



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Ben Harvey, City Manager

MEETING DATE: February 1, 2017

SUBJECT: Reimbursement of City Local Coastal Plan Expenses from
Domaine Hospitality

CEQA: This action does not constitute a “project” as defined by the
California Environmental Quality Act (CEQA) guidelines section
15378.

RECOMMENDATION

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Direct Staff not to pursue reimbursement from Domaine Hospitality for costs associated with the Local Coastal Plan.

DISCUSSION

In 2016, the City twice amended its agreement with EMC Planning due to additional professional services required for the City’s Local Coastal Plan (LCP) effort (Amendment #4 dated February 12, 2016, and Amendment #5 dated May 9, 2016). As part of these amendments, the City was to seek reimbursement from Domaine Hospitality, project developers for the proposed Project Bella, through a separate reimbursement agreement.

While City staff twice amended its agreement with EMC Planning to reflect the additional professional services required for the LCP effort, a reimbursement agreement for LCP costs was never reached with Domaine Hospitality.

At the time that the amendments to the agreements with EMC Planning for LCP work were executed, it was believed that the LCP effort should be “fast-tracked” in order to coincide with the submittal of the Project Bella application package. The thought in doing this, the City would enjoy greater local control of the review of the requisite Coastal Development Permit required for the application, rather than submitting it to the California Coastal Commission.

However, unanticipated project delays slowed preparation of the Project Bella application package, while simultaneously the City’s LCP effort continued to move forward. At the time of

this writing, a project application for Project Bella has not been submitted to the City. Meanwhile, it is anticipated that the City Council will complete its review/approval of the LCP during the first quarter of 2017, and submit it to the California Coastal Commission for review/approval shortly thereafter.

Timing issues, project developer commitments, and City Council direction aside, consideration should be given to the prudence of accepting 3rd-party contributions, particularly those from project applicants, to fund City efforts that create regulatory review policies/procedures such as the LCP. In the interest of preventing any potential or perceived conflict, and to ensure the integrity of the application review process, it is better public policy for the City to solely fund development and implementation of the LCP, and other similar efforts.

OPTIONS

1. Take no action.
2. Direct Staff to continue to seek reimbursement for LCP costs from Domaine Hospitality through a reimbursement agreement.

FISCAL IMPACT

Total cost for amendments # 4 and 5 with EMC Planning is approximately \$163,000. The City would have incurred a majority of these costs, irrespective of any reimbursement agreement, as the LCP project required completion. The City would also have contracted with EMC Planning for this work product although it would have occurred over a longer period of time spreading the expense over two fiscal years.

RESPECTFULLY SUBMITTED:



Ben Harvey
City Manager