



AGENDA REPORT

TO: Honorable Mayor and Members of City Council

FROM: Mark Brodeur, Community and Economic Development Director

MEETING DATE: January 20, 2016

SUBJECT: Reimbursement Agreement with Domaine Pacific Grove, LLC, proponents for Project Bella, for the Costs to Conduct a Special Election

CEQA: Does not Constitute a “Project” per California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Approve a Resolution, authorizing the City Manager to enter into a Reimbursement Agreement with Domaine Pacific Grove, LLC, proponents for Project Bella, to cover costs of the special election.

DISCUSSION

An election initiative was circulated within the City of Pacific Grove, entitled: “American Tin Cannery (ATC) ballot initiative, adding Section 23.31.025 to the Pacific Grove Municipal Code.” The ballot measure proposes to rezone the ATC site from C-V (Visitor Commercial) and C-2 (Heavy Commercial) so that hotels will be allowed.

On January 7, 2016, the Monterey County Registrar of Voters determined there were a sufficient number of signatures to qualify the initiative measure for the ballot and for the City Council to call a special election.

Domaine Pacific Grove, LLC (Domaine) has submitted an application to develop, construct, and operate a hotel project (Project Bella) at 125 Ocean View Boulevard in the City’s coastal zone. Project Bella proponents understand the City will be required to expend considerable resources in working with Domaine for approval of the Project Bella, including, but not limited to, processing of applications, permits, and other entitlements.

Proponents are aware of City fiscal constraints, and want to ensure City resource limitations will not delay the necessary review steps to effect timely development of the project. Without the Reimbursement Agreement, an alternate timeline would be required due to other demands on City staff. The City shall be reimbursed for its effort, but has not delegated or impaired its judgment.

Domaine Pacific Grove, LLC (Domaine) has offered to reimburse the City for the costs to conduct the Special Election, as well as the costs of the City Clerk and staff for services required as a result of the election.

FISCAL IMPACT

If the City approves the reimbursement agreements, there will be minimal fiscal impact to the City.

ATTACHMENT

1. Resolution
2. Reimbursement Agreement for Special Election Costs

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Mark Brodeur".

Mark Brodeur, Director
Community and Economic Development

REVIEWED BY,

A handwritten signature in blue ink, appearing to read "Jocelyn Francis".

Jocelyn Francis
City Manager Pro Tem

January ___, 2016

VIA EMAIL & U.S. MAIL

Mr. Tom Frutchey
City Manager
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

RE: Offer to Pay Special Election Expenses Incurred by City

Dear Tom:

This letter is written on behalf of Domaine Pacific Grove, LLC (“Domaine”). As you know, an initiative measure referred to as the American Tin Cannery initiative has qualified for the ballot within the City. The council may choose to place the measure on a “special election” pursuant to authority granted it by the Elections Code. The City will incur some expense to conduct such an election.

Pursuant to Government Code section 37354 Domaine would like to offer to reimburse the City for its actual costs to conduct the special election, as outlined below, if the Council decides to place the initiative measure on the ballot (Election Code section 9215(b).) Government Code section 37354 provides:

The legislative body may accept or reject any gift, bequest, or devise made to or for the city, or to or for any of its officers in their official capacity or in trust for any public purpose. It may hold and dispose of the property and the income and increase from the property for such uses as are prescribed in the terms of the gift, bequest, or devise.

If the City accepts the offer, in order to comply with the Political Reform Act, Domaine will make the reimbursement directly to the City and publicly report the payment as required by law. The payment of election expenses has been deemed a reportable “expenditure” by the Fair Political Practices Commission. (See, FPPC Winkler Adv. Ltr. A-87-023).

We propose to timely reimburse the City within fifteen (15) days of receipt of a bill/invoice from the County for the actual costs incurred by the City for special election services (See Election Code section 10002), or if the City chooses to engage the services of a private vendor, within fifteen (15) days of receipt of a bill/invoice from the vendor. In addition, we propose to reimburse the City for the costs of the clerk and her employees/staff for services required as a result of the special election (based on an hourly rate).

If this offer is acceptable to the City, please confirm acceptance of this gift and these conditions at your earliest convenience.

Very truly yours,

Domaine Pacific Grove, LLC
By: Domaine Hospitality Partners, LLC

Ronald Meer

ACCEPTED AND AGREED:

City of Pacific Grove

By: _____
Mr. Ben Harvey
Its: Interim City Manager

Dated: _____

APPROVED AS TO LEGAL FORM

David Laredo, City Attorney

By: _____

Date: _____

RESOLUTION NO. 16-____

**RESOLUTION OF THE CITY OF PACIFIC GROVE CITY COUNCIL
AUTHORIZING EXECUTION OF A REIMBURSEMENT AGREEMENT WITH
DOMAINE PACIFIC GROVE LLC FOR THE COSTS TO CONDUCT A SPECIAL
ELECTION**

WHEREAS, an election initiative was circulated within the City of Pacific Grove, entitled: “American Tin Cannery (ATC) ballot initiative, adding Section 23.31.025 to the Pacific Grove Municipal Code.” The ballot measure proposes to rezone the ATC site from C-V (Visitor Commercial) and C-2 (Heavy Commercial) so that hotels will be allowed; and

WHEREAS, on January 7, 2016, the Monterey County Registrar of Voters determined there were a sufficient number of signatures to qualify the initiative measure for the ballot and for the City Council to call a special election, and

WHEREAS, on January 20, 2016 the City Council Called a Special Municipal Election for April 19, 2016 and submitted the American Tin Cannery (ATC) Ballot Initiative, adding Section 23.31.025 to the Pacific Grove Municipal Code; and

WHEREAS, Domaine Pacific Grove, LLC has offered to reimburse the City for the costs to conduct the Special Election, as well as the costs of the City Clerk and staff for services required as a result of the election.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF PACIFIC GROVE:**

1. The City Manager, or his designee, is hereby authorized to negotiate and execute a reimbursement agreement with Domaine Pacific Grove LLC to reimburse the City for Special Election Expenses.
2. This Resolution shall take immediate effect upon its passage and adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 20th, day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

BILL KAMPE, Mayor

ATTEST:

SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney