary

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov

BETTY T. YEE
Acting Member
First District, San Francisco

BILL LEONARD
econd District, Sacramento/Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

No. 2005/035

June 2, 2005

O COUNTY ASSESSORS AND INTERESTED PARTIES:

NOTICE OF BOARD ACTION

**GUIDELINES FOR THE ASSESSMENT OF
ENFORCEABLY RESTRICTED HISTORICAL PROPERTY**

On May 25, 2005, the Board of Equalization approved the following guidelines pertaining to the assessment of enforceably restricted historical property. These guidelines supersede Letter To Assessors No. 77/174 (dated December 19, 1977).

On June 8, 1976, the voters of California approved Proposition 7 which amended section 8 of article XIII of the California Constitution. This amendment requires that enforceably restricted historical property be valued on a basis that is consistent with its restrictions and uses. Sections 439 through 439.4 were added to the Revenue and Taxation Code to implement Proposition 7. These statutes, in particular section 439.2, prohibit a valuation of enforceably restricted historical property based on sales data and instead require that such property be valued by a prescribed income capitalization method.

Staff drafted these guidelines in consultation with interested parties and, after discussions, no issues remained unresolved. The guidelines discuss the enforceably restricted historical property requirements, the income to be capitalized, the capitalization rate, the effect of Proposition 13 upon enforceably restricted historical properties that undergo change in ownership or new construction, and the valuation of property under notice of nonrenewal.

The guidelines are posted on the Board's website at www.boe.ca.gov/proptaxes/guideproc.htm. We hope this information proves useful and promotes uniformity of assessment for these properties. If you have any questions, please contact our Real Property Technical Services Unit at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs
Enclosure

GUIDELINES FOR THE ASSESSMENT OF ENFORCEABLY RESTRICTED HISTORICAL PROPERTY

HISTORY

Effective March 7, 1973, Chapter 1442 of the Statutes of 1972 (also known as the Mills Act) added sections 50280 through 50289 to the Government Code to allow an owner of qualified historical property to enter into a preservation contract with local government. When property is placed under such a contract, the owner agrees to restore the property if necessary, maintain its historic character, and use it in a manner compatible with its historic characteristics.

Prior to the passage of Proposition 7 in 1976, these agreements (i.e., Mills Act contracts) constituted enforceable restrictions on the use of land within the meaning of Revenue and Taxation Code section 402.1¹ (Property Tax Rule 60, repealed January 10, 1978). However, Proposition 7 added the second paragraph to section 8 of article XIII of the California Constitution:

To promote the preservation of property of historical significance, the Legislature may define such property and shall provide that when it is enforceably restricted, in a manner specified by the Legislature, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses.

To implement Proposition 7, Chapter 1040 of the Statutes of 1977 (Senate Bill 380) added sections 439 through 439.4 to the Revenue and Taxation Code. These statutes, in particular section 439.2, prohibit a valuation of enforceably restricted historical property based on sales data and instead require that such property be valued by a prescribed income capitalization method.

ENFORCEABLY RESTRICTED HISTORICAL PROPERTY

Under section 439, historical property is "enforceably restricted" if it meets the definition of a "qualified historical property" as defined in Government Code section 50280.1 and is subject to a historical property contract executed pursuant to Government Code section 50280 and following. A qualified historical property includes qualified historical improvements and the land on which the improvements are situated, as specified in the historical property contract. If the contract does not specify the land to be included, the qualified historical property includes only a land area of reasonable size to situate the improvements.

A qualified historical property is privately-owned property that is not exempt from property taxation and that also meets either of the following criteria:

- The property is listed in the National Register of Historic Places, or is located within a registered historic district; or

¹ Unless otherwise noted, all statutory references are to the Revenue and Taxation Code.

- The property is listed in any official state, county, city, or city and county official register of historical or architecturally significant sites, places or landmarks, including the California Register of Historical Resources, California Historical Landmarks, State Points of Historical Interest, local landmarks, and local survey listings of historical properties.

The historical property contract must have a minimum term of ten years, and, as applicable, must contain certain other elements, including the following:

- A provision relating to the preservation of the qualified historical property and, when necessary, the restoration and rehabilitation of the property in conformance with state historic preservation guidelines;
- A requirement for the periodic examination of the property to ensure compliance with the agreement;
- A requirement that the historical property agreement be binding upon successor owners of the qualified historical property; and
- A provision for an automatic one-year extension of the contract, with an additional year added to the initial contract term on each anniversary of the contract, unless either party provides notice of nonrenewal. If a notice of nonrenewal is given, the contract runs for its remaining term.

Once a contract is signed, accepted, and recorded, the property subject to the contract must be assessed under section 439.2 on the ensuing lien date. For example, if a contract were recorded in August 2004, the property should have been valued pursuant to section 439.2 for lien date January 1, 2005.

Local authorities may cancel a historical property agreement for breach of contract or failure to protect the historical property. Alternatively, the local entity may take legal action to enforce the contract.

ASSESSMENT

The assessment of an enforceably restricted historical property involves the following aspects: (1) valuing the restricted historical property; (2) properly applying certain assessment provisions relating to article XIII A of the California Constitution (Prop 13); (3) valuing the restricted historical property following a notice of nonrenewal; and (4) valuing the restricted historical property following cancellation of the contract.

Valuing the Restricted Historical Property

Section 439.2 prohibits the assessor from using sales data relating to similar properties, whether or not enforceably restricted, to value an enforceably restricted historical property. Instead, the assessor must annually value a restricted historical property using an income approach that

follows the specific provisions of section 439.2. These provisions explicitly address (1) the determination of the income to be capitalized, (2) the development of the capitalization rate, (3) the capitalization technique to be used, and (4) the determination of the restricted historical property's taxable value on each lien date.

Income to be Capitalized

As provided in section 439.2(a), the income to be capitalized when valuing a restricted historical property is the property's fair rent less allowed expenditures, or allowed expenses. In general, section 439.2(a) follows Property Tax Rule 8(c), with fair rent in section 439.2 corresponding to gross return in Rule 8(c); allowed expenditures, or allowed expenses, in section 439.2 corresponding to gross outgo in Rule 8(c); and the income to be capitalized in section 439.2 corresponding to net return in Rule 8(c). In addition, for the purposes here, "gross income" is synonymous with fair rent, and "net operating income" is synonymous with the income to be capitalized.

The parties to a historical property agreement may stipulate a minimum annual income to be capitalized, in which case the income to be capitalized may not be less than the stipulated amount.

Fair rent, or gross income. The gross income of a restricted historical property is the fair rent for the property considering the restrictions on the property's use. When establishing the fair rent for a restricted historical property, the appraiser should consider the actual rent and typical rents in the area for similar properties in similar use, where the owner pays the property taxes.

The actual rent received by the owner of the subject restricted historical property is relevant to an estimate of fair market rent only if the actual rent is the same rent that would be expected if the existing lease were renegotiated in light of current market conditions, including the subject property's enforceable restrictions on use. With respect to rents from similar, or comparable, properties, if such rents are from properties outside the geographic or market area of the subject property, or from properties that are otherwise dissimilar to the subject property, the rents may not be relevant to an estimate of the subject property's fair rent.

Comparable rental data for single-family residences can be obtained from real estate brokers, rental agencies, and newspaper ads. Many assessors offices maintain rental data for commercial properties, and this data may be helpful when establishing the fair rent for restricted historical property when the contract allows a commercial use. Rental data for commercial property also can be obtained from commercial real estate brokers. For the purpose of estimating anticipated market fair rent and expenditures for use in calculating the subject property's value, rental and expense data for existing restricted historical properties, including the subject historical property, can be obtained through an annual questionnaire sent to property owners.

If sufficient rental data are not available, or such data are unreliable, the appraiser must impute a gross income for the subject restricted historical property. The imputed income should be based on what an informed investor would reasonably expect the property to yield under prudent management, given the provisions under which the property is enforceably restricted.

Allowed expenditures. Section 439.2(a)(3) defines allowed expenditures, or allowed expenses, as expenses necessary for the maintenance of the property's income. Allowed expenses are the same as those permitted in Property Tax Rule 8(c).

Typical expenses include the cost of utilities, maintenance and repair, insurance and property management. Allowed expenses also may include amounts owing for special assessments and special taxes. Expenses related to debt service, general property taxes, and depreciation should not be deducted.

In general, to arrive at the net income to be capitalized, allowed expenses are subtracted from the estimated rental income. However, in order to properly process the income, the appraiser must be aware of the structure of the lease with regard to how expenses are shared between the landlord-owner and the tenant.

The proper perspective from which to view the processing of income and expenses is that of the landlord-owner. The objective is to estimate the net income to the landlord-owner—this is the amount that should be capitalized—and the correct question to ask is the following: What, if any, allowed expenses must the landlord-owner pay out of the rental income that he or she receives?

In a gross lease, almost all of the allowed expenses must be paid out of the gross rent and, therefore, must be subtracted from the gross rent to arrive at the net income to be capitalized. In a net lease, relatively few allowed expenses must be paid by the landlord-owner out of the net rent (because the tenant pays most expenses) and only these expenses should be subtracted from the net rent to arrive at the net income to be capitalized. Frequently, there is a hybrid arrangement—some expenses are paid by the landlord-owner and some by the tenant. How expenses are shared often depends upon the property type together with local conventions.

Income to be capitalized, or net operating income. The income to be capitalized, or net operating income, is simply the fair rent, or gross income, described above less the allowed expenditures described above.

Capitalization Rate

The method of developing the capitalization rate to be used when valuing restricted historical property is prescribed by statute; a capitalization rate derived from sales data or the band of investment is not permitted.

Section 439.2 prescribes two types of capitalization rates for restricted historical property: (1) a capitalization rate to be used when valuing restricted historical property that is an owner-occupied single-family residence and (2) a capitalization rate to be used when valuing all other restricted historical property. Both types of capitalization rates include components for interest (i.e., yield), risk, property taxes, and amortization of improvements; in fact, the two rates are identical except for the amount of the risk component. The capitalization rate contains the following components:

- An interest component annually determined by the State Board of Equalization and based on the effective rate on conventional mortgages as determined by the Federal Housing Finance Board. The interest component is announced annually, in a Letter To Assessors, by October 1 of the preceding assessment year.
- A historical property risk component determined by property type. For owner-occupied single-family residences, the rate is 4 percent; for all other types of restricted historical property, the rate is 2 percent.
- An amortization component for improvements defined as a percentage equal to the reciprocal of the remaining life of the improvements (e.g., if the remaining economic life of the improvements were 20 years, the amortization component would be 5 percent). Since the amortization component applies only to improvements, not to land, which is a non-depreciating asset, it is necessary to adjust the amortization component described in the statute. We recommend the following method of adjustment:
 1. Based upon market data, estimate the percentage of total property value attributable to improvements.
 2. Multiply this percentage by the amortization component described in the statute (i.e., by the reciprocal of the remaining life of the improvements). For example, if the remaining life of the improvements was 20 years, yielding a reciprocal percentage of 5 percent, and if 70 percent of the total property value was attributable to the improvements, the adjusted amortization factor would be 3.5 percent ($0.05 \times 0.70 = 0.035$).
 3. Add the adjusted amortization component to the other capitalization rate components to arrive at the total capitalization rate.
- A property taxes component equal to the percentage of the estimated total tax rate applicable to the property for the assessment year multiplied by the assessment ratio. Typically, the property tax component includes the basic tax rate of 1 percent plus an additional ad valorem rate related to any bonded indebtedness pertaining to the tax rate area in which the property is located. Special district assessments and special taxes are not included in the property tax component. As noted above, they should be treated as allowed expenses.

Capitalization Technique

The capitalization technique to be used when valuing a restricted historical property is prescribed by statute and is formulaic. Section 439.2(e) provides that the restricted value shall be the income to be capitalized, or net operating income, developed as prescribed by statute, divided by one of the two types of capitalization rates prescribed by statute. In other words, the restricted value is the simple quotient of the prescribed income to be capitalized and the prescribed capitalization rate.

Determination of Taxable Value on Each Lien Date

Section 439.2(d) provides that a historical property's restricted value may not be enrolled if it exceeds either (1) the value of the subject property as determined under section 110 (i.e., current market value) or (2) the value of the subject property as determined under section 110.1 (i.e., factored base year value). In other words, section 439.2 states that the taxable value of a restricted historical property on each lien date shall be the lowest of its restricted value, current market value, or factored base year value. The factored base year value for an enforceably restricted historical property is the value that was established for the 1975 lien date² or as of the date of the most recent change in ownership, whichever is later, adjusted by the annual inflation factor.

Article XIII A (Prop 13) Considerations

This section discusses how three important elements relating to implementation of article XIII A—change in ownership, new construction, and supplemental assessment—relate to the assessment of restricted historical property. Also discussed is the case in which only a portion of a property is subject to the historical property agreement—that is, the case in which a single property unit contains both restricted and unrestricted portions.

Change in Ownership

When a property subject to a historical property contract undergoes a change in ownership, a new base year value should be established for the property as of the date of change in ownership, as provided in section 110.1. Typically, a restricted historical property's base year value will be greater than its restricted value determined under section 439.2 and hence will not be enrolled as the property's taxable value. However, the establishment of a new base year value enables the assessor to perform the three-way value comparison prescribed by section 439.2(d) and described above. The establishment of a base year value is also necessary in order to calculate the assessed values of historical property should the historical property agreement enter nonrenewal status.

New Construction

Section IV of National Register Bulletin #15 defines a "building" as follows:

A building, such as a house, barn, church, hotel, or similar construction, is created principally to shelter any form of human activity. "Building" may also be used to refer to a historically and functionally related unit, such as a courthouse and jail or a house and barn.

Section IV further specifies that "[b]uildings eligible for the National Register must include all of their basic structural elements. Parts of buildings, such as interiors, facades, or wings, are not eligible independent of the rest of the existing building. The whole building must be considered,

² Sections 110.1(d) and 405.5 do not apply to historical properties under contract as of lien date 1975 because the constitutional amendment which placed the valuation of historical property under article XIII rather than article XIII A had not yet been passed and, thus, was not in effect for the 1975 lien date.

and its significant features must be identified." Thus, eligibility for the National Register is determined by the extent to which the basic structural elements of an existing building are intact. In general, a newly constructed building would not be eligible because it is not an existing building with basic structural elements.³

Also, a newly constructed building is not a historic resource, and, thus, is not a qualified historical property within the meaning of Government Code section 50280.1. For example, a newly constructed detached garage (assuming it is not a reconstruction of a historical garage) clearly would not be eligible because it has no significance in American history or architecture, nor does it meet any of the other requisite criteria.

Bulletin 15, however, does list one type of newly constructed property that may be eligible for inclusion under the Mills Act. A reconstructed historic building is eligible for the National Register if the reconstruction is "accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan, and when no other building or structure with the same association has survived."

The historical property contract typically specifies the scope and type of any work to be performed on the historical improvements. Improvements existing as of the date of the contract would be subject to the provisions of section 439.2 unless specifically excluded by the contract. Any new construction made to the historical structure after the issuing date of the contract would not be subject to the provisions of section 439.2 unless specifically included in the contract or an amendment to the contract. Any questions regarding new construction to enforceably restricted historical structures should be directed to the counsel of the legislative body of the city, county, or city and county that contracted with the property owner.

Assuming that the newly constructed property is subject to the historical property contract, a base year value should be established for the newly constructed portion and this value added to the factored base year value of the existing restricted property.

In some cases, an existing historical property may include a portion that is restricted (i.e., subject to a historical property contract) and a portion that is unrestricted. In this case, separate factored base year values should be maintained for the restricted and unrestricted portions and the base year value of any newly constructed property added to the appropriate portion. The assessment treatment of this type of property is discussed further below.

Supplemental Assessment

Although the assessor is required to establish a new base year value upon a change in ownership or completed new construction involving restricted historical property, such property is not subject to supplemental assessment. As provided in Revenue and Taxation Code section 75.14:

Supplemental assessment; limitation. A supplemental assessment pursuant to this chapter shall not be made for any property not subject to the assessment

³ National Register Bulletin 15, "How to Apply the National Register Criteria for Evaluation," U.S. Department of the Interior, National Park Service (www.cr.nps.gov/nr/publications/).

limitations of Article XIII A of the California Constitution. All property subject to the assessment limitations of Article XIII A of the California Constitution shall be subject to the provisions of this chapter, except as otherwise provided in this article.

As discussed above, the assessment of enforceably restricted historical property is subject to the provisions of article XIII, section 8 of the California Constitution, not article XIII A. Thus, section 75.14 precludes the assessor from enrolling supplemental assessments for enforceably restricted historical property.

Historical property not yet under contract that undergoes a change in ownership or new construction is subject to supplemental assessment, even if the property owner later executes a historical property contract in the same fiscal year. Also, any new construction involving a historical property that does not come under the existing historical property contract (e.g., a detached garage added to a restricted historical property) would be subject to supplemental assessment.

When a Property Contains Both Restricted and Unrestricted Portions

When only a portion of a property that would normally be considered a single appraisal unit is restricted by a historical property contract, the assessed value should be determined by making a comparison of three values, determined as follows. First, the portion under contract should be valued using the capitalization method prescribed by section 439.2. Added to this figure should be the lower of the unrestricted portion's fair market value or factored base year value. The resulting sum should be compared to both the fair market value and the factored base year value of the entire property (i.e., both restricted and unrestricted portions) and the lowest of the three figures should be enrolled.

Valuing Property Under Notice of Nonrenewal

As provided in Government Code section 50282, either the owner of a restricted historical property or the local government entity may serve notice that it does not intend to renew the historical property contract. If such notice is not given, another year is automatically added to the term of the initial contract, thus creating a "rolling" contract term that is always equal to the initial contract term.

Section 439.3 prescribes the valuation method for a restricted historical property in nonrenewal status; this valuation method applies until the end of the restricted period (i.e., until the existing contract expires). In essence, the method results in a restricted value that gradually approaches the historical property's factored base year value as the remaining term under the contract decreases. For a property in nonrenewal status, the assessor must annually value the property as follows:

1. Determine the full cash value (i.e., factored base year value) of the property in accordance with section 110.1. (Alternatively, if the property will not be subject to section 110.1 when the historical property agreement expires, determine its fair market value in accordance with

section 110, as if the property were free of the agreement's restrictions; or, if the property will be subject to another type of restricted value standard when the historical property agreement expires, determine the property's value as if it were subject to the new restrictions.)

2. Determine the restricted value of the property by the capitalization of income method provided in section 439.2.
3. Subtract the restricted value determined in Step 2 from the factored base year (or other) value determined in Step 1.
4. Using the amount for the interest rate component (section 439.2(b)(1)) announced by the Board, discount the amount obtained in Step 3 for the number of years remaining until the termination of the contract.
5. Determine the restricted value of the property in nonrenewal status by adding the value determined in Step 2 to the amount obtained in Step 4.

The historical property's restricted value in nonrenewal status—that is, the value determined above, in accordance with section 439.3—should be compared with the historical property's factor base year and current market values, and the lowest of these three values should be enrolled as the property's taxable value.

Cancellation of Contract

The government entity party to a historical property contract may cancel the contract, after notice and a public hearing, if it determines that either the owner has breached the agreement or the property has deteriorated to the extent that it no longer meets the standards of a historical property. If the contract is cancelled, the property owner must pay a cancellation fee equal to 12½ percent of the property's current fair market value as though free of the contractual restriction, such value to be determined by the county assessor. After a contract is cancelled, the lower of the property's factored base year value or current market value should be enrolled for the ensuing lien date.

SUMMARY

The key points contained in these guidelines can be summarized as follows:

1. An owner of qualified historical property may enter into a preservation contract with local government. When property is placed under such a contract, the owner agrees to restore the property if necessary, maintain its historic character, and use it in a manner compatible with its historic characteristics. Such property receives the special valuation treatment prescribed under Revenue and Taxation Code sections 439 through 439.4.
2. Enforceably restricted historical property is to be annually valued by the income capitalization method prescribed in section 439.2, which contains specific instructions with

regard to the income to be capitalized, the capitalization rate, and the capitalization technique to be used. The restricted value must be compared to the property's current market value and factored base year value, with the lowest of these three values enrolled as the property's taxable value.

3. When assessing restricted historical property, the appraiser should consider how three important elements of article XIII A—change in ownership, new construction, and supplemental assessment—relate to the assessment. The appraiser should consider how a property should be assessed when only a portion of it is subject to a historical property agreement.
4. Restricted historical property under a notice of nonrenewal should be valued in accordance with section 439.3.
5. The government entity party to a historical property contract may cancel the contract. The cancellation fee is 12½ percent of the property's current fair market value as though free of the contractual restriction, with such value to be determined by the local assessor.

Additional information about Mills Act contracts may be obtained from the state Office of Historic Preservation, either by telephone at 916-653-6624, or from their website (www.ohp.parks.ca.gov).

(Note: Please see the assessment examples following.)

EXAMPLE 1 (OWNER-OCCUPIED SINGLE-FAMILY RESIDENCE)

Subject Restricted Historical Property

Restored, 105-year-old, Victorian single-family residence. Excellent condition. Under Mills Act contract since 1985 and not in nonrenewal status. Owner-occupied.

Determination of Restricted Value (current lien date)

Gross income (Fair rent)		
\$1,500 per month x 12 months =		\$18,000
Less: Anticipated vacancy and collection loss		
\$18,000 x 5%		<u>- 900</u>
Effective gross income		\$17,100
Less: Anticipated operating expenses		
Grounds maintenance	\$600	
Fire insurance	400	
Management Fee	360	
Water and garbage	240	
Building maintenance	+ 500	<u>- 2,100</u>
Net Operating Income		\$15,000

Restricted Capitalization Rate

Rate Components:

Interest rate	.080	
Risk (owner-occupied SFR)	.040	
Property tax (ad valorem)	.015	
Amortization (50-year remaining life; improvements constitute 70% of total property market value; 0.02 x 0.70 – 0.014)	+ .014	<u>.149</u>

Restricted Value		
\$15,000 ÷ .149		= <u>\$100,671</u>

Taxable Value—Three-Way Value Comparison

Restricted value	\$100,671
Factored base year value (based on prior change in ownership)	\$357,000
Current market value (based on comparable sales)	\$450,000

The lowest of the three possible values is the restricted value. Thus, the net taxable value would be \$93,671 (\$100,671 restricted value less the homeowners' exemption of \$7,000).

Note 1: If this property had been a non-owner-occupied SFR, the only difference in the determination of the restricted value would have been the use of a risk rate component of 2% rather than 4% in the capitalization rate.

Note 2: In this and the following examples, the gross income, or fair rent, is presented on a gross rent basis, that is, under the assumption that the landlord-owner pays all operating expenses out of the gross income.

EXAMPLE 2 (OFFICE USE)

Subject Restricted Historical Property

Multi-tenant, restored historical office building in a downtown commercial district. Under Mills Act contract since 1985 and not in nonrenewal status.

Determination of Restricted Value (current lien date)

Gross Income (Fair rent):		
Offices	140,000 sf @ \$1.75/sf = <u>\$245,000</u>	
	x 12 months	= \$2,940,000
Less: Anticipated vacancy and collection loss		
	\$2,940,000 x 5%	<u>- 147,000</u>
Effective gross income		\$2,793,000
Less: Anticipated operating expenses		
Management	\$290,000	
Maintenance	95,000	
Insurance	75,000	
Utilities	360,000	
Janitorial	+ <u>140,000</u>	<u>- 960,000</u>
Net Operating Income		\$1,833,000

Restricted Capitalization Rate

Rate Components:

Interest component	.08	
Risk	.02	
Property tax (ad valorem)	.011	
Amortization (50-year remaining life; improvements constitute 75% of total property market value)		
0.02 x 0.75 = 0.015)	+ <u>.015</u>	<u>.126</u>

Restricted Value		
(\$1,833,000 ÷ .126)		= \$14,547,619

Taxable Value—Three-Way Value Comparison

Restricted value	\$14,547,619
Factored base year value (based on prior change in ownership)	\$18,191,077
Current market value (based on comparable sales)	\$21,000,000

The lowest of the three possible values is the restricted value. Thus, the taxable value would be \$14,547,619

EXAMPLE 3 (MIXED USE—RESIDENTIAL AND OFFICE)

Subject Restricted Historical Property

Two-story, restored historical property in a downtown district. Upper level is residential unit occupied by owner. Lower level contains three office spaces subject to short-term rental agreements. The income stream for the upstairs unit must be calculated separately from the downstairs unit because the risk rate is different for the owner-occupied unit.

Determination of Restricted Value

Separate restricted values for the upper-level residence and the lower-level office space must be determined, because the risk components are different for the two types of use. The total restricted value is sum of these two values.

Upper-Level Unit

Gross income (Fair rent) based upon comparable rent data		
\$975 per month x 12 months =		\$11,700
Less: Anticipated vacancy and collection loss		
\$11,700 x 5%		<u>- 585</u>
Effective gross income		\$11,115
Less: Anticipated operating expenses		
Grounds maintenance	\$300	
Fire insurance	200	
Management Fee	180	
Water and garbage	120	
Building maintenance	+ 250	<u>- 1,050</u>
Upper-Level Net Operating Income		\$10,065

Restricted Capitalization Rate (owner-occupied SFR)

Rate components:

Interest rate	.080
Risk	.040
Property tax	.010

Amortization (50-year remaining life; improvements

constitute 70% of total property market value;

0.02 x 0.70 = 0.014	+ .014	<u>.144</u>
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Upper-level Restricted Value (\$10,065 ÷ .144) = \$69,895

Lower-Level Offices

Gross income (Fair rent)		
1000 sf @ \$1.60/sf = \$1,600 x 12 months		\$19,200
Less: Anticipated vacancy and collection loss		
\$19,200 x 5%		<u>- 960</u>
Effective gross income		\$18,240

Less: Anticipated operating expenses		
Grounds maintenance	\$300	
Fire insurance	200	
Management Fee	180	
Water and garbage	120	
Building maintenance	+ 250	- 1,050
Lower-Level Net Operating Income		\$17,190

Restricted Capitalization Rate		
Rate components:		
Interest component	.080	
Risk	.020	
Property tax	.010	
Amortization (50-year remaining life; improvements constitute 70% of total property market value; 0.02 x 0.70 = 0.014)	+ .014	.124
Lower Level Restricted Value (\$17,190 ÷ .124)		\$138,629
Add: Upper Level Restricted Value		+ \$69,895
Total Restricted Value		\$208,524

Taxable Value—Three-Way Value Comparison

Restricted Value	\$208,524
Factored base year value (based upon prior change in ownership)	\$364,140
Current market value (based upon comparable sales data)	\$400,000

The lowest of the three possible values is the restricted value. Thus, the net taxable value would be \$201,524 (\$208,524 less the homeowners' exemption of \$7,000).

EXAMPLE 4 (MIXED VALUATION—PART RESTRICTED AND PART UNRESTRICTED)

Description of Subject Property (Comprises Both Restricted and Unrestricted Portions)

The subject property is a 10-acre parcel with a farmhouse and barn situated on 2 acres; the remaining 8 acres are farmland. The farmhouse and barn are used as an owner-occupied single-family residence; this portion of the property is restricted under a Mills Act contract. The remaining 8 acres of farmland are unrestricted.

Value of Restricted Portion (current lien date)

Gross income (Fair rent) for farmhouse and barn		
\$2,000 per month x 12 months =		\$24,000
Less: Anticipated vacancy and collection loss		
\$24,000 x 5%		- 1,200
Effective gross income		\$22,800
Less: Anticipated operating expenses		
Grounds maintenance	\$600	
Fire insurance	400	
Management Fee	360	
Water and garbage	240	
Building maintenance	+ 500	- 2,100
Net Operating Income		= \$20,700

Restricted Capitalization Rate

Rate components:		
Interest component	.080	
Risk (owner-occupied)	.040	
Property tax (ad valorem)	.010	
Amortization (50-year remaining life; improvements constitute 70% of total property market value)		
0.02 x 0.70 = 0.014	+ .014	.144
Restricted Value (\$20,700 ÷ .144)		= \$143,750

Taxable Value—Three-Way Comparison

Total Property Restricted Value (sum of restricted value above and lower of FBV or current market value of unrestricted portion)

Restricted Value (portion under contract)	\$143,750
FBV (unrestricted portion)	+ \$102,000
Restricted Value (total property)	\$245,750

Factored base year values (based upon a prior change in ownership of the entire property, allocated between restricted and unrestricted portions):

Farmhouse, barn, and 2 acres (restricted portion)	\$204,000
8 acres (unrestricted portion)	+ \$102,000
Total FBV (total property)	\$306,000

Current market values (based upon comparable sales data):

Farmhouse, barn, and 2 acres (restricted portion)	\$230,000
8 acres (unrestricted portion)	+ <u>\$120,000</u>
Total Current Market Value (total property)	\$350,000

The lowest of the three values is the Restricted Value (total property), \$245,750. Thus, the net taxable value would be \$238,750 (\$245,750 less \$7,000 homeowners' exemption).

EXAMPLE 5 (PROPERTY IN NONRENEWAL STATUS)

Description of Subject Restricted Historical Property

The same property as in Example 2, except the property owner has served notice of nonrenewal. The Mills Act contract covering the property was originally executed in September 1995, and the owner served notice of nonrenewal in June 2004. Value the property for the 2005 lien date, reflecting its nonrenewal status. Assume that the property's restricted, current market, and factored base year values from Example 2, provided below, also refer to January 1, 2005.

Restricted value	\$14,547,619
Current market value	\$21,000,000
Factored base year value	\$18,191,077

Restricted Value in Nonrenewal Status

Value as if unrestricted (factored base year value)	\$18,191,077
Restricted value	<u>- 14,547,619</u>
Difference	\$ 3,643,458
Present worth of difference	
PW1 @ 6.00 %, 9 years (interest component for lien date 2005)	<u>x .591898</u>
	= \$ 2,156,555
Plus restricted value	<u>+ \$14,547,619</u>
Restricted value in nonrenewal status—lien date January 1, 2005	\$16,704,174

Taxable Value

Since the restricted value in nonrenewal status, \$16,704,174, is less than either the property's current market value or its factored base year value, this is the taxable value.