



**CITY COUNCIL AGENDA
REGULAR MEETING
CITY OF HALF MOON BAY**

TUESDAY, MARCH 17, 2020

**Adcock Community Senior Center, 535 Kelly
Avenue, Half Moon Bay, California 94019**

**Adam Eisen, Mayor
Robert Brownstone, Vice Mayor
Deborah Penrose, Councilmember
Harvey Rarback, Councilmember
Debbie Ruddock, Councilmember**

7:00 PM

This agenda contains a brief description of each item to be considered. Those wishing to address the City Council on any matter not listed on the Agenda, but within the jurisdiction of the City Council to resolve, may come forward to the podium during the Public Forum portion of the Agenda and will have a maximum of three minutes to discuss their item. Those wishing to speak on a Public Hearing matter will be called forward at the appropriate time during the Public Hearing consideration.

Please Note: Anyone wishing to present materials to the City Council, please submit seven copies to the City Clerk.

Copies of written documentation relating to each item of business on the Agenda are on file in the Office of the City Clerk at City Hall and the Half Moon Bay Library where they are available for public inspection. If requested, the agenda shall be available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132.) Information may be obtained by calling 650-726-8271.

In compliance with the Americans with Disabilities Act, special assistance for participation in this meeting can be obtained by contacting the City Clerk's Office at 650-726-8271. A 48-hour notification will enable the City to make reasonable accommodations to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

<http://hmbcity.com/>

MEETING WILL CONCLUDE BY 11:00 PM UNLESS OTHERWISE EXTENDED BY COUNCIL VOTE

TELECONFERENCE / PUBLIC PARTICIPATION INFORMATION

This meeting will include teleconference participation from a quorum of councilmembers in locations not open to the public in compliance with the Governor's Executive Order N-25-20 allowing for deviation of teleconference rules required by the Ralph M. Brown Act. The purpose of this order was to provide the safest environment for staff and the public while allowing for public participation. The meeting will be held at the Adcock Community Center for any members of the public who wish to speak in person, though we do encourage all members to participate remotely. The meeting will be streamed live on Channel 27, the City's website online (via Granicus), and on Facebook Live – one in English (City of Half Moon Bay FB Page), one in Spanish (City of Half Moon Bay Recreation FB Page). Members or the public are welcome to submit comments (in accordance with the three-minute per speaker limit) via email to jblair@hmbcity.com prior to or during the meeting, via Facebook live during the meeting, and via two phone lines during the meeting - (650) 477-4963 (English) and (650) 445-3090 (Spanish). The City Clerk will read all comments into the record.

ROLL CALL / PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC FORUM

PROCLAMATIONS AND PRESENTATIONS

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

CITY MANAGER UPDATES TO COUNCIL

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

1.B WARRANTS FOR THE MONTH OF FEBRUARY 2020

Staff Recommendation: Accept the warrants list for the month of February 2020.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

1.C AMENDMENT TO AGREEMENT WITH THE LEW EDWARDS GROUP FOR REVENUE CONSULTING ASSISTANCE

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute an amendment to the agreement with the Lew Edwards Group for revenue consulting assistance for a term ending July 31, 2020 and with a total agreement increase from \$28,750 to \$63,250.

[STAFF REPORT](#)

[RESOLUTION](#)

1.D LICENSE AGREEMENTS BETWEEN THE CITY OF HALF MOON BAY AND PILLAR POINT SURF SCHOOL; MAVERICKS EXPERIENCE; SEA, SURF & FUN; AND TOMMY TSUNAMI SURF SCHOOL

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute three-year License Agreements between the City of Half Moon Bay and Pillar Point Surf School; Mavericks Experience; Sea, Surf & Fun; and Tommy Tsunami Surf School, for the non-exclusive use of Surfers Beach for Commercial Surf Lessons.

[STAFF REPORT](#)

[RESOLUTION](#)

1.E OCEAN COLONY PUMP STATION AND SEWER FORCE MAIN PROJECT EASEMENT AGREEMENTS

Staff Recommendation: Adopt a resolution accepting the: 1) Ocean Colony (OC) Pump Station Easement; 2) OC Fairway Easement; 3) OC Maintenance Yard Easement; and 4) Temporary Construction Easement with Ocean Colony Partners, LLC and their partners; authorizing the City Manager or his designee to execute the easements, agreements and acceptances for the Ocean Colony Pump Station and Force Main Project (CIP Project No. 9025); and cause the City Clerk to record the easements and agreements for the project.

[STAFF REPORT](#)

[RESOLUTION](#)

1.F 2019 HOUSING ELEMENT ANNUAL PROGRESS REPORT

Staff Recommendation: Confirm receipt of the 2019 Housing Element Annual Progress Report and consider providing direction for administration of Measure D for the remainder of 2020.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

2. ORDINANCES AND PUBLIC HEARINGS

3. RESOLUTIONS AND STAFF REPORTS

3.A ADOPTION OF A RESOLUTION OF LOCAL EMERGENCY RELATED TO COVID-19

Staff Recommendation: Adopt a resolution declaring the existence of a local emergency regarding the coronavirus ("COVID-19") threat and discuss the City's actions in response.

[STAFF REPORT](#)

[RESOLUTION](#)

3.B POPLAR BEACH ACTION PLAN 2020

Staff Recommendation: Receive a report regarding the proposed "Action Plan" for

enhanced security and enforcement at Poplar Beach Park (beach, parking lot and coastal trail) for Spring and Summer 2020; and consider community input and provide comment/direction as necessary.

[STAFF REPORT](#)

3.C WORKSHOP REGARDING PROPOSED SEWER RATE ADJUSTMENTS

Staff Recommendation: Direct staff to schedule a Public Hearing for April 7, 2020 to formally accept the 2020 Sewer Service Charges Study and authorize the release of notices to rate payers pursuant to Proposition 218.

[STAFF REPORT](#)

COMMISSION / COMMITTEE UPDATES

CITY COUNCIL REPORTS

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

From: Lisa Lopez, Administrative Services Director

TITLE: **WARRANTS FOR THE MONTH OF FEBRUARY 2020**

RECOMMENDATION:

Accept the warrants list for the month of February 2020.

STRATEGIC ELEMENT:

This recommendation supports the Fiscal Sustainability and Inclusive Governance Element.

DISCUSSION:

During this month, we processed 3 check runs. The first was on February 25, totaling \$11,250.82. The second was on February 26, totaling \$192,145.42. The third was on February 28, totaling \$813,175.15. The total for the month was \$1,016,571.39.

The City processed payments related to 10 capital improvement projects, in a total amount of \$285,615.12. These projects include: Bike and Pedestrian Master Plan, Sewer Lift Upgrades, HWY1 Safety/Congestion, New Accounting System, Poplar Complete Street Project, Poplar Pedbike Trail Rehabilitation, Ocean View Park Permanent Restrooms, Carter Park Improvement, Bikeway Connectivity Project-North, Ted Adcock Remodel.

Staff is also including a list of all payments above \$30,000 processed during this reporting period, as listed in the table below.

Over \$30,000					
Check#	Vendor Number	Payee	Check Date	Check Amount	Description
47367	3085	SHUTE MIHALY & WEINBERGER LLP	2/26/2020	37,006.74	SAM
47380	18	ANDREINI BROTHERS INC.	2/28/2020	187,525.25	JAN'20 OCEAN VIEW PARK RESTROOM REPLACEMENT
47385	4398	ELS ARCHITECTURE & URBAN DESIGN	2/28/2020	38,716.18	CARTER PARK PHASE 2 DESIGN SERVICES
47396	1206	MARK THOMAS & CO. INC.	2/28/2020	34,170.57	DEVELOP SEWER MAINTENANCE STRATEGIES TRAINING
47403	159	SEWER AUTHORITY MID-COASTSIDE	2/28/2020	407,598.14	FEB'20 FY19-20 SAM O&M
47562	3923	WELLS FARGO	2/28/2020	32,807.29	VISA PAYMENT

ATTACHMENTS:

Check Disbursement List by Check Date

Report Criteria:

Report type: Summary

Check.Type = {<>} "Adjustment"

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
02/25/2020					
47317	1394	ACQUITEMPS	02/25/2020	253.46	TEMP EMPLOYEE ESPINOZA/WEEK ENDING 12/27/19
47318	3954	ALTA PLANNING & DESIGN	02/25/2020	1,135.60	BICYCLE & PEDESTRIAN MASTERPLAN
47319	3332	AMERICAN DEBRIS BOX SERVICE INC.	02/25/2020	4,573.23	FY19-20 PORTABLE RESTROOM FACILITIES
47320	3577	AMERIGAS	02/25/2020	956.55	PROPANE AND ACCESSORIES
47321	2407	ARAMARK	02/25/2020	389.39	MAINT SUPPLIES
47322	29	ARROWHEAD MOUNTAIN SPRING WATER	02/25/2020	165.88	DRINKING WATER
47323	2912	BARTEL ASSOCIATES LLC	02/25/2020	911.00	FY19-20 OPEB ACTUARIAL VALUATION & GASBS 74/75 FEE PR
47324	4115	BIG BELLY SOLAR INC	02/25/2020	1,269.54	FY19-20 SMART TRASH RECEPTICLES
47325	220	CA DEPT OF CONSERVATION	02/25/2020	1,079.32	SMIP Q2 FY19/20 RESORT FEE
47326	1826	CA DEPT OF JUSTICE	02/25/2020	64.00	FINGERPRINT APPS
47327	3090	CALIFORNIA BUILDING STANDARDS COMMISSION	02/25/2020	412.20	BSASRF Q2 FY19/20 RESORT FEE
47328	4300	CALNET3	02/25/2020	40.65	PHONE SERVICE
Total 02/25/2020:				11,250.82	
12					
02/26/2020					
47329	4464	AVENU MUNISERVICES	02/26/2020	748.98	SUTA Q3
47330	3976	CIRCLEPOINT	02/26/2020	1,782.50	JAN'20 HYATT HOUSE HOTEL PROJECT
47331	709	CITY OF BELMONT	02/26/2020	130.00	COUNCIL OF CITIES DINNER AND MEETING/COUNCIL MEMBER
47332	51	COASTSIDE COUNTY WATER DISTRICT	02/26/2020	2,718.69	HYDRANT
47333	197	COASTSIDE PRINTERS	02/26/2020	1,597.24	CIP BOOKS
47334	3975	COLANTUONO HIGHSMITH WHATLEY PC	02/26/2020	2,757.50	JAN SERVICES
47335	2028	COPOWER	02/26/2020	6,231.60	MAR DENTAL / VISION INSURANCE
47336	217	COUNTY OF SAN MATEO INFORMATION SVCS DE	02/26/2020	76.00	MICROWAVE SERVICE
47337	4484	CSW/STUBER-STROEH ENGINEERING GROUP INC	02/26/2020	3,415.00	POPLAR COMPLETE STREET PROJECT
47338	2368	DEL GAVIO GROUP	02/26/2020	1,508.55	CITY HALL IMPROVEMENTS
47339	2456	EAGLE GRAPHICS INC	02/26/2020	557.83	OFFICE SUPPLIES
47340	4610	EIDE BAILLY LLP	02/26/2020	27,695.00	JUL-AUG'19 AUDIT SUPPORT
47341	320	EWING	02/26/2020	1,031.94	MAINT SUPPLIES
47342	76	HALF MOON BAY BUILDING & GARDEN	02/26/2020	119.03	MAINT SUPPLIES
47343	264	HALF MOON BAY NURSERY	02/26/2020	23.51	MAINT SUPPLIES
47344	200	HARRIS COMPUTER SYSTEMS	02/26/2020	5,750.00	ERP DATA EXTRACT
47345	3528	HASSETT HARDWARE	02/26/2020	154.51	REC SUPPLIES
47346	3429	HUE & CRY SECURITY SYSTEMS INC.	02/26/2020	562.95	SECURITY SERVICE

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
47347	1645	HUFFMAN-BROADWAY GROUP INC	02/26/2020	262.50	ECO CONSTRAINTS ANALYSIS FOR BLUFFTOP PARK NEAR RAI
47348	4267	IMPEC GROUP INC.	02/26/2020	17,357.25	FY 2019-20 JANITORIAL & MAINTENANCE SERVICES
47349	96	JAMES FORD INC.	02/26/2020	1,388.38	VEHICLE SERVICE
47350	2699	KONICA MINOLTA BUSINESS SOLUTIONS	02/26/2020	710.59	NEW PRINTER & SCANNER
47351	4293	LOCKWORKS UNLIMITED INC	02/26/2020	277.50	MAINT SERVICE
47352	4028	LORAL LANDSCAPING INC.	02/26/2020	1,875.00	1 SCHEDULED MAINTENANCE FOR HWY 1 & HWY 92 MEDIANS
47353	3250	METROPOLITAN PLANNING GROUP	02/26/2020	3,539.81	FY19-20 PLANNING SERVICES
47354	3934	MITEL	02/26/2020	2,714.99	SHERIFF SUBSTATION PHONE SERVICE
47355	620	NEOFUNDS	02/26/2020	15.00	NEOSHIP SUBSCRIPTION
47356	129	OCEAN SHORE PRINTING	02/26/2020	416.88	OFFICE SUPPLIES
47357	457	OFFICE DEPOT INC.	02/26/2020	931.31	HR SUPPLIES
47358	137	PACIFIC GAS & ELECTRIC	02/26/2020	14,118.38	555 KELLY ST
47359	3479	PARKEON INC	02/26/2020	52.50	MAINT SERVICE
47360	4612	PHILS TIRE & AUTO CARE INC	02/26/2020	162.69	VEHICLE SERVICE
47361	3951	PUBLIC PARKING ASSOCIATES INC	02/26/2020	165.00	MAINT SERVICE
47362	3951	PUBLIC PARKING ASSOCIATES INC.	02/26/2020	165.00	MAINT SERVICE
47363	4429	RENTOKIL NORTH AMERICA INC	02/26/2020	1,167.00	EXTERMINATOR SERVICES
47364	4216	SALVADOR SERRANO	02/26/2020	500.00	DEPOSIT REFUND/ GRAND OAK 02/08/2020
47365	3757	SCHAFF & WHEELER	02/26/2020	6,450.00	FINAL DESIGN FOR REHABILITATION OF THE PUMP STATION &
47366	4116	SDI PRESENCE LTD	02/26/2020	12,300.00	PROJECT MANAGEMENT SERVICES FOR ERP IMPLEMENTAIO
47367	3085	SHUTE MIHALY & WEINBERGER LLP	02/26/2020	37,006.74	SAM
47368	1760	STEPFORD	02/26/2020	17,701.00	DESKTOP SUPPORT
47369	50	THE CITIES GROUP	02/26/2020	3,250.46	FY19-20 JPA CITY OF HMB WC LIFE & LTD INSURANCE
47370	4487	THE HOME DEPOT PRO	02/26/2020	335.33	MAINT SUPPLIES
47371	3211	THE LEW EDWARDS GROUP	02/26/2020	5,750.00	FY19/20 CONTRACT SERVICES
47372	81	U.S. POSTMASTER-HMB	02/26/2020	240.00	BULK MAIL PERMIT
47373	2440	ULINE SHIPPING SUPPLIES	02/26/2020	731.28	MAINTENANCE SUPPLIES
47374	3871	WEST COAST ARBORISTS INC	02/26/2020	5,700.00	GENERAL TREE MAINTENANCE SERVICES

Total 02/26/2020:

46

192,145.42

02/28/2020

47375	4270	4LEAF INC.	02/28/2020	10,440.00	JAN'19 FY19-20 BUILDING INSPECTOR AND RESIDENT ENGINE
47376	4483	ABLE SEPTIC TANK SERVICE	02/28/2020	4,430.00	MAINT SERVICE
47377	2022	ACC BUSINESS	02/28/2020	776.44	INTERNET SERVICE
47378	3926	ALTA LANGUAGE SERVICES INC.	02/28/2020	121.00	BILINGUAL TESTING
47379	3954	ALTA PLANNING & DESIGN	02/28/2020	4,060.50	BIKEWAY CONNECTIVITY PROJECT-NORTH
47380	18	ANDREINI BROTHERS INC.	02/28/2020	187,525.25	JAN'20 OCEAN VIEW PARK RESTROOM REPLACEMENT
47381	38	CALLANDER ASSOCIATES LANDSCAPE ARCHITEC	02/28/2020	1,329.43	DEC'19 OCEAN VIEW RESTROOM REPLACEMENT

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
47382	957	COASTSIDE.NET	02/28/2020	135.30	INTERNET SERVICE
47383	957	COASTSIDE.NET INC	02/28/2020	140.06	INTERNET SERVICE
47384	5006	DIANA ZAVALA	02/28/2020	500.00	DEPOSIT REFUND
47385	4398	ELS ARCHITECTURE & URBAN DESIGN	02/28/2020	38,716.18	CARTER PARK PHASE 2 DESIGN SERVICES
47386	5000	FRANK GERRITY	02/28/2020	1,992.50	DEPOSIT REFUND
47387	3176	GAIL P. STEVENS	02/28/2020	980.00	INSTRUCTOR PAYMENT BALLROOM DANCE 01/17-02/21/20
47388	2603	H.T. HARVEY & ASSOCIATES	02/28/2020	1,548.50	CARTER PARK BIO EVALUATION
47389	76	HALF MOON BAY BUILDING & GARDEN	02/28/2020	30.04	MAINT SUPPLIES
47390	2564	HALF MOON BAY GRADING & PAVING INC.	02/28/2020	27,511.79	FINAL RETENTION KELLY AVE SR1 STORM DRAIN IMPROVEME
47391	5003	HALF MOON BAY HIGH SCHOOL	02/28/2020	300.00	DEPOSIT REFUND
47392	1283	KATHY OLER	02/28/2020	1,900.00	MAR'20 TEMPORARY CITY PARKING LOT RENTAL
47393	2699	KONICA MINOLTA BUSINESS SOLUTIONS	02/28/2020	186.41	COPIER & SCANNER LEASE & USAGE
47394	5005	LIZZETTE SOLIS	02/28/2020	100.00	DEPOSIT REFUND
47395	3922	LLOYD A MCVICKER	02/28/2020	3,062.50	MAR'20 ANNEX RENT
47396	1206	MARK THOMAS & CO. INC.	02/28/2020	34,170.57	DEVELOP SEWER MAINTENANCE STRATEGIES TRAINING OV
47397	3872	MUNICIPAL FINANCIAL SERVICES	02/28/2020	6,880.00	FY19/20 SEWER RATE STUDY
47398	457	OFFICE DEPOT INC.	02/28/2020	184.89	PLANNING OFFICE SUPPLIES
47399	4522	PAOLA RUBY VENEGAS VILLALOBOS	02/28/2020	200.00	DEPOSIT REFUND DEPOT ROOM 07/06/19
47400	3956	PENINSULA MUNICIPAL ENGINEERING INC.	02/28/2020	22,962.00	OCT'19 ENGINEERING TRAFFIC TRANSPORTATION SERVICES
47401	3372	PENINSULA OPEN SPACE TRUST	02/28/2020	2,750.00	MAR'20 CORP YARD LEASE
47402	5002	RAUL HERNANDEZ	02/28/2020	275.00	RESERVATION REFUND
47403	159	SEWER AUTHORITY MID-COASTSIDE	02/28/2020	407,598.14	FEB'20 FY19-20 SAM O&M
47404	1760	STEPFORD	02/28/2020	17,575.00	APR'20 DESKTOP SUPPORT
47405	5001	TARA SIMMS	02/28/2020	200.00	DEPOSIT REFUND
47406	5004	VARIDESK	02/28/2020	1,165.15	STANDING DESK
47407	3004	VERIZON WIRELESS	02/28/2020	478.76	MOBILE SERVICES
47408	4459	VICTOR GAITAN	02/28/2020	142.45	TRAVEL REIMBURSEMENT
Total 02/28/2020:				34	780,367.86
Grand Totals:				92	983,764.10

Report Criteria:

Report type: Summary

Check.Type = {<>} "Adjustment"

Report Criteria:

Report type: Summary

[Report].Void/Manual = "M"

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description	Type	Void/Manual
47562	3923	WELLS FARGO	02/28/2020	32,807.29	01/06/20 CCAC/ANNUAL CONF	M Manual	M
Grand Totals:				32,807.29			
1							

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

FROM: Lisa Lopez, Administrative Services Director
Karen Decker, Senior Management Analyst

TITLE: AMENDMENT TO AGREEMENT WITH THE LEW EDWARDS GROUP FOR REVENUE CONSULTING ASSISTANCE

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute an amendment to the agreement with the Lew Edwards Group for community survey and consulting assistance for a term ending July 31, 2020 and with a total agreement increase from \$28,750 to \$63,250.

FISCAL IMPACT:

The amendment would result in an additional \$23,500 bringing the total agreement amount to \$63,250. Sufficient funds are available in the FY 19-20 Budget.

STRATEGIC ELEMENT:

This action supports the Fiscal Sustainability Element of the Strategic Plan.

BACKGROUND:

During the FY 2019-20 Priority Setting Workshop, staff presented a financial update that included the following highlights:

- A recession is expected in upcoming years
- The City's revenues are heavily reliant on tourism
- 1/3 of total revenues comes from TOT.

Moreover, the last recession (2007-2010) resulted in a 12 percent decrease in tax revenue. To be proactive, in October 2019, the City contracted The Lew Edwards Group to conduct a community survey, provide consulting services, and evaluate options to meet the community needs expressed in the survey.

DISCUSSION:

The City entered into an agreement with LEG in October 2019. One of the first deliverables was LEG enlisting a third-party, FM3 Research, to coordinate a random sample community survey in order to learn more about current views on City services and priorities. The results show residents value quality of life services including public safety, youth, and parks and recreation services. Additionally, over 60 percent of respondents reported favorable approval ratings of Half Moon Bay's City Government overall.

Based on the favorable results of the survey and the utility of having objective, subject matter experts and research methodologies, staff recommends extending the agreement to allow LEG and the City to formulate viable options to meet the needs expressed in the community survey.

ATTACHMENTS:

Resolution

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE
CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT WITH THE LEW
EDWARDS GROUP (LEG) TO RESEARCH AND RECOMMEND REVENUE OPTIONS**

WHEREAS, on October 31, 2019, the City Manager authorized the agreement with the
Lew Edwards Group to research and recommend revenue options; and

WHEREAS, the City would like to move forward and do a in-depth exploration of revenue
measures for the city; and

WHEREAS, the City has sufficient funds allocated in the current FY 2019-20 budget for
the project; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay
hereby authorizes the City Manager to execute an agreement amendment with the Lew
Edwards Group, with a total agreement amount of \$63,250.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted
on the 17th day of March, 2020 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Adam Eisen, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

FROM: Matthew Chidester, Deputy City Manager
Corie Stocker, Management Analyst

TITLE: **LICENSE AGREEMENTS BETWEEN THE CITY OF HALF MOON BAY AND PILLAR POINT SURF SCHOOL; MAVERICKS EXPERIENCE; SEA, SURF & FUN; AND TOMMY TSUNAMI SURF SCHOOL**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute three-year License Agreements between the City of Half Moon Bay and Pillar Point Surf School; Mavericks Experience; Sea, Surf & Fun; and Tommy Tsunami Surf School, for the non-exclusive use of Surfers Beach for Commercial Surf Lessons.

FISCAL IMPACT:

The License Agreements are expected to generate more than \$160,000 in revenue over the 3 year term, which will be deposited into the General Fund.

STRATEGIC ELEMENT:

This recommendation supports the *Healthy Communities* and *Public Safety* elements of the Strategic Plan.

BACKGROUND:

The City of Half Moon Bay owns Assessor's Parcel Number 047-263-020, which is a public beach commonly known as Surfers Beach. For several years, the City has authorized surf schools to operate at Surfers Beach, including:

- Sea, Surf and Fun, which has maintained a license with the City of Half Moon Bay since Dec 7, 2012;
- Pillar Point Surf School, which has maintained a license with the City of Half Moon Bay since October 22, 2014; and
- Mavericks Experience, which has maintained a license with the City of Half Moon Bay since October 16, 2016.

These Licenses expired on January 21st, 2020. Additionally, an additional school, Tommy Tsunami Surf School, has requested a license to operate at Surfers Beach. Staff has met with the existing operators, contacted other coastal cities that allow surf schools on their beaches, and attempted to contact any other known surf schools on the coast. We believe that there is sufficient room for four schools to safely operate at Surfers Beach, under certain conditions which have been included in the draft license agreements. The City will evaluate additional schools, if any express interest, on a case-by-case basis, before entering into additional licenses.

DISCUSSION:

The City has developed a new standard License Agreement for non-exclusive commercial surf training, with the following requirements for each operator:

1. Initial annual fee of \$1,338.82, which increases by 3% each year
2. City business license
3. Standard City insurance
4. Approved hours of operation
5. Red Cross certification for all instructors
6. Participant waivers approved by the City
7. Each school will wear different colored vests, have their own colored flag to signify their school on the beach and all have the same student to instructor ratio.

The schools have provided documentation that they meet all requirements for the License Agreement. If approved, the three original surf schools and one new school, Tommy Tsunami Surf School, will be able to provide lessons at Surfers Beach until March 17, 2023.

ATTACHMENT:

Resolution authorizing the City Manager to execute three-year License Agreements between the City of Half Moon Bay and Pillar Point Surf School; Mavericks Experience; Sea, Surf & Fun and Tommy Tsunami Surf School, for the non-exclusive use of Surfers Beach for Commercial Surf Lessons.

Resolution No. C-2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE THREE-YEAR LICENSE AGREEMENTS BETWEEN THE CITY OF HALF MOON BAY AND PILLAR POINT SURF SCHOOL; MAVERICKS EXPERIENCE; SEA, SURF & FUN AND TOMMY TSUNAMI SURF SCHOOL, FOR THE NON-EXCLUSIVE USE OF SURFERS BEACH FOR COMMERCIAL SURF LESSONS

WHEREAS, the City of Half Moon Bay owns Assessor's Parcel Number 047-263-020, which is a public beach commonly known as Surfers Beach; and

WHEREAS, the City of Half Moon Bay Municipal Code prohibits commercial use of City beaches except as licensed by the City; and

WHEREAS, Pillar Point Surf School; Mavericks Experience, Sea, Surf & Fun; and Tommy Tsunami Surf School operate instructional surf schools and seek to operate said schools on city-owned Surfer's Beach; and

WHEREAS, the City has developed a standard License Agreement for commercial surf schools, and all four surf schools meet the City's requirements to operate.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute License Agreements with Pillar Point Surf School; Mavericks Experience; Sea, Surf & Fun; and Tommy Tsunami Surf School for the non-exclusive use of Surfers Beach for commercial surf lessons.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on this 17th day of March, 2020 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Adam Eisen, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

FROM: John Doughty, Director of Public Works
Maziar Bozorginia, City Engineer
Denice Hutten, Associate Engineer

TITLE: OCEAN COLONY PUMP STATION AND SEWER FORCE MAIN PROJECT EASEMENT AGREEMENTS

RECOMMENDATION:

Adopt a resolution accepting the: 1) Temporary Construction Easement with Ocean Colony Partners, LLC and their partners; 2) Ocean Colony (OC) Pump Station Easement; 3) OC Sewer Facilities Fairway Easement; and 4) OC Sewer Facilities Maintenance Yard Relocatable Easement; authorizing the City Manager or his designee to execute the easements, agreements and acceptances for the Ocean Colony Pump Station and Force Main Project (CIP Project No. 9025); and cause the City Clerk to record the easements and agreements for the project.

FISCAL IMPACT:

The City is reimbursing Ocean Colony Partners, LLC and Ocean Colony Partners, LP for their attorney and survey consultant review fees in an amount not to exceed \$35,000. Sufficient funding for the reimbursement is part of the project budget in the adopted 2019-2020 Capital Improvement Program budget.

STRATEGIC ELEMENT:

This action supports the Infrastructure and Environment, Healthy Communities and Public Safety Elements of the Strategic Plan.

BACKGROUND:

The "Ocean Colony Pump Station and Force Main Project" (Project) is a planned capital improvement project (CIP Project No. 9025) to rehabilitate the Ocean Colony pump station and replace the sewer force main. The Pump Station has insufficient pumping capacity to meet State Water Resources Control Board requirements (among other reliability deficiencies) and the force main has reached its service life with an increasing possibility of pipe failure.

The Project is located primarily within the Ocean Colony Subdivision and the Links Golf Course. The pump station is adjacent to Fairway Drive on the south side, in the vicinity of “Mullins” Restaurant. The existing force main exits the pump station and traverses northeasterly along Fairway Drive before jogging northerly across Links’ Fairways. From the Fairways, the existing force main exits the Golf Course property to continue northerly along a “paper street,” and then terminates at a gravity sewer manhole in Redondo Beach Road.

Another City sewer force main also traverses through Ocean Colony common areas and the Links golf course—the Pelican Point sewer force main. The Pelican Point force main serves Cañada Verde Mobile Home Park and the Pelican Point RV Park. In the area of the Ocean Colony force main project, the Pelican Point force main typically follows beside the Ocean Colony force main, except instead of continuing north from the Links’ Fairways along the paper street, the existing Pelican Point force main jogs easterly and then northerly through the Links’ maintenance yard.

During their preliminary research, Schaaf and Wheeler, Inc., design engineers for the Ocean Colony Project, performed a thorough map and title search of the properties affected by the Project design. The title search revealed that portions of the existing Ocean Colony pump station facility and many sections of the existing Pelican Point force main as it travels across the Links’ fairways fall outside of the recorded easements. The title search further revealed that there is no recorded easement for the portion of the Pelican Point force main as it traverses across the Links’ maintenance yard. The existing Ocean Colony force main does lie within existing easements along Fairway Drive and across the Links’ Fairways before it continues along the paper street to the north.

The final design for the Ocean Colony Pump Station and Force Main Project expands the pump station footprint beyond existing pump station easement and rather than following the existing Ocean Colony force main alignment through the paper street, the new alignment will follow along beside the existing Pelican Point force main through the Links’ maintenance yard. This minimizes the utility footprint and consolidates the areas of improvements of the force mains.

In January 2018, City Staff met with Ocean Colony Partners (OCP) representatives to discuss the project and possible acquisition of additional easements for the pump station and force main alignments, including acquisition of an easement through the Links’ maintenance yard. OCP representatives were agreeable to entering easement negotiations.

OCP’s primary concerns with regard to locating the new force main in the maintenance yard had to do with access to the yard during construction, disturbance to and safety of Links’ guests using the cart path leading from the yard and, importantly, that an easement through the maintenance yard might interfere with future use of the property.

On February 6, 2018, Staff presented the Ocean Colony Project at a Closed Session of City Council and received approval to enter negotiations with Ocean Colony Partners, LLC and LP, to acquire easement for the Ocean Colony Pump Station and Force Main Project.

From 2018 through 2019, City Staff met several times with Ocean Colony Partners, Ocean Colony Homeowners Association, and (on limited occasions) with Ritz-Carlton representatives to discuss details of Project design including the pump station layout and force main alignment as well as details of Project construction including worker and property user safety, impacts related to construction staging, traffic control, impacts to residents, access to the Links maintenance yard, construction methods, restricted scheduling during Links' tournaments and events, and restoration of private property impacted by construction.

The result of the Project coordination meetings with the stakeholders was an outline for later refinement as a "Temporary Construction Easement" Agreement (TCE) (Exhibit A of Attached Resolution). The TCE identifies specifications for construction of the Project including allowable staging areas, cart path detours, safety practices for crossing the fairways, specifications for property restoration, anticipated Project construction end date and restricted workdays due to Links' events.

In consideration of execution of the TCE, Ocean Colony Partners, LLC grants a perpetual sewer pump station easement (Exhibit B of Attached Resolution) and a perpetual sewer facilities easement across the fairways (Exhibit C of Attached Resolution) in favor of the City. The easements capture facilities constructed by the Project and existing facilities at the pump station and across the Links' fairways that were not within previously recorded easements.

Also, in consideration of execution of the TCE, Ocean Colony Partners, LP, grants a perpetual 18-foot-wide sewer facilities easement (Exhibit D of Attached Resolution) across the Links' maintenance yard. The easement captures the new Ocean Colony force main and the existing Pelican Point force main across the maintenance yard, however, it is a relocatable easement. In consideration of grant of the perpetual 18 foot-wide easement, the City agrees to relocate the force main pipes and easement (both the Ocean Colony force main and the Pelican Point force main)—on a one time only basis—in the event that the present location interferes with future use of the maintenance yard property. The specific terms and schedules are defined in the Sewer Facilities Maintenance Yard Relocatable Easement.

The Ocean Colony Pump Station and Force Main Project is currently out to bid. Bid opening is March 24, 2020 with anticipated Bid Award at the April 7th City Council meeting. The estimated project duration is 12-months and is expected to cost approximately \$2,710,000.

DISCUSSION:

Some restrictions of the TCE—particularly restricted workdays due to Links' events—will have some impact on Project construction and Project costs. A restricted workday is defined in the TCE as "a day when the Contractor must completely stop current on-going construction to avoid interference with Links' events." (Restricted workdays only apply to Contractor operations in the Links' fairways and along the cart path from the maintenance yard to the fairways.) An unexecuted copy of the TCE has been included in the Plans and Specifications for

Project bidding so bidders can plan their construction schedules accordingly before submitting their competitive bid.

A major benefit of the TCE is that the City and Contractors are fully informed regarding details of construction across the Links' fairways and maintenance yard including allowable staging areas, processes for public safety, required signage and notification procedures, details of cart path detours and restoration requirements for private property impacted by construction.

The grants of additional easements for the pump station and across Links' fairways benefits the City by resolving old easement issues as well as new. The City can move forward from these agreements with all City facilities located inside easements.

The grant of the sewer facilities relocatable easement across the maintenance yard is a one-time-only (no piece-meal relocations) relocatable easement. Staff have determined that the future costs of moving all or a part of the pipelines and easement is compensated by acquisition of the 18-foot-wide perpetual easement across the property and replacement--this year--of the aging pipeline improvements.

Also, as a result of staff coordination meetings with stakeholders, a separate "Construction Agreement" with the Ocean Colony Association (HOA) is being considered by the Association Board at their meeting on March 18, 2020. The new force main is within existing easements in HOA right-of-way; however, the Construction Agreement includes specifications for restoration of private property impacted by construction activities as well as necessary coordination regarding access and partial street closures. Staff will present the HOA Construction Agreement to Council at its meeting on April 7, 2020.

City staff and the City Attorney's Office have reviewed and negotiated the TCE and easement documents as to content and form and find them acceptable and beneficial to the City. Staff recommends the City Council accept the 1) Temporary Construction Easement with Ocean Colony Partners, LLC and their partners, 2) Ocean Colony (OC) Pump Station Easement, 3) OC Sewer Facilities Fairway Easement, 4) OC Sewer Facilities Maintenance Yard Easement; authorize the City Manager or his designee to execute the easements, agreements and acceptances for the Ocean Colony Pump Station and Force Main Project (CIP Project No. 9025); and cause the City Clerk to record the easements and agreements for the project with the San Mateo County Recorder's Office.

ATTACHMENTS:

Resolution (with accompanying Exhibits)

Resolution No. C-2020-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ACCEPTING THE 1) TEMPORARY CONSTRUCTION EASEMENT WITH PROPERTY OWNERS, 2) OCEAN COLONY PUMP STATION EASEMENT, 3) OCEAN COLONY SEWER FACILITIES FAIRWAY EASEMENT, AND 4) OCEAN COLONY SEWER FACILITIES MAINTENANCE YARD RELOCATABLE EASEMENT; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE EASEMENTS, AGREEMENTS AND ACCEPTANCES FOR THE OCEAN COLONY PUMP STATION AND FORCE MAIN PROJECT (CIP PROJECT NO. 9025); AND CAUSE THE CITY CLERK TO RECORD THE EASEMENTS AND AGREEMENTS FOR THE PROJECT WITH THE SAN MATEO COUNTY RECORDER'S OFFICE

WHEREAS, the existing Ocean Colony force main has reached its operational service life and the Ocean Colony Pump Station does not meet State Water Resources Control Board requirements for pumping capacity; and

WHEREAS, the City is undertaking the Ocean Colony Pump Station and Force Main Project - CIP Project No. 9025 (Project) and is currently out to bid for the Project; and

WHEREAS, Ocean Colony Partners, LLC, and Ocean Colony Partners, LP, have offered grant of Temporary Construction Easement (TCE) in favor of the City specifying certain conditions related to scheduling, access and site restoration for purposes of the Project construction; and

WHEREAS, portions of the Project pump station lie outside of recorded easements and, in consideration of execution of the TCE, Ocean Colony Partners, LLC is willing to grant a perpetual nonexclusive Pump Station Easement in favor of the City; and

WHEREAS, portions of the Project force main, as well as portions of the existing Pelican Point force main adjacent to the Project force main, lie outside of recorded easements and, in consideration of execution of the TCE, Ocean Colony Partners, LLC is willing to grant a perpetual nonexclusive Sewer Facilities Fairways Easement in favor of the City that includes the Project force main and the existing Pelican Point force main; and

WHEREAS, portions of the Project force main, as well as portions of the existing Pelican Point sewer force main adjacent to the Project force main, lie outside of recorded easements and, in consideration of execution of the TCE, Ocean Colony Partners, LP is willing to grant a perpetual nonexclusive Sewer Facilities Maintenance Yard Relocatable Easement in favor of the City that includes the Project force main and the existing Pelican Point force main; and

WHEREAS, City Staff have reviewed the easements and agreements and find them reasonable for the purpose of Project construction, operations and maintenance.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby accepts the Temporary Construction Easement (Exhibit A) with Property Owners, Ocean Colony Pump Station Easement (Exhibit B), Ocean Colony Sewer Facilities Fairway Easement (Exhibit C), and Ocean Colony Sewer Facilities Maintenance Yard Relocatable Easement (Exhibit D); authorizes the City Manager or his designee to secure signatures from Ocean Colony Partners LLC and LP as applicable and to execute the easements, agreements and acceptances for the Ocean Colony Pump Station and Force Main Project (CIP Project No. 9025); and cause the City Clerk to record the easements and agreements for the project with the San Mateo County Recorder's Office.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 17th day of March 2020 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Adam Eisen, Mayor

Exhibits:

Exhibit A: Temporary Construction Easement Agreement

Exhibit B: OC Pump Station Easement

Exhibit C: OC Sewer Facilities Fairway Easement

Exhibit D: OC Sewer Facilities Maintenance Yard Relocatable Easement

**TEMPORARY CONSTRUCTION EASEMENT AGREEMENT
(OCEAN COLONY PUMP STATION AND FORCE MAIN PROJECT)**

THIS TEMPORARY CONSTRUCTION EASEMENT AGREEMENT (this “**Agreement**”) is made this 17th day of March, 2020 (the “**Effective Date**”) by and between **OCEAN COLONY PARTNERS, LLC**, a California Limited Liability Company (“**OCP-LLC**”) and **OCEAN COLONY PARTNERS, LP**, a California Limited Partnership (“**OCP-LP**”) (OCP-LLC and OCP-LP may also be referred to herein individually as “**Property Owner**” and together as “**Property Owners**”), each with an address of 2450 Cabrillo Highway #200, Half Moon Bay, California 94019, and the **CITY OF HALF MOON BAY**, a municipal corporation of the State of California (“**City**”), with an address of 501 Main Street, Half Moon Bay, CA 94019.

RECITALS:

- A. Ocean Colony Partners, LLC is the owner of APN Nos. 066-520-120 (also known as Parcel D, Parcel Map Book 62 of Maps Pages 7 and 8, as recorded on April 3, 1989 in the Official Records of the County of San Mateo) and 066-092-720 (also known as Lot 27 of Parcel Map recorded in Book 76 of Maps at Pages 9-16 on July 18, 1972 in the Official Records of the County of San Mateo) within the City of Half Moon Bay, County of San Mateo, State of California, and Ocean Colony Partners, LP is the owner of APN No. 066-092-260 (also known as Lot 13 of Parcel Map as recorded in Book 76 at Pages 9-16 on July 18, 1972 in the Official Records of the County of San Mateo) within the City of Half Moon Bay, County of San Mateo, State of California together located at Redondo Beach Road and 2 Miramontes Point Road and collectively the “**Premises**”. The Property Owners own and operate a private golf course on land including the Premises (the “**Links**”).
- B. City requires access to portions of the Premises to perform necessary sanitary sewer system work identified and described in plans and specifications prepared by Schaaf & Wheeler, dated January 15, 2020, for City’s Ocean Colony Pump Station and Force Main Project, which plans and specifications are incorporated by reference herein (the “**Project**”).
- C. Access to the Premises primarily requires using Fairview Drive and its gated entry off Highway 1, which are part of the adjacent private residential community known as Ocean Colony. Portions of the Premises can be reached via Redondo Beach Road. While access to the other end of Fairview Drive is available through a gate near Miramontes Point Road, City shall not use this route to access the Premises or undertake any work on the Project.
- D. Property Owners are willing to grant permission to City, its employees and agents, including City’s prime contractor (“**Contractor**”) and its contractors, subcontractors, employees and agents (collectively, the “**Permittees**”), the temporary non-exclusive right to enter upon, together with necessary rights of ingress and egress to, those portions of the Premises depicted as the “**TCE Area**” in **Exhibit A** attached hereto and incorporated herein for purposes of constructing, installing, inspecting and testing the sanitary sewer system improvements comprising the Project according to the terms and conditions below.
- E. Property Owners and City acknowledge and agree that this Agreement governs activities related solely to construction, inspection and operational testing of the Project, and that the Project’s eventual operation and maintenance requires, and is subject to, the execution,

recordation, and terms of that certain Agreement for Relocatable Sewer Facilities Easement Between City of Half Moon Bay and Ocean Colony Partners, LP, and those certain Agreements for Sewer Facilities Easements between City of Half Moon Bay and Ocean Colony Partners, LLC (together, the “**Permanent Easements**”), in the forms attached hereto as **Exhibits B** through **D**.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and commitments made herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Grant of Temporary Construction Easement.** Subject to the conditions and covenants of this Agreement, Property Owners grant to City and its Permittees a temporary non-exclusive right to enter upon and use, together with necessary rights of ingress and egress to, the TCE Area for the purpose of constructing, installing and inspecting the sanitary sewer system improvements comprising the Project according to the terms and conditions of this Agreement, including removing and replacing certain private improvements as needed for access to the work area. This Agreement does not constitute a deed or grant of permanent easement or leasehold interest in the Premises and is temporary and non-exclusive in nature.

2. **Acknowledgement of Access for Purposes of Project.** City acknowledges that the Permittees are permitted under this Agreement to enter upon the Premises only for the Project.

3. **Applicable Regulations.** The Project shall take place only according to the Plans and Specifications in **Exhibit A** and applicable federal, state and City standards and practices. City shall cause its Permittees to obey all applicable federal and state regulations, City’s standards and practices, as well as the covenants and conditions of this Agreement.

4. **Notice of Completion/Permanent Easements/Term.**

(a) When City has completed the Project, City shall give the Property Owners (i) written notice of completion and City’s belief that it has satisfied all of City’s obligations under this Agreement, and (ii) a copy of the as-built plans for the Project improvements (“**As-Built Plans**”).

(b) Within five (5) business days of receiving City’s notice, and As-Built Plans, subject to weather-caused delay, the Property Owners shall inspect their respective portions of the Premises and the improvements thereon to confirm in their reasonable discretion that all of City’s obligations hereunder have been satisfied, including without limitation the City’s restoration obligations described herein. Thereafter, Property Owners shall each give City prompt written notice either (i) that all of City’s construction obligations have been satisfied, or (ii) that one or more construction obligations remain unfulfilled or unsatisfactory in which case the Parties shall cooperate to resolve the matter to the Property Owner’s(s’) reasonable satisfaction after which the Property Owner(s) each shall give City written notice when it considers all such unfulfilled construction and restoration obligation(s) satisfied.

(c) Upon receipt of Property Owner’s written notice that all construction and restoration obligations have been satisfactorily completed, City shall process its statutory Notice of Completion pursuant to California Civil Code section 8100 *et seq.* No sooner than sixty days from filing the

statutory Notice of Completion, City shall provide written notice to Owner(s) confirming that all liens are unconditionally released.

(d) Concurrently herewith the Property Owners shall deliver to City executed and acknowledged Permanent Easements ready for recording, which City thereafter may record upon the City Council duly authorizing acceptance of the easements thereunder and attaching the required Certificates of Acceptance. City shall obtain conformed copies of the recorded Permanent Easements and provide copies thereof to Property Owners promptly following recordation thereof.

(e) This Agreement shall be in effect from the Effective Date until the earlier of (i) the date Property Owners confirm City's satisfactory completion of the Project, including City's restoration obligations hereunder, or (ii) June 30, 2021, or such later date as Property Owners and City may mutually agree to (the "**Expiration Date**"), after which City shall have no further rights hereunder. If the Project is not complete as of the Expiration Date, City, within thirty (30) days' following Property Owners' written request therefor, shall execute, acknowledge and deliver to Property Owners, for recordation in the Official Records, quitclaim/termination of easement deeds in forms reasonably acceptable to Property Owners sufficient to fully terminate each of the Permanent Easements and thereafter City shall have no further rights under this Agreement to receive the Permanent Easements.

5. **Assumption of Risk, Waiver, Release; Indemnity.** City irrevocably assumes all risks and waives and releases any and all claims against Property Owners resulting or arising directly or indirectly from City's or its Permittees' access to the Premises or performance of the Project except to the extent such claims are caused by the active negligence of Property Owners, or Property Owners' breach of its or their obligations under this Agreement. City shall indemnify, defend (with counsel reasonably acceptable to Property Owners) and hold harmless Property Owners and their respective shareholders, members, agents, representatives, lenders, employees, officers and directors (individually an "**Owner Indemnified Party**" and, collectively, the "**Owner Indemnified Parties**") from and against any and all claims, damages and liabilities, including but not limited to claims for damages to materials, supplies, equipment, facilities or other improvements or injury to or death of any persons in, upon or about the subject Premises arising or resulting directly or indirectly from City's or its Permittees' access to the Premises or performance of the Project, provided, however, City shall have no obligation to indemnify an Owner Indemnified Party to the extent the claim, damage, or liability is caused by the active negligence or willful misconduct of such Owner Indemnified Party.

6. **Free from Liens:** City shall keep the Premises and any improvements, facilities or equipment of Property Owners located thereon, free from any liens arising out of any work performed, materials furnished, or obligations of any kind whatsoever incurred by City or its Permittees or any other person on City's behalf.

7. **Insurance.** City's Contractor and its subcontractors and all additional City contractors and subcontractors shall maintain in effect the following insurance coverage at all times while working on or about the Premises, and shall furnish proof of insurance coverage prior to commencing any Project work:

(a) General liability insurance in the amounts corresponding to bid/work total costs per the following table:

Liability Limits

Total bid	For each occurrence ^a	Aggregate for products/ completed operation	General aggregate ^b	Umbrella or excess liability ^c
≤ \$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	\$5,000,000
> \$1,000,000				
≤ \$2,000,000	\$2,000,000	\$4,000,000	\$4,000,000	\$5,000,000
> \$2,000,000				
≤ \$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$10,000,000
> \$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$15,000,000

^a Combined single limit for bodily injury and property damage.

^b This limit must apply separately to the contractor or subcontractors work under its contract.

^c The umbrella or excess policy must contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted.

- (b) Worker's compensation, statutory limits or greater;
- (c) Automobile liability in the amount of One Million Dollars (\$1,000,000); and
- (d) Property Owner Protective Liability with bodily injury protection of Two Million Dollars (\$2,000,000) and property damage of Two Million Dollars (\$2,000,000).

The insurance required under clauses (a), (c) and (d) above shall (i) be on an occurrence form; (ii) be issued by insurers with an AM Best rating of A-VII or higher; (iii) name OCP-LLC, OCP-LP, Ocean Colony Partners, LLC, San Mateo Links Corporation, Carnoustie, LLC, Spyglass, LLC, Kenmark Real Estate Group, Inc., Kenmark Construction, Inc., and Whitestar Advisors, LLC as additional insureds; (iv) provide that any insurance maintained by OCP-LLC, OCP-LP, San Mateo Links Corporation, Carnoustie, LLC, Spyglass, LLC, Kenmark Real Estate Group, Inc., Kenmark Construction, Inc., and/or Whitestar Advisors is non-contributing and excess to such City Contractor and subcontractor insurance; (v) include waivers of subrogation in favor of OCP-LLC, OCP-LP, San Mateo Links Corporation, Carnoustie, LLC, Spyglass, LLC, Kenmark Real Estate Group, Inc., Kenmark Construction, Inc., and Whitestar Advisors; and (vi) provide that such insurance may not be modified or cancelled without 10 days prior notice to Property Owners. Contractor and subcontractors shall not enter the Premises unless proof of insurance listing the additional insureds has been provided.

8. **Good Faith Coordination.** City and Property Owners, and the representatives of each shall work together in good faith to facilitate the Project and minimize conflicts between the Project, on the one hand, and Links operations and events, on the other.

9. **Warranty of Work:** Upon completion of the Project, City shall obtain from Contractor and its subcontractors, as applicable, a one-year warranty on all work, including site restoration. Property Owner shall work through the City Engineer to invoke said warranty if required.

10. **Notice of Work; Commencement and Completion of Work.** City shall require Contractor to notify City and Property Owners in writing a minimum of 30 days prior to entering the Premises to perform any Project work. Contractor's notice shall include the name of and type of work to be performed by each subcontractor and include each subcontractor's required proof of insurance before such subcontractor enters the Premises. Notwithstanding anything to the contrary contained herein, in no event shall any work or activity constituting the Project take place without written approval of schedule and methods as required by the City Engineer which shall in all events be consistent with this Agreement. City shall require Contractor to promptly notify City and Property Owners upon completing construction of the Project.

11. **Access to Site; Limits of Work.**

(a) Except as stated otherwise herein, access to the Premises shall be exclusively along Fairway Drive from Highway 1.

(b) Access to Fairway Drive and the Pump Station is restricted by gates. City shall cause Contractor and all subcontractors to coordinate with the Property Owners and their personnel as a courtesy notification regarding access to the Premises.

(c) City shall cause Contractor and its subcontractors to provide Property Owners' designated agent, Duke Leggett ("**Property Owners Agent**"), an initial list of any and all persons needing access to the Premises at least 24 hours prior to the access date(s). Personnel accessing the gate will be required to show their driver's license to the gate attendant. A list of additional persons needing access to the Premises will be provided 24 hours prior to access date(s) as needed.

(d) City shall cause Contractor and its subcontractors to coordinate with the Links Superintendent regarding the dates and times for movement of equipment and materials on and off the Premises.

(e) City acknowledges that limited access to the Premises can occur along Redondo Beach Road and the golf course maintenance yard ("**Maintenance Yard**"). City shall cause its Contractor and all subcontractors to coordinate with, and obtain approval of the Links Superintendent, prior to conducting any work within such area. City shall cause Contractor and its subcontractors to provide a list of any and all persons needing access to the site via Redondo Beach Road to the Links Maintenance Supervisor at least 24 hours prior to access date(s). Personnel accessing via the Maintenance Yard will be required to show their driver's license to maintenance staff.

(f) City shall ensure that Contractor does not use Miramontes Point Road to access the Premises.

(g) City shall require Contractor and its subcontractors to confine its and their operations to the existing easements, limits of work and designated staging areas as shown on the Plans and Specifications and depicted in **Exhibit B** and in no way to go beyond the TCE Area boundaries other

than as necessary to gain access to the TCE Area. In the event of any conflict between the Plans and Specifications and **Exhibit B**, the depiction of the TCE Area as shown in **Exhibit B** shall control.

12. **Days and Hours of Work.**

(a) Work Hours shall be Monday through Friday 7 AM to 6 PM, except for City Holidays (defined herein) and Restricted Workdays (defined herein) due to events at the Links. There shall be no work on observed City Holidays or Restricted Workdays. For Restricted Workdays, see Sections (12 c-g) below.

(b) City Holidays:

- (i) New Year's Day
- (ii) Martin Luther King Jr. Day
- (iii) Presidents Day
- (iv) Caesar Chavez Day
- (v) Memorial Day
- (vi) Independence Day
- (vii) Labor Day
- (viii) Veterans Day
- (ix) Thanksgiving Day
- (x) Day after Thanksgiving
- (xi) Christmas Eve
- (xii) Christmas Day
- (xiii) New Year's Eve

(c) A Restricted Workday is a day when the Contractor must completely stop current on-going construction operations to avoid interference with Links events. Restricted Workdays apply only to Contractor operations in Links Fairways and along the cart path from the Fairways to the Maintenance Yard. Restricted Workdays do not apply to Contractor's work in Fairway Drive, at the Pump Station, in the Golf Course Maintenance Yard at Redondo Beach Road or accessing the designated staging areas. For work in the Fairways, if the Contractor can fully employ the currently on-going crew and equipment, or equivalent, at another location which does not interfere with the Links event and is agreeable to the Links, that workday shall not be considered a Restricted Workday.

(d) Restricted Workdays due to Links Scheduled Events:

- (i) May 27, 2020 FACES
- (ii) May 18-25, 2020 PGA Championship
- (iii) July 24-26, 2020 Semper Fi
- (iv) August 10, 2020 Norman S. Wright
- (v) August 17 or 24, 2020 [*date tbd*] Aubri Brown Club
- (vi) September 10, 2020 BlackRock
- (vii) September 11, 2020 All Industrial Electric Supply
- (viii) September 14, 2020 Birdies by the Bay
- (ix) September 17-20, 2020 SEAL's
- (x) September 25, 2020 St. Mary's
- (xi) October 25, 2020 Cal Fire
- (xii) October 26, 2020 Crystal Springs Uplands
- (xiii) November 23, 2020 Oakley
- (xvii) January 10, 2021 Capital One
- (xviii) May 14, 2021 JDRF
- (xix) May 26, 2021 FACES
- (xx) July or October, 2021 [*date tbd*] Semper Fi
- (xxi) August 9, 2021 Norman S. Wright
- (xxii) August 16 or 21, 2021 [*date tbd*] Aubri Brown Club
- (xxiii) September 2021 [*date tbd*] BlackRock
- (xxiv) September 2021 [*date tbd*] All Industrial Electrical Supply
- (xxv) September 20, 2021 Birdies by the Bay
- (xxvi) September 24-26, 2021 SEAL's

(xxvii) September 2021 [date tbd] St. Mary's

(xxviii) October 2021 [date tbd] Cal Fire

(xxix) October 2021 [date tbd] Crystal Springs Uplands

(xxx) November 2021 Oakley

(xxxi) Others per Sections 12(e-g) below

(e) The Links must provide to City, in writing, a minimum ten (10) business days' advance notice of special events (other than Links Scheduled Events noted above) which could restrict the Project in full or in part.

(f) From November 1 to April 30, in addition to the Links Scheduled Events identified in subsection (d) above, there shall be no more than four (4) Restricted Workdays per month due to additional Links events.

(g) From May 1 to October 31, in addition to the Links Scheduled Events identified in subsection (d) above, there shall be no more than eight (8) Restricted Workdays per month due to additional Links events.

(h) Notwithstanding any other provision hereof to the contrary, Project work on the Links Fairways (other than Pump Station work which shall be coordinated by the Parties to minimize noise impacts as provided in Section 16(h) and access to the designated staging areas which is not restricted) may only occur during the Link's off-peak period between November 1 and March 31.

13. **Construction Schedule; Project Coordination Meetings**

(a) City shall cause Contractor to attend an initial pre-construction meeting with representatives from the City and Property Owners no later than 30 days prior to mobilization for construction.

(b) At least seven (7) calendar days prior to the initial pre-construction meeting, City shall cause Contractor to submit to Property Owners a preliminary project schedule using the critical path method ("CPM") for review and discussion at the initial pre-construction meeting. The schedule shall show a preliminary schedule of construction activities listing proposed start dates, durations and end dates of construction tasks and various activities of work in sufficient detail to identify foreseeable conflicts with events and operations of the Links.

(c) The CPM schedule shall include activities for all work to be performed by the Contractor and subcontractors. The schedule shall also include activities specific to the Project to be performed by other parties, such as utility companies.

(d) The CPM shall include a Trenching Operations Schedule identifying start dates, durations and end dates for the following trenching locations and activities:

(i) Fairways: Trenching, Pipe Installation, Finish Surface Restoration

- (ii) Cart Path: Trenching, Pipe Installation, Finish Surface Restoration
- (iii) Maintenance Yard: Trenching, Pipe Installation, Finish Surface Restoration
- (iv) Fairway Drive: Trenching, Pipe Installation, Finish Surface Restoration
- (v) Redondo Beach Road: Trenching, Pipe Installation, Finish Surface

Restoration

(e) Upon submittal, review and discussion of the initial schedule submitted by Contractor, Property Owners shall have seven (7) calendar days to determine if there are any foreseeable conflicts with Links events or operations. If conflicts are identified, Property Owners and City shall in good faith discuss and re-work in consultation with Contractor the initial construction schedule at the next planned Project Coordination Meeting.

(f) At least seven (7) calendar days prior to the initial pre-construction meeting, City shall cause Contractor to propose in writing alternative methods to minimize impact to turf areas during construction. Construction methods to minimize impact to the turf and areas adjacent to trenching shall be coordinated with and subject to approval by the Links' Maintenance Supervisor.

(g) After the initial pre-construction meeting, City shall cause Contractor to continue to meet on a weekly basis (each meeting a **"Project Coordination Meeting"**) with City's representatives and Property Owners Agent during the pre-construction phase and throughout the course of construction unless a meeting is deemed unnecessary by both City and Property Owners and a written notice of meeting cancellation is provided by the City Engineer.

(h) Project Coordination Meetings shall focus on Project updates and coordinating Contractor's activities, methods of construction, and work schedule to minimize impact on the Links golf course operations and events throughout performance of the Project.

(i) City shall cause Contractor to submit an updated two-week "look-ahead" schedule of proposed work or activity constituting the Project at each Project Coordination Meeting and upon the issuance of any change order that alters the Project schedule.

(j) City shall ensure that Contractor does not commence construction on any section of the work until the schedule and construction methods are approved by the City Engineer.

14. **Staging Areas**

(a) Temporary storage and stockpile areas shall be provided in the following locations for the entire duration of the Project.

(i) 30' x 75' area within the Maintenance Yard, exact location to be identified by Property Owner prior to start of construction.

(ii) 30' x 75' area on the north side of Fairway Drive near Force Main station 11+00 as shown on the Plans and Specifications and **Exhibit B**.

(b) Temporary fencing shall be installed around storage and stockpile areas at all times during use. Fencing shall consist of 6'-tall chain link fence with privacy screen approved by Property Owners. Fencing shall be locked at all times during non-work hours.

(c) Both staging areas may be accessed without restriction during Restricted Work Days.

(d) City shall cause Contractor and all subcontractors to utilize the storage and stockpile areas in a manner that minimizes construction traffic.

(e) City shall cause Contractor to sweep all roads and pathways adjacent to staging areas and any construction activity each day upon completion of the daily activities.

(f) Temporary storage and stockpile areas shall be restored to pre-construction conditions upon completion of the Project.

(i) City shall cause Contractor to maintain access to the fuel tanks and bulk storage areas and Redondo Beach Road in the maintenance yard at all times for the benefit of Links maintenance personnel.

(ii) Use of the storage areas shall be subject to the following provisions:

(1) City shall cause Contractor and its subcontractors to limit the introduction of fuels and hazardous or toxic materials to those required for daily on-site use, and City and the Property Owners shall be provided with written notification prior to these materials being brought on to the Premises. All such materials shall be properly handled and stored pursuant to applicable regulations.

(2) City shall cause Contractor and its subcontractors to immediately report any spills of hazardous, toxic or petroleum-based materials to City and the Property Owners. City shall be responsible for assuring that Contractor conducts required clean-up, disposal and appropriate remediation actions resulting from any spills, leaks or discharges from whatever cause, and coordinates such actions with the Property Owners.

(3) Any refueling of vehicles or fueled equipment, and any overnight parking of vehicles or fueled equipment, shall only occur in an area within the storage area equipped with an impervious surface and a spill containment system approved by the Property Owners in their reasonable discretion. There shall be no maintenance of vehicles or fueled equipment in the staging areas or elsewhere on the Premises.

(4) City shall cause Contractor and its subcontractors to minimize all wastes produced and shall remove such wastes from the Premises promptly and in compliance with state and local regulatory requirements. The staging areas shall be kept free from accumulations of construction waste materials.

(5) No temporary buildings (such as storage sheds, shops or offices), except for portable toilets, shall be erected or placed in the storage areas.

15. **Fairways, Cart Path and Yard**

(a) City shall cause Contractor to coordinate with Links in order for the golf course irrigation system to be marked prior to excavation.

(b) City shall cause Contractor to minimize the duration of work across the golf course, golf cart pathway and Maintenance Yard to the maximum extent feasible. Golf cart access and use and Property Owners' access to the Maintenance Yard shall be maintained at all times except as approved by the Links.

(c) City shall cause Contractor to provide designated signage or personnel to provide information and direction to golfers so that they may safely navigate the construction zone areas in the Fairways and at the cart path adjacent to the bathrooms and leading to the Maintenance Yard, as necessary.

(d) City shall cause Contractor to schedule construction across the golf course fairways in late fall or winter if feasible. Contractor shall in good faith endeavor to schedule construction across golf course fairways when the turf is being aerated, which typically occurs around the first week of November.

(e) City shall ensure that Contractor's methods of protecting Links' turf are discussed and agreed upon at the Project Coordination Meetings per Section 13(g) above.

(f) For trenching across the fairways, City shall cause Contractor or its subcontractor to coordinate schedule and methods of sod removal, storage and replacement with Links personnel.

(g) Upon completion of each phase of trenching work, City shall cause Contractor to restore any portion of the golf course impacted by the Project to the condition existing prior to construction, including but not limited to removing any temporary cart paths and detours.

(h) City shall cause Contractor to coordinate daily with the Link's Maintenance Superintendent by holding onsite meetings to discuss impacts to the golf course and finalize coordination and construction methods.

(i) City shall cause Contractor to restore and replace the cart paths affected by the work—both existing concrete and asphalt paths—with a concrete structural section with depths, widths and limits shown on the Project Plans and Specifications.

(j) City shall cause Contractor to construct and maintain temporary golf cart path detours as shown on Project Plans and Specifications.

(k) During all construction within the cart path, City shall cause Contractor to coordinate with Link's Maintenance Supervisor to restrict access by employees and patrons through and around the construction area through use of alternative routes.

(i) No holes or trenches shall be left open overnight.

(ii) Any temporary fencing shall consist of 6'-tall chain link fence with privacy screen approved by the Link's Maintenance Supervisor.

(iii) Equipment used for trenching operations in fairway areas shall be removed from the fairway areas at the end of each workday. No materials or equipment shall be stored in fairway areas overnight unless approved by the Property Owners.

(iv) City shall cause Contractor to sweep all roads and pathways adjacent to any construction activity each day upon completion of the daily activities.

16. **Pump Station**

(a) City shall cause Contractor to provide traffic control at all times during performance of work that impacts the flow of traffic on adjacent roadways. Traffic control plans shall be coordinated with Property Owners and approved by the City Engineer prior to commencement of construction.

(b) City shall ensure that Contractor does not begin alterations or demolition at the Pump Station until City's written permission has been received.

(c) City shall ensure that the existing Monterey Cypress trees on the South and West side of the existing pump station are protected during construction.

(d) Links will provide required watering of existing and new Monterey Cypress trees during and after construction.

(e) City shall cause fencing to be installed around the Pump Station site at all times during construction. The fence shall be locked at all times when the site is not actively occupied by the Contractor. Temporary fencing shall consist of 6'-tall chain link fence with privacy screen, PVC slats, or equivalent as approved by the Links Maintenance Supervisor.

(f) Bypass pumping equipment and requirements shall be as specified in the technical specifications. These requirements include the use of electric driven primary pumps. The use of engine driven generators for bypass pumping shall be kept to an absolute minimum.

(g) City shall cause Contractor to perform any work that generates excessive noise between the hours of 9 am and 6 pm only. Such excessive noise work includes, but is not limited to; jackhammering, cutting concrete or asphalt, and use of compacting equipment.

(h) Links and City shall work in good faith to minimize noise impacts, including at the Pump Station, to accommodate Links Events at the first tee and at the Pavilion Tent when applicable.

(i) Following completion of work in and around the Pump Station, City shall cause Contractor to install a new fence enclosing the Pump Station as described in the Plans and Specifications.

17. **Utilities**

(a) City shall cause Contractor to maintain electrical, telephone, water, sewer and other utilities serving the Links at all times except as otherwise coordinated with the Property Owners and approved by the City Engineer. City shall cause Contractor to provide at least seven (7) days'

prior notice to Property Owners and City Engineer for any planned service interruption, which interruption shall not include a City Holiday, Restricted Workday, or weekend. City shall cause Contractor to take all feasible measures to fix any unplanned service interruption in the shortest time possible.

(b) Contractor shall obtain its own utility services for its work and shall not utilize Property Owners' utilities.

18. **Roadways**

(a) City shall repair or cause Contractor to repair any potholes or other damage to Redondo Beach Road that create a risk of damage to vehicles, bicycles or pedestrians, which results or arises directly or indirectly from City's or its Permittees' access to the Premises or performance of the Project except to the extent such damage is caused by the active negligence of Property Owners. Such repair shall occur as soon as possible, and in any event no later than 3 business days after City or Contractor is made aware of such damage.

(b) Promptly following completion of the Project, City shall repair or cause Contractor to repair any damage to Redondo Beach Road which results or arises directly or indirectly from City's or its Permittees' access to the Premises or performance of the Project except to the extent such damage is caused by the active negligence of Property Owners.

19. **Project Miscellaneous Terms**

(a) City shall ensure that Project improvements are protected during and after installation. Equipment installed as part of the Project shall be permanently secured against theft and vandalism and protected from the elements.

(b) City shall cause Contractor to complete the Project work, including any removal and replacement of existing private improvements, in an efficient and safe manner that causes the least amount of disruption to Property Owners and Links operations. City shall cause Contractor to remove and dispose of, in an appropriate off-site location, materials removed as part of the work. City shall cause Contractor to replace or reconstruct with substantially similar materials, any private improvements removed to provide access to the Project work site or damaged in the course of the work.

(c) City shall ensure that Contractor and all other contractors, subcontractors and material suppliers are fully informed of all the Project conditions and requirements in this Agreement for the purpose of ensuring full compliance as needed to protect the Links, the Premises and the Property Owners.

(d) Property Owners shall have no liability if work on the Project is stopped or interrupted due to Links events or other reasons specified or envisioned by this Agreement, and City shall ensure that all Project contracts, including its contract with Contractor and Contractors contracts with subcontractors and material suppliers, acknowledge the potential for work stoppage, even if delays in completing tasks result in penalties, increased costs or decreased payments under said contracts.

(e) City shall cause Contractor to remove sections of existing pipelines that are being abandoned or disused as part of the Project or fill such abandoned pipelines with cement slurry or sand and restore the surface. City, in its sole discretion, may determine whether to remove or fill the various sections of such abandoned or disused pipelines.

(f) City shall reimburse Property Owners (i) all their reasonable attorneys' fees and costs incurred in negotiating and drafting this Agreement and the Permanent Easements not to exceed \$30,000 and (ii) out of pocket costs for civil engineering peer review of City's easement legal descriptions not to exceed \$5,000.

20. **Contract General Provisions.**

(a) Headings. The section headings and titles in this Agreement are for convenience of reference only. Such headings and titles will not be construed as modifying, limiting or expanding in any manner the terms and provisions of this Agreement.

(b) Assignment. No Party hereto may assign this Agreement or any of such Party's rights or obligations under this Agreement except Property Owners in connection with conveyance or transfer to a third party of either or both of Property Owners' fee ownership interests in the Premises. In the event a Property Owner conveys or transfers its fee interest in its portion of the Premises to a third party, then said Property Owner shall require such third party to agree to assume the benefits and burdens of this Agreement. Any such assignment will be in writing and will be promptly delivered to the other Parties. Any purported assignment that does not comply with this Section 20(b) will be void ab initio and without legal force or effect.

(c) Severability. Should any one or more provisions of this Agreement be judicially determined invalid or unenforceable, such judgment will not affect, impair or invalidate the remaining provisions of this Agreement, the intent being that the various sections and provisions hereof are severable.

(d) Entire Agreement: Amendment. This Agreement constitutes the entire agreement between the Parties and no additional or different oral representation, promise or agreement will be binding on the Parties with respect to the subject matter of this Agreement. No modification or amendment of this Agreement will be effective unless made by a written instrument executed by each of the Parties or their respective successors in interest.

(e) No Waiver. In no event will any failure by either Party to enforce any right, covenant or restriction contained in this Agreement be deemed a waiver of the right to enforce such a right, covenant or restriction or any other right, covenant or restriction thereafter.

(f) Governing Law: Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California. The exclusive venue for the filing of any legal action to enforce, interpret or otherwise pertaining to a dispute relating to this Agreement or the Parties' rights and obligations hereunder will be in the Superior Court of San Mateo County, California, or the Federal court for the Northern District of California.

(g) Remedies; Attorneys' Fees. In the event of any controversy, claim or dispute between City on the one hand and Property Owners on the other arising out of or relating to this

Agreement or the breach or threatened or claimed breach hereof, or the interpretation hereof, the prevailing Party will be entitled to seek and be awarded from the non-prevailing Party such damages and other remedies as are available at law or in equity (including but not limited to an order requiring specific performance) for a breach or default of such non-prevailing Party, together with such prevailing Party's reasonable expenses, attorneys' fees and other costs incurred in connection therewith.

(h) Notices. Notices or other written communications required to be delivered to a Party will be given or delivered by certified mail, return receipt requested, to the applicable Party at the addresses set forth in the introductory paragraph of this Agreement, and will be deemed delivered as of the Parties' receipt as set forth on the return receipt.

(i) Counterpart Originals. The Parties may execute this Agreement in multiple counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement.

(j) Representations and Warranties. Each signatory for each of the Property Owners represents and warrants that he or she is authorized to sign this Agreement on behalf of and to bind such Property Owner.

21. **Emergency Contacts**

(a) City of Half Moon Bay

City Engineer: Maz Bozorginia, 650-726-8251, mbozorginia@hmbcity.com

(b) OC Partners/Links

Dan Miller, Superintendent (650) 400-6889, dmiller@hmbgolflinks.com

(c) Sewer Authority Mid-Coastside

Sanitary Sewer Overflows: 650-726-0124

Operations Supervisor: Tim Costello, 650-726-0124, timc@samcleanswater.org

IN WITNESS WHEREOF the Parties have executed this Agreement, to be effective and binding as of the Execution Date.

OCEAN COLONY PARTNERS, LLC

By: WhiteStar Advisors, LLC,
a Florida limited liability company,
its Non-Member Manager

By: _____
(Print name)

Its: _____

(Signature)

OCEAN COLONY PARTNERS, LP

By: _____
(Print name)

Its: _____

(Signature)

CITY OF HALF MOON BAY

By: Bob Nisbet
(Print name)

Its: City Manager

(Signature)

Approved as to form:

By: _____
Catherine Engberg, City Attorney

Attest:

By: _____
_____, City Clerk

EXHIBITS

- A Diagram Depicting TCE Area
- B Form of Agreement for Relocatable Sewer Facilities Easement Between City of Half Moon Bay and Ocean Colony Partners, LP (“Maintenance Yard Easement”)
- C Form of Agreement for Sewer Facilities Easements between City of Half Moon Bay and Ocean Colony Partners, LLC (“Fairways Easement”)
- D Form of Agreement for Sewer Facilities Easements between City of Half Moon Bay and Ocean Colony Partners, LLC (“Pump Station Easement”)

1151360.1

CERTIFICATE OF ACCEPTANCE	
<p>This is to certify that the interest in real property conveyed herein is hereby accepted by order of the Council of the City of Half Moon Bay pursuant to Council Resolution No. _____ dated March 17, 2020, and grantee consents to recordation thereof by its duly authorized officer.</p>	<p>CITY OF HALF MOON BAY A Municipal Corporation</p> <p>By: _____ Jessica Blair, City Clerk</p> <p>Dated: March 17, 2020</p>

EXHIBIT A TCE AREA

FORCE MAIN



WORK & ACCESS LIMITS



Schaaf & Wheeler
CONSULTING CIVIL ENGINEERS
1171 HOMESTEAD RD, STE. 255
SANTA CLARA, CA 95050
(408) 246-4848



**RECORDED WITHOUT FEE
UNDER SECTION 6103
GOVERNMENT CODE OF THE
STATE OF CALIFORNIA**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:**

City of Half Moon Bay
City Clerk
501 Main Street
Half Moon Bay, CA 94019

Space above this line for Recorder's use

AGREEMENT FOR SEWER FACILITIES PUMP STATION EASEMENT

This **AGREEMENT FOR SEWER FACILITIES PUMP STATION EASEMENT** (“**Pump Station Easement Agreement**”) is made as of March 17, 2020 (“**Execution Date**”), by and between Ocean Colony Partners LLC, a California Limited Liability Company (together with its successors and assigns, “**Grantor**”) whose current legal address is 2450 Cabrillo Highway, #200, Half Moon Bay, CA, 94019, and the City of Half Moon Bay, a municipal corporation (together with its successors and assigns, “**Grantee**”) whose address is 501 Main Street, Half Moon Bay, CA, 94019.

RECITALS

Grantor and Grantee (individually, a “**Party**” and, collectively, the “**Parties**”) have entered into this Pump Station Easement Agreement with reference to the following facts:

A. Grantor owns certain real property, known as APN No. 066-520-120 and described as a portion of Parcel D, Parcel Map Book 62 of maps, pages 7 & 8, San Mateo County Recorder, located within the City of Half Moon Bay, County of San Mateo, State of California (“**Grantor's Property**”).

B. Grantor, Grantee, and Ocean Colony Partners, LP, a California limited partnership (“**OCP LP**”) are parties to a Temporary Construction Easement Agreement dated March 17, 2020 (“**TCE**”), pursuant to which Grantee intends to construct and install Grantee's Ocean Colony Pump Station and Force Main Project (as defined in the TCE).

C. As contemplated by the TCE Grantee desires to obtain and Grantor is willing to convey to Grantee under the terms and conditions specified herein a permanent, non-exclusive

sanitary sewer pump station easement (the “**Easement**”) upon, over, under and through a portion of Grantor’s Property.

D. Grantee and Grantor acknowledge and agree that the Easement is for public use and is necessary for the operation, maintenance and reconstruction of a sanitary sewer pump station.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and commitments made herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The foregoing Recitals are incorporated into and made substantive provisions of this Pump Station Easement Agreement.
2. **Recording Conditions; Recording Fees.** Grantee shall cause this Pump Station Easement Agreement to be recorded in the Official Records of San Mateo County. Grantee shall pay all recording fees and costs and shall provide to Grantor a conformed copy of the recorded Pump Station Easement Agreement promptly following recordation thereof.
3. **Grant of Easement.** For and in consideration of Grantee’s covenants and agreements set forth herein and in the TCE, Grantor grants and conveys to Grantee a non-exclusive, permanent and perpetual Easement upon and over the easement area (“**Easement Area**”) as described in **Exhibit A** and depicted in **Exhibit B**, both attached hereto and fully incorporated herein), with non-exclusive subsurface and surface rights, for those Permitted Uses described in **Section 4** below, together with access rights to the Easement Area, and together with the right to enter by Grantee’s employees, consultants, contractors and other permittees reasonably required and related to Grantee’s use of the Easement (collectively, “**Permittee(s)**”), all subject to Grantor’s Reserved Uses described in **Section 7** below, and all other terms and conditions of this Pump Station Easement Agreement.
4. **Permitted Uses.** Subject to the terms and conditions of this Pump Station Easement Agreement, including Grantee’s obligations set forth in **Section 5** below, Grantee and its Permittees shall have the right to enter upon the Easement Area and utilize the Easement for the following purposes (collectively, the “**Permitted Uses**”), subject to Grantor’s Reserved Uses and Grantee’s obligation to use best efforts to minimize interference with Grantor’s day-to-day use of Grantor’s Property:
 - a. **Use, Operating and Maintenance Activities.** In compliance with applicable City of Half Moon Bay Municipal Code requirements and all other applicable federal, state and local laws and regulations, to reconstruct, remove, repair, replace, relocate within the Easement Area, alter, modify, operate, maintain and use the aboveground sanitary sewer pump station facilities, including above- and below-

ground equipment, telemetry, controls, valves, pumps, air/vacuum valves, manholes, rodding inlets, appliances, fittings, devices and any other appurtenances reasonably necessary to Grantee's use and operation thereof, as Grantee may see fit, together with adequate protection for the same, for the purpose of pumping and conveying sewage through the sanitary sewer lines and appurtenant facilities connecting to such pump station. This grant of Easement shall include the right to excavate as reasonably necessary to perform such inspection, repair, maintenance, replacement, relocation and reconstruction work. This grant of Easement also includes the right of Grantee to clear obstructions, trees, bushes and vegetation from the Easement Area as may be reasonably required for the proper use, operation and maintenance of the sanitary sewer pump station facilities and appurtenances.

- b. Ingress and Egress. The right of ingress and egress in, to, over, through and across the surface of the Easement Area for purposes reasonably related to the full enjoyment of all Permitted Uses as provided for in this **Section 4**, including the use of heavy equipment to perform the Permitted Uses.
- c. Inspections. To perform such surveys, inspection of soils conditions and similar activities as may be necessary or desirable in connection with Grantee's activities pursuant to this **Section 4**.
- d. Performance of Obligations. To perform Grantee's Obligations (as defined in **Section 5** below) and any other obligations of Grantee under this Pump Station Easement Agreement.

5. Grantee's Obligations.

- a. All non-emergency maintenance, repair, inspection or replacement work shall be coordinated with Grantor's Links Superintendent ("**Links Superintendent**") to minimize conflicts with Grantor's golf tournaments and special events. Except in the event of an emergency repair, Grantee shall cause its Permittees to coordinate with Grantor's Links Superintendent at least thirty (30) days in advance regarding the dates and times for movement of equipment and materials on and off the Easement Area.
- b. Access to Fairway Drive and the pump station is restricted by gates. Grantee shall cause its Permittees to coordinate with the Links Superintendent as a courtesy notification regarding access to the Easement Area.
- c. Grantee shall cause Permittees to minimize the duration of work on the pump station to the maximum extent feasible. Golf cart access and use shall be maintained at all times except as approved by Grantor.

- d. Grantee shall cause Permittees to provide designated signage or personnel to provide information and direction to golfers so that they may safely navigate construction zone areas within the Easement Area as necessary.
 - e. Grantee shall cause Permittees to schedule construction in late fall or winter if feasible.
 - f. In the event any inspections, construction activities, entry onto the Easement Area or other exercise by Grantee or its Permittees of the Permitted Uses disturbs the surface of the Easement Area, Grantee, promptly following conclusion of such activities, shall restore or cause the restoration of the surface of the ground and any turf grass, landscaping or hardscaping thereon as nearly as reasonably possible to the grade and physical condition it was in immediately prior to Grantee's activities, except as necessarily modified to accommodate the Permitted Uses. Without limitation of the foregoing, Grantee, at its sole cost and expense, will promptly replace or cause to be replaced removed topsoil and re-sod, reseed and/or re-vegetate any removed plantings, patch or repair any removed pavement or hardscaping, and remove any excess earth resulting from Grantee's or its Permittees' activities.
6. **Assumption of Risk, Waiver, Release; Indemnification.** Grantee irrevocably assumes all risks and waives and releases any and all claims against Grantor resulting or arising directly or indirectly from Grantee's or its Permittees' access to the Easement Area or exercise of Grantee's Easement rights except to the extent such claims are caused by the active negligence of Grantor or Grantor's breach of its obligations under this Pump Station Easement Agreement. Grantee shall indemnify, defend (with counsel reasonably acceptable to Grantor) and hold harmless Grantor and Grantor's members, and its and their members, shareholders, partners, officers, directors, employees, representatives, agents, tenants, successors and assigns (collectively, "**Grantor Parties**") from and against any claims, damages, liens, (including, without limitation, mechanic's and materialmen's liens), losses, suits, actions, judgments, liabilities, including reasonable attorneys' fees and other costs and expenses reasonably incurred by Grantor (collectively "**Claims**"), including Claims for death or injury to any person or damage to any property, to the extent such Claims are caused by or arise from, directly or indirectly, Grantee's or its Permittees' entry upon Grantor's Property or the exercise or performance of or failure to perform its or their rights or obligations herein; provided, however, Grantee's obligation to indemnify Grantor and Grantor Parties shall not apply to the extent any such Claims are the result of Grantor's or Grantor Parties' active negligence or willful misconduct. Grantee's obligations under this Section 6 will survive any termination or expiration of this Pump Station Easement Agreement.
7. **Grantor's Reserved Uses.** Fee ownership of Grantor's Property remains vested in Grantor, subject to Grantee's rights pursuant to this Pump Station Easement Agreement to access the Easement Area, and undertake Permitted Uses within the Easement Area, in accordance with and subject to the terms, conditions and limitations set forth in this Pump Station Easement Agreement. To the extent not unreasonably impairing or

interfering with Grantee's exercise of the Permitted Uses and subject to the rights granted herein, Grantor and Grantor Parties will have and retain the right to occupy and use the surface and subsurface of the Easement Area for any and all purposes not inconsistent with the rights granted to Grantee herein (collectively, "**Grantor's Reserved Uses**"); provided, however, that such Grantor's Reserved Uses will be designed, constructed and used in a manner that is consistent with industry standards, in compliance with applicable City of Half Moon Bay Municipal Code requirements and the requirements of other governmental entities with respect to crossing and vertical and horizontal spacing of similar improvements, and which does not unreasonably impair or interfere with the rights granted to Grantee herein.

Within the Easement Area Grantor shall not cause any building foundation, building or structures to be erected or constructed above or below the present ground level; raise or lower the ground level; plant any hedge or tree unless approved by Grantee with such approval not to be unreasonably withheld, conditioned or delayed; drill or perform underground activity without prior notice to Grantee so that Grantee can mark the location of Grantee's sanitary sewer pipelines and facilities; or engage in any activity that will damage or materially interfere with Grantee's rights granted herein or Grantee's sewer pump station facilities or appurtenances; provided, however, that this requirement shall not prevent Grantor from passing over and along and making use of the Easement Area for ordinary and usual purposes not specifically excluded herein.

8. **Lateral & Subjacent Support.** Grantee and Grantor will each have the right of lateral and subjacent support to whatever extent is reasonably necessary or desirable for the full and complete enjoyment of its respective rights pursuant to this Pump Station Easement Agreement. Neither Grantor nor Grantee will take or permit any action that would impair such lateral or subjacent support, and will not materially modify the earth cover over any part of the Easement Area without the other Party's prior written authorization which will not be unreasonably withheld, conditioned or delayed.

9. Abandonment; Termination.

(a) If Grantee expressly and in writing abandons or releases any rights granted pursuant to this Pump Station Easement Agreement, the Parties will execute, acknowledge and cause to be recorded an amendment to or termination of this Pump Station Easement Agreement evidencing such abandonment and/or release.

(b) As provided in subsection 4.(e) of the TCE, if Grantee's Ocean Colony Pump Station and Force Main Project is not complete as of the Expiration Date (as defined in the TCE), Grantee, within thirty (30) days' following Grantor's written request therefor, shall execute, acknowledge and deliver to Grantor, for recordation in the Official Records, a quitclaim/termination of easement deed in form reasonably acceptable to Grantor sufficient to fully terminate this Pump Station Easement Agreement and thereafter Grantee shall have no further rights under this Pump Station Easement Agreement.

10. Representations and Warranties.

- (a) Of Grantor. Grantor warrants that it has full right and lawful authority to enter into this Pump Station Easement Agreement, to grant the Easement, and to undertake and perform its obligations under this Pump Station Easement Agreement.
- (b) Of Grantee. Grantee warrants that it has full right and lawful authority to enter into this Pump Station Easement Agreement and to undertake and perform its obligations under this Pump Station Easement Agreement.

11. General Provisions.

- (a) Headings. The section headings and titles in this Pump Station Easement Agreement are for convenience of reference only. Such headings and titles will not be construed as modifying, limiting or expanding in any manner the terms and provisions of this Pump Station Easement Agreement.
- (b) Runs with Title. From and after recording, this Pump Station Easement Agreement and the Easement will run with the land, and the benefits and burdens of this Pump Station Easement Agreement and the Easement will inure to and be binding upon the Parties and their respective successors and assigns.
- (c) Severability. Should any one or more provisions of this Pump Station Easement Agreement be judicially determined invalid or unenforceable, such judgment will not affect, impair or invalidate the remaining provisions of this Pump Station Easement Agreement, the intent being that the various sections and provisions hereof are severable.
- (d) Entire Agreement; Amendments. This Pump Station Easement Agreement, together with the TCE, constitutes the entire agreement between the Parties and no additional or different oral representation, promise or agreement will be binding on the Parties with respect to the subject matter of this Pump Station Easement Agreement. No modification or amendment of this Pump Station Easement Agreement will be effective unless made by a recorded written instrument executed by each of the Parties or their respective successors in interest.
- (e) No Waiver. In no event will any failure by either Party to enforce any right, covenant or restriction contained in this Pump Station Easement Agreement be deemed a waiver of the right to enforce such a right, covenant or restriction or any other right, covenant or restriction thereafter.
- (f) Governing Law; Venue. This Pump Station Easement Agreement will be governed by and construed in accordance with the laws of the State of California. The exclusive venue for the filing of any legal action to enforce, interpret or otherwise pertaining to a dispute relating to this Pump Station Easement Agreement or the Parties' rights and obligations hereunder will be in the Superior Court of San Mateo County, California, or the Federal Court for the Northern District of California.

(g) Remedies; Attorneys' Fees. In the event of any controversy, claim or dispute between Grantor and Grantee arising out of or relating to this Pump Station Easement Agreement or the breach or threatened or claimed breach hereof, or the interpretation hereof, the prevailing Party will be entitled to seek and be awarded from the non-prevailing Party such damages and other remedies as are available at law or in equity (including but not limited to an order requiring specific performance) for a breach or default of such non-prevailing Party, together with such prevailing Party's reasonable expenses, attorneys' fees and other costs incurred in connection therewith.

(h) Notices. Notices or other written communications required to be delivered to a Party will be given or delivered by certified mail, return receipt requested, to Grantee at the address set forth in the introductory paragraph of this Pump Station Easement Agreement and to Grantor at the address shown on the County Assessor's records for mailing of property tax bills, and will be deemed delivered as of the Party's receipt as set forth on the return receipt.

(i) Counterpart Originals. The Parties may execute this Pump Station Easement Agreement in multiple counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement.

(j) Grantor's Release of Claims. Grantor acknowledges and agrees that its grant of Easement to Grantee is in consideration of Grantee's obligations under the TCE and this Pump Station Easement Agreement, including Grantee's agreement to pay Grantor's attorneys' fees incurred in connection with the negotiation and drafting of said agreements. Accordingly, Grantor hereby waives and releases all rights to claim just compensation for the Easement granted hereunder, including claims for severance damages, loss of business goodwill or other losses or damages recognized under law which Grantor could assert or allege against Grantee as a result of Grantee's acquisition of the Easement. The foregoing shall not operate as a waiver or release of any other rights or remedies that Grantor may have related to or arising out of this Pump Station Easement Agreement or the subject matter thereof, or by reason of Grantee's default or breach of its obligations under or in connection with said agreement.

(k) Grantee Approvals. In any case where approval by Grantee is contemplated under this Pump Station Easement Agreement such approval may be given by Grantee's City Manager or his or her designee.

IN WITNESS WHEREOF, the Parties have executed this Pump Station Easement Agreement, to be effective and binding as of the Execution Date.

GRANTOR:

Ocean Colony Partners, LLC,

a California limited liability company

By: WhiteStar Advisors, LLC,
a Florida limited liability company,
its Non-Member Manager

By: _____

Name: James E. Bishop

Title: Member

GRANTEE:

City of Half Moon Bay, a California municipal
corporation

By: _____
Bob Nisbet, City Manager

Approved as to form:

By: _____
Catherine Engberg, City Attorney

Attest:

By: _____
_____, City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed herein is hereby accepted by order of the Council of the City of Half Moon Bay pursuant to Council Resolution No. _____ dated March 17, 2020, and grantee consents to recordation thereof by its duly authorized officer.

CITY OF HALF MOON BAY
A Municipal Corporation

By: _____
Jessica Blair, City Clerk

Dated: March 17, 2020

EXHIBIT "A"
LEGAL DESCRIPTION
PUMP STATION EASEMENT

All that certain real property situate in the City of Half Moon Bay, County of San Mateo, State of California, being a portion of Parcel D as shown on that certain Parcel Map recorded on April 3, 1989 in Book 62 of maps, pages 7 & 8, San Mateo County Records, more particularly described as follows:

PUMP STATION EASEMENT:

Commencing at the most northerly corner of said Lot D also being a point on the easterly right-of-way line of Fairway Drive;

Thence southeasterly along the northerly property line of said Parcel D South 54°23'54" East, 15.00 feet, to a point on the Easterly line of a 15.00 foot Public Utility Easement & Pathway Easement as shown on that certain Parcel Map recorded on July 18, 1972 in Book 76 of maps, pages 9-16, San Mateo County Records, said point being the Point of Beginning;

Thence continuing easterly along said northerly line of Parcel D, South 54°23'54" East, 12.50 feet, to a point on a line parallel with and distant 27.50 feet southeasterly measured at right angles from said easterly right-of-way line of Fairway Drive;

Thence along said parallel line the following two (2) courses and distances:

1. Along a non-tangent curve to the left to which point a radial line bears North 54°24'21" West, having a radius of 962.50 feet, through a central angle of 1°44'09" for an arc distance of 29.16 feet;
2. South 33°51'30" West 18.00 feet;

Thence leaving said parallel line North 56°08'30" West, 12.50 feet, to a point on said easterly line of said 15.00 foot, Public Utility Easement & Pathway Easement:

Thence northeasterly along said Public Utility Easement & Pathway Easement, the following two (2) courses and distances:


1. North 33°51'30" East, 18.00 feet;
2. Thence along a curve to the right having a radius of 975.00 feet, through a central angle of 1°44'10" for an arc distance of 29.54 feet to the Point of Beginning.

Containing 592 ± Square Feet

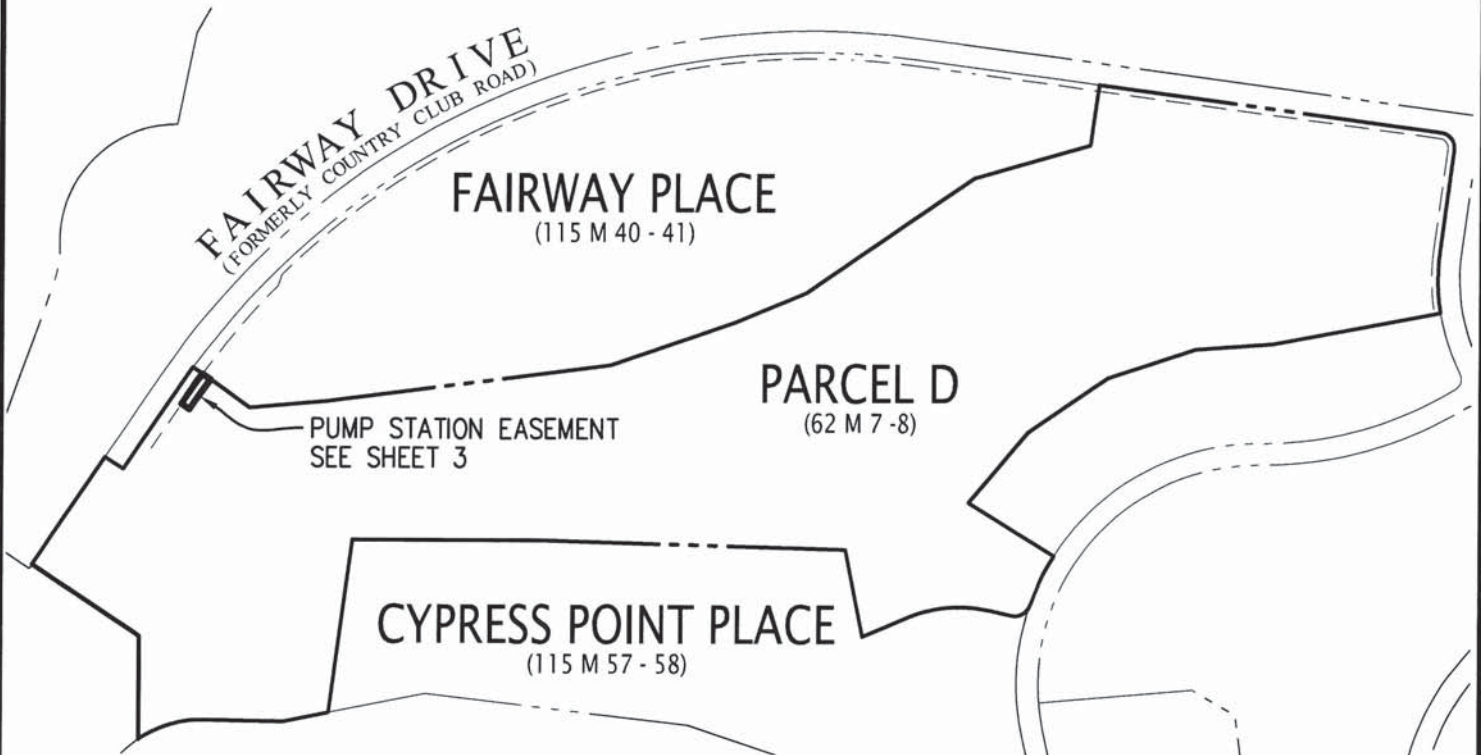
As shown on Exhibits "B" attached hereto and by this reference made a part hereof.

Legal Description prepared by Kier & Wright Civil Engineers and Surveyors, Inc.

1-30-19
Date

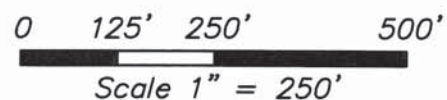

Ryan M. Amaya, L. S. 8134





LEGEND

PROPOSED EASEMENT LINE	---
EXISTING EASEMENT LINE	- - -
PROPERTY LINE	---
ADJACENT PROPERTY LINE	---



KIER & WRIGHT

CIVIL ENGINEERS & SURVEYORS, INC.

3350 Scott Boulevard, Building 22
Santa Clara, California 95054
www.kierwright.com

Phone (408) 727-6665
Fax (408) 727-5641

EXHIBIT "B"

PLAT

PUMP STATION EASEMENT

HALF MOON BAY

CALIFORNIA

DATE MARCH, 2018

SCALE 1" = 250'

BY NSA

JOB NO. A17071-1

SHEET 1 OF 2

FAIRWAY DRIVE
(FORMERLY COUNTRY CLUB ROAD)

FAIRWAY PLACE
(115 M 40 - 41)

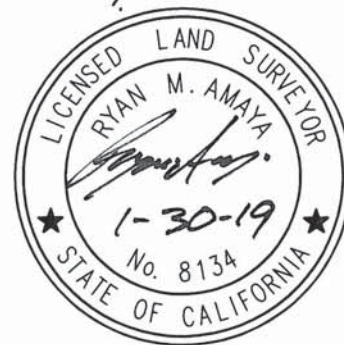
POC

POB



0 5' 10' 20'
Scale 1" = 10'

PARCEL D
(62 M 7 & 8)



ABBREVIATIONS

POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
P.U.E.	PUBLIC UTILITY EASEMENT
P.T.&T.E.	PACIFIC TELEPHONE & TELEGRAPH EASEMENT
SQ.FT.	SQUARE FEET

LEGEND

PROPOSED EASEMENT LINE	---
EXISTING EASEMENT LINE	- - -
PROPERTY LINE	---
ADJACENT PROPERTY LINE	---
RADIAL LINE (R)	---



KIER & WRIGHT

CIVIL ENGINEERS & SURVEYORS, INC.

3350 Scott Boulevard, Building 22
Santa Clara, California 95054
www.kierwright.com

Phone (408) 727-6665
Fax (408) 727-5641

EXHIBIT "B"

PLAT

PUMP STATION EASEMENT

HALF MOON BAY

CALIFORNIA

DATE MARCH, 2018

SCALE 1" = 10'

BY NSA

JOB NO. A17071-1

SHEET 2 OF 2

**RECORDED WITHOUT FEE
UNDER SECTION 6103
GOVERNMENT CODE OF THE
STATE OF CALIFORNIA**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:**

City of Half Moon Bay
City Clerk
501 Main Street
Half Moon Bay, CA 94019

Space above this line for Recorder's use

AGREEMENT FOR SEWER FACILITIES FAIRWAYS EASEMENT

This **AGREEMENT FOR SEWER FACILITIES FAIRWAYS EASEMENT** (“**Fairways Easement Agreement**”) is made as of March 17, 2020 (“**Execution Date**”), by and between Ocean Colony Partners LLC, a California Limited Liability Company (together with its successors and assigns, “**Grantor**”) whose current legal address is 2450 Cabrillo Highway, #200, Half Moon Bay, CA, 94019, and the City of Half Moon Bay, a municipal corporation (together with its successors and assigns, “**Grantee**”) whose address is 501 Main Street, Half Moon Bay, CA, 94019.

RECITALS

Grantor and Grantee (individually, a “**Party**” and, collectively, the “**Parties**”) have entered into this Fairways Easement Agreement with reference to the following facts:

A. Grantor owns certain real property, known as APN No. 066-092-720 and described as a portion of Lot 27 of Parcel Map recorded on July 18, 1972 in book 76 of Maps on pages 9-16, San Mateo County Recorder, located within the City of Half Moon Bay, County of San Mateo, State of California (“**Grantor's Property**”).

B. Grantor, Grantee, and Ocean Colony Partners, LP, a California limited partnership (“**OCP LP**”) are parties to a Temporary Construction Easement Agreement dated March 17, 2020 (“**TCE**”), pursuant to which Grantee intends to construct and install Grantee's Ocean Colony Pump Station and Force Main Project (as defined in the TCE).

C. As contemplated by the TCE Grantee desires to obtain and Grantor is willing to convey to Grantee under the terms and conditions specified herein a permanent, non-exclusive

sanitary sewer easement (the “**Easement**”) upon, under and through a portion of Grantor’s Property.

D. Grantee and Grantor acknowledge and agree that the Easement is for public use and is necessary for the operation, maintenance and reconstruction of up to two operational sanitary sewer force mains and appurtenant facilities.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and commitments made herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The foregoing Recitals are incorporated into and made substantive provisions of this Fairways Easement Agreement.
2. **Recording Conditions; Recording Fees.** Grantee shall cause this Fairways Easement Agreement to be recorded in the Official Records of San Mateo County. Grantee shall pay all recording fees and costs and shall provide to Grantor a conformed copy of the recorded Fairways Easement Agreement promptly following recordation thereof.
3. **Grant of Easement.** For and in consideration of Grantee’s covenants and agreements set forth herein and in the TCE, Grantor grants and conveys to Grantee a non-exclusive, permanent and perpetual Easement upon and under the easement area (“**Easement Area**”) as described in **Exhibit A** and depicted in **Exhibit B**, both attached hereto and fully incorporated herein), with non-exclusive subsurface and surface rights, for those Permitted Uses described in **Section 4** below, together with access rights to the Easement Area, and together with the right to enter by Grantee’s employees, consultants, contractors and other permittees reasonably required and related to Grantee’s use of the Easement (collectively, “**Permittee(s)**”), all subject to Grantor’s Reserved Uses described in **Section 7** below, and all other terms and conditions of this Fairways Easement Agreement.
4. **Permitted Uses.** Subject to the terms and conditions of this Fairways Easement Agreement, including Grantee’s obligations set forth in **Section 5** below, Grantee and its Permittees shall have the right to enter upon the Easement Area and utilize the Easement for the following purposes (collectively, the “**Permitted Uses**”), subject to Grantor’s Reserved Uses and Grantee’s obligation to use best efforts to minimize interference with Grantor’s day-to-day use of Grantor’s Property:
 - a. **Use, Operating and Maintenance Activities.** In compliance with applicable City of Half Moon Bay Municipal Code requirements and all other applicable federal, state and local laws and regulations, to reconstruct, remove, repair, replace, relocate within the Easement Area, alter, modify, operate, maintain and use the underground sanitary sewer facilities, including up to two (2) operational sanitary sewer lines together with necessary above ground equipment, controls, valves,

pumps, air/vacuum valves, manholes, rodding inlets, appliances, fittings, devices and any other appurtenances reasonably necessary to Grantee's use and operation thereof, as Grantee may see fit, together with adequate protection for the same, for the purpose of transporting and conveying sewage through such sanitary sewer lines and appurtenant facilities located along, upon, across, under, in and within the Easement Area. This grant of Easement shall include the right to excavate as reasonably necessary to perform such inspection, repair, maintenance, replacement, relocation and reconstruction work. This grant of Easement also includes the right of Grantee to clear obstructions, trees, bushes and vegetation from the Easement Area as may be reasonably required for the proper use, operation and maintenance of the sanitary sewer facilities or appurtenances.

- b. Ingress and Egress. The right of ingress and egress in, to, over, through and across the surface of the Easement Area for purposes reasonably related to the full enjoyment of all Permitted Uses as provided for in this **Section 4**, including the use of heavy equipment to perform the Permitted Uses.
- c. Inspections. To perform such surveys, inspection of soils conditions and similar activities as may be necessary or desirable in connection with Grantee's activities pursuant to this **Section 4**.
- d. Performance of Obligations. To perform Grantee's Obligations (as defined in **Section 5** below) and any other obligations of Grantee under this Fairways Easement Agreement.

5. **Grantee's Obligations.**

- a. All non-emergency maintenance, repair, inspection or replacement work shall be coordinated with Grantor's Links Superintendent ("**Links Superintendent**") to minimize conflicts with Grantor's golf tournaments and special events. Except in the event of an emergency repair, Grantee shall cause its Permittees to coordinate with Grantor's Links Superintendent at least thirty (30) days in advance regarding the dates and times for movement of equipment and materials on and off the Easement Area.
- b. Grantee shall cause Permittees to coordinate with the Links Superintendent in order for the golf course irrigation system to be marked prior to any excavation.
- c. Grantee shall cause Permittees to minimize the duration of work across the golf course fairway and golf cart pathways to the maximum extent feasible. Golf cart access and use shall be maintained at all times except as approved by Grantor.
- d. Grantee shall cause Permittees to provide designated signage or personnel to provide information and direction to golfers so that they may safely navigate construction zone areas within the Easement Area as necessary.

- e. Grantee shall cause Permittees to schedule construction in late fall or winter if feasible and shall in good faith endeavor to schedule construction across golf course fairways when the turf is being aerated, which typically occurs around the first week of November.
 - f. Grantee shall ensure that Permittees' methods of protecting Links' turf are discussed and mutually agreed upon prior to commencement of any excavation activities.
 - g. In the event any inspections, construction activities, entry onto the Easement Area or other exercise by Grantee or its Permittees of the Permitted Uses disturbs the surface of the Easement Area, Grantee, promptly following conclusion of such activities, shall restore or cause the restoration of the surface of the ground and any turf grass, landscaping or hardscaping thereon as nearly as reasonably possible to the grade and physical condition it was in immediately prior to Grantee's activities, except as necessarily modified to accommodate the Permitted Uses. Without limitation of the foregoing, Grantee, at its sole cost and expense, will promptly replace or cause to be replaced removed topsoil and re-sod, reseed and/or re-vegetate any removed plantings, patch or repair any removed pavement or hardscaping, and remove any excess earth resulting from Grantee's or its Permittees' activities.
 - h. City shall cause Permittees to remove sections of existing pipelines that are being abandoned or disused as part of the Project or fill such abandoned pipelines with cement slurry or sand and restore the surface. City, in its sole discretion, may determine whether to remove or fill the various sections of such abandoned or disused pipelines.
6. **Assumption of Risk, Waiver, Release; Indemnification.** Grantee irrevocably assumes all risks and waives and releases any and all claims against Grantor resulting or arising directly or indirectly from Grantee's or its Permittees' access to the Easement Area or exercise of Grantee's Easement rights except to the extent such claims are caused by the active negligence of Grantor or Grantor's breach of its obligations under this Fairways Easement Agreement. Grantee shall indemnify, defend (with counsel reasonably acceptable to Grantor) and hold harmless Grantor and Grantor's members, and its and their members, shareholders, partners, officers, directors, employees, representatives, agents, tenants, successors and assigns (collectively, "**Grantor Parties**") from and against any claims, damages, liens, (including, without limitation, mechanic's and materialmen's liens), losses, suits, actions, judgments, liabilities, including reasonable attorneys' fees and other costs and expenses reasonably incurred by Grantor (collectively, "**Claims**"), including Claims for death or injury to any person or damage to any property, to the extent such Claims are caused by or arise from, directly or indirectly, Grantee's or its Permittees' entry upon Grantor's Property or the exercise or performance of or failure to perform its or their rights or obligations herein; provided, however, Grantee's obligation to indemnify Grantor and Grantor Parties shall not apply to the extent any such Claims are the result of Grantor's or Grantor Parties' active negligence or willful

misconduct. Grantee's obligations under this Section 6 will survive any termination or expiration of this Fairways Easement Agreement.

7. **Grantor's Reserved Uses.** Fee ownership of Grantor's Property remains vested in Grantor, subject to Grantee's rights pursuant to this Fairways Easement Agreement to access the Easement Area, and undertake Permitted Uses within the Easement Area, in accordance with and subject to the terms, conditions and limitations set forth in this Fairways Easement Agreement. To the extent not unreasonably impairing or interfering with Grantee's exercise of the Permitted Uses and subject to the rights granted herein, Grantor and Grantor Parties will have and retain the right to occupy and use the surface and subsurface of the Easement Area for any and all purposes not inconsistent with the rights granted to Grantee herein (collectively, "**Grantor's Reserved Uses**"); provided, however, that such Grantor's Reserved Uses will be designed, constructed and used in a manner that is consistent with industry standards, in compliance with applicable City of Half Moon Bay Municipal Code requirements and the requirements of other governmental entities with respect to crossing and vertical and horizontal spacing of similar improvements, and which does not unreasonably impair or interfere with the rights granted to Grantee herein.

Within the Easement Area Grantor shall not cause any building foundation, building or structures to be erected above or below the present ground level; raise or lower the ground level; plant any hedge or tree unless approved by Grantee with such approval not to be unreasonably withheld, conditioned or delayed; drill or perform underground activity without prior notice to Grantee so that Grantee can mark the location of Grantee's sanitary sewer pipelines and facilities; or engage in any activity that will damage or materially interfere with Grantee's rights granted herein or Grantee's sewer facilities or appurtenances; provided, however, that this requirement shall not prevent Grantor from passing over and along and making use of the Easement Area for ordinary and usual purposes not specifically excluded herein, including as a golf course fairway.

8. **Lateral & Subjacent Support.** Grantee and Grantor will each have the right of lateral and subjacent support to whatever extent is reasonably necessary or desirable for the full and complete enjoyment of its respective rights pursuant to this Fairways Easement Agreement. Neither Grantor nor Grantee will take or permit any action that would impair such lateral or subjacent support, and will not materially modify the earth cover over any part of the Easement Area without the other Party's prior written authorization which will not be unreasonably withheld, conditioned or delayed.

9. **Abandonment; Termination.**

(a) If Grantee expressly and in writing abandons or releases any rights granted pursuant to this Fairways Easement Agreement, the Parties will execute, acknowledge and cause to be recorded an amendment to or termination of this Fairways Easement Agreement evidencing such abandonment and/or release.

(b) As provided in subsection 4.(e) of the TCE, if Grantee's Ocean Colony Pump Station and Force Main Project is not complete as of the Expiration Date (as defined in the TCE), Grantee, within thirty (30) days' following Grantor's written request therefor, shall execute, acknowledge and deliver to Grantor, for recordation in the Official Records, a quitclaim/termination of easement deed in form reasonably acceptable to Grantor sufficient to fully terminate this Fairway Easement Agreement and thereafter Grantee shall have no further rights under this Fairway Easement Agreement.

10. Representations and Warranties.

(a) Of Grantor. Grantor warrants that it has full right and lawful authority to enter into this Fairways Easement Agreement, to grant the Easement, and to undertake and perform its obligations under this Fairways Easement Agreement.

(b) Of Grantee. Grantee warrants that it has full right and lawful authority to enter into this Fairways Easement Agreement and to undertake and perform its obligations under this Fairways Easement Agreement.

11. General Provisions.

(a) Headings. The section headings and titles in this Fairways Easement Agreement are for convenience of reference only. Such headings and titles will not be construed as modifying, limiting or expanding in any manner the terms and provisions of this Fairways Easement Agreement.

(b) Runs with Title. From and after recording, this Fairways Easement Agreement and the Easement will run with the land, and the benefits and burdens of this Fairways Easement Agreement and the Easement will inure to and be binding upon the Parties and their respective successors and assigns.

(c) Severability. Should any one or more provisions of this Fairways Easement Agreement be judicially determined invalid or unenforceable, such judgment will not affect, impair or invalidate the remaining provisions of this Fairways Easement Agreement, the intent being that the various sections and provisions hereof are severable.

(d) Entire Agreement; Amendments. This Fairways Easement Agreement, together with the TCE, constitutes the entire agreement between the Parties and no additional or different oral representation, promise or agreement will be binding on the Parties with respect to the subject matter of this Fairways Easement Agreement. No modification or amendment of this Fairways Easement Agreement will be effective unless made by a recorded written instrument executed by each of the Parties or their respective successors in interest.

(e) No Waiver. In no event will any failure by either Party to enforce any right, covenant or restriction contained in this Fairways Easement Agreement be deemed a

waiver of the right to enforce such a right, covenant or restriction or any other right, covenant or restriction thereafter.

(f) Governing Law; Venue. This Fairways Easement Agreement will be governed by and construed in accordance with the laws of the State of California. The exclusive venue for the filing of any legal action to enforce, interpret or otherwise pertaining to a dispute relating to this Fairways Easement Agreement or the Parties' rights and obligations hereunder will be in the Superior Court of San Mateo County, California, or the Federal Court for the Northern District of California.

(g) Remedies; Attorneys' Fees. In the event of any controversy, claim or dispute between Grantor and Grantee arising out of or relating to this Fairways Easement Agreement or the breach or threatened or claimed breach hereof, or the interpretation hereof, the prevailing Party will be entitled to seek and be awarded from the non-prevailing Party such damages and other remedies as are available at law or in equity (including but not limited to an order requiring specific performance) for a breach or default of such non-prevailing Party, together with such prevailing Party's reasonable expenses, attorneys' fees and other costs incurred in connection therewith.

(h) Notices. Notices or other written communications required to be delivered to a Party will be given or delivered by certified mail, return receipt requested, to Grantee at the address set forth in the introductory paragraph of this Fairways Easement Agreement and to Grantor at the address shown on the County Assessor's records for mailing of property tax bills, and will be deemed delivered as of the Party's receipt as set forth on the return receipt.

(i) Counterpart Originals. The Parties may execute this Fairways Easement Agreement in multiple counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement.

(j) Grantor's Release of Claims. Grantor acknowledges and agrees that its grant of Easement to Grantee is in consideration of Grantee's obligations under the TCE and this Fairways Easement Agreement, including Grantee's agreement to pay Grantor's attorneys' fees incurred in connection with the negotiation and drafting of said agreements. Accordingly, Grantor hereby waives and releases all rights to claim just compensation for the Easement granted hereunder, including claims for severance damages, loss of business goodwill or other losses or damages recognized under law which Grantor could assert or allege against Grantee as a result of Grantee's acquisition of the Easement. The foregoing shall not operate as a waiver or release of any other rights or remedies that Grantor may have related to or arising out of this Fairways Easement Agreement or the subject matter thereof, or by reason of Grantee's default or breach of its obligations under or in connection with said agreement.

(k) Grantee Approvals. In any case where approval by Grantee is contemplated under this Fairways Easement Agreement such approval may be given by Grantee's City Manager or his or her designee.

IN WITNESS WHEREOF, the Parties have executed this Fairways Easement Agreement, to be effective and binding as of the Execution Date.

GRANTOR:

Ocean Colony Partners, LLC,
a California limited liability company

By: WhiteStar Advisors, LLC,
a Florida limited liability company, its Non-
Member Manager

By: _____

Name: James E. Bishop

Title: Member

GRANTEE:

City of Half Moon Bay, a California municipal
corporation

By: _____

Bob Nisbet, City Manager

Approved as to form:

By: _____
Catherine Engberg, City Attorney

Attest:

By: _____
_____, City Clerk

CERTIFICATE OF ACCEPTANCE	
<p>This is to certify that the interest in real property conveyed herein is hereby accepted by order of the Council of the City of Half Moon Bay pursuant to Council Resolution No. _____ dated March 17, 2020, and grantee consents to recordation thereof by its duly authorized officer.</p>	<p>CITY OF HALF MOON BAY A Municipal Corporation</p> <p>By: _____ Jessica Blair, City Clerk</p> <p>Dated: March 17, 2020</p>

EXHIBIT "A"
LEGAL DESCRIPTION
SANITARY SEWER EASEMENT

All that certain real property situate in the City of Half Moon Bay, County of San Mateo, State of California, being a portion of Lot 27 as shown on that certain Parcel Map recorded on July 18, 1972 in Book 76 of maps at pages 9-16, San Mateo County Records, more particularly described as follows:

SANITARY SEWER EASEMENT:

Commencing at a southerly corner between Lots 27 & 28 as shown on said Parcel Map also being a point on the northerly right-of-way line of Fairway Drive;

Thence northerly along the westerly property line of said Lot 28 North 7°40'47" East, 8.00 feet to a point on the northerly line of an 8.00 Public Utility Easement & Pathway Easement as shown on said Parcel Map;

Thence leaving said westerly property line westerly along said northerly line North 82°19'13" West, 0.80 feet to a point on the easterly line of a 15.00 foot Sanitary Sewer Easement as shown on said Parcel Map, also being the Point of Beginning;

Thence continuing westerly along said northerly line North 82°19'13" West, 43.54 feet to a point on the westerly line of a 20.00 Sanitary Sewer Easement & Water Line Easement as shown on said Parcel Map;

Thence northerly along said westerly line North 4°51'16" West, 451.07 feet to a point on the northerly line of said Lot 27;

Thence easterly along said northerly line North 81°56'55" East, 35.05 feet;

Thence North 4°51'16" West, 295.49 feet to a northwesterly corner of said Lot 27;

Thence easterly along the northerly property line of said Lot 27 on a non-tangent curve to the right to which a radial line bears North 40°06'14" West, having a radius of 300.00 feet, through a central angle of 4°33'15" for an arc distance of 23.85 feet;

Thence leaving said northerly line the following four (4) courses and Distances:

1. South 4°51'16" East, 239.30 feet;
2. South 31°01'47" East, 35.58 feet;
3. South 6°39'41" East, 65.29 feet;
4. South 23°49'26" West, 63.04 feet to a point on the easterly line of a 15.00 foot Sanitary Sewer Easement as shown on said Parcel Map;

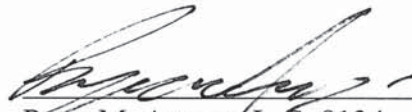
Thence along said easterly line South 4°51'16" East, 379.16 feet to the Point of Beginning.

Containing 27,990 ± Square feet.

As shown on Exhibit "B" attached hereto and by this reference made a part hereof.

Legal Description prepared by Kier & Wright Civil Engineers and Surveyors, Inc.

1-30-19
Date


Ryan M. Amaya, L. S. 8134



REDONDO BEACH ROAD

OLE VISTA TRACT
(6 M 68)

LOT 31
(137 RSM 1-7)

PARCEL E
(137 RSM 1-7)

LOT 27
(76 M 9-16)

LOT 26
(76 M 9-16)

LOT 27
(76 M 9-16)

PROPOSED S.S.E.

LOT 28
(76 M 9-16)

LOT 27
(76 M 9-16)

LOT 27
(76 M 9-16)

FAIRWAY DRIVE
(FORMERLY COUNTRY CLUB ROAD)

GREENBRIER ROAD



LEGEND

PROPOSED EASEMENT AREA
PROPERTY LINE
ADJACENT PROPERTY LINE
S.S.E.

SANITARY SEWER EASEMENT

0 125' 250' 500'
Scale 1" = 250'



KIER & WRIGHT

CIVIL ENGINEERS & SURVEYORS, INC.

3350 Scott Boulevard, Building 22
Santa Clara, California 95054
www.kierwright.com

Phone (408) 727-6665
Fax (408) 727-5641

EXHIBIT "B" PLAT

SANITARY SEWER EASEMENT

HALF MOON BAY

CALIFORNIA

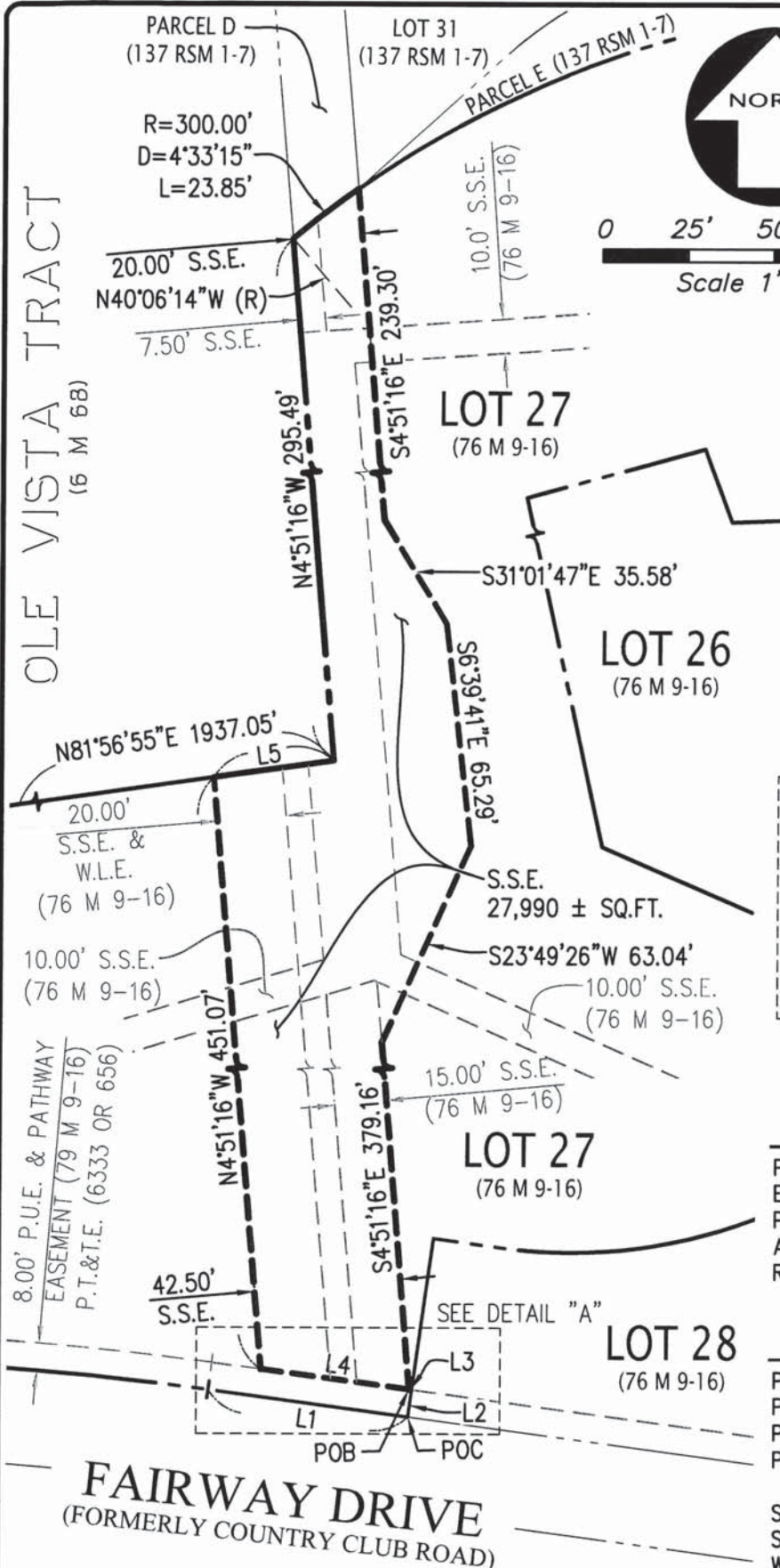
DATE APRIL, 2018

SCALE 1" = 250'

BY NSA

JOB NO. A17071-1

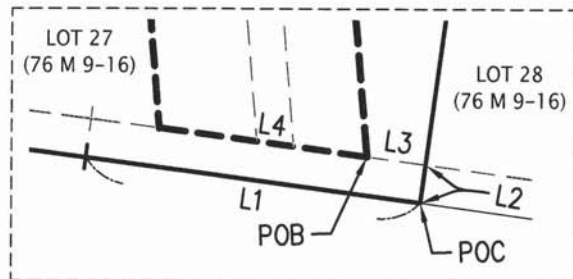
SHEET 1 OF 2



0 25' 50' 100'
Scale 1" = 50'



LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S82°19'13"E	58.63'
L2	N7°40'47"E	8.00'
L3	N82°19'13"W	0.80'
L4	N82°19'13"W	43.54'
L5	N81°56'55"E	35.05'



DETAIL "A"
NOT TO SCALE

LEGEND

PROPOSED EASEMENT LINE	---
EXISTING EASEMENT LINE	---
PROPERTY LINE	---
ADJACENT PROPERTY LINE	---
RADIAL LINE (R)	---

ABBREVIATIONS

POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
P.U.E.	PUBLIC UTILITY EASEMENT
P.T.&T.E.	PACIFIC TELEPHONE & TELEGRAPH EASEMENT
SQ.FT.	SQUARE FEET
S.S.E.	SANITARY SEWER EASEMENT
W.L.E.	WATER LINE EASEMENT

FAIRWAY DRIVE
(FORMERLY COUNTRY CLUB ROAD)



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EXHIBIT "B" PLAT

SANITARY SEWER EASEMENT

HALF MOON BAY

CALIFORNIA

DATE APRIL, 2018

SCALE 1" = 50'

BY NSA

JOB NO. A17071-1

SHEET 2 OF 2

**RECORDED WITHOUT FEE
UNDER SECTION 6103
GOVERNMENT CODE OF THE
STATE OF CALIFORNIA**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:**

City of Half Moon Bay
City Clerk
501 Main Street
Half Moon Bay, CA 94019

Space above this line for Recorder's use

**AGREEMENT FOR RELOCATABLE SEWER FACILITIES
EASEMENT BETWEEN CITY OF HALF MOON BAY
AND OCEAN COLONY PARTNERS, L.P.**

This AGREEMENT FOR RELOCATABLE SEWER FACILITIES EASEMENT (“**Relocatable Easement Agreement**”) is made as of March 17, 2020 (“**Execution Date**”), by and between Ocean Colony Partners, L.P., a California Limited Partnership (together with its successors and assigns, “**Grantor**”) whose legal address is 2450 Cabrillo Highway, #200, Half Moon Bay, CA, 94019, and the City of Half Moon Bay, a municipal corporation (together with its successors and assigns, “**Grantee**”) whose address is 501 Main Street, Half Moon Bay, CA, 94019.

RECITALS

Grantor and Grantee (individually, a “**Party**” and, collectively, the “**Parties**”) have entered into this Relocatable Easement Agreement with reference to the following facts:

- A. Grantor owns certain real property, known as APN No. 066-092-260 and described as Lot 13 as shown on Parcel Map recorded on July 18, 1972 in Book 76 at Pages 9-16, San Mateo County Recorder, located within the City of Half Moon Bay, County of San Mateo, State of California (“**Grantor’s Property**”).
- B. Grantee owns an existing subsurface sewer force main and related subsurface facilities (“**Pelican Point Force Main**”) which traverse through Grantor’s Property and adjacent property owned by Grantor and for which there is no existing recorded easement.
- C. Pursuant to an unrecorded Temporary Construction Easement Agreement (“**TCE Agreement**”) among Grantor, Grantee and Ocean Colony Partners, LLC, a California limited liability company (“**OC LLC**”) entered into concurrently herewith, Grantee intends to complete construction and installation of a second sewer force main and

related subsurface facilities (collectively, the “**Ocean Colony Force Main**”) adjacent to the existing Pelican Point Force Main through Grantor’s Property and adjacent property owned by Grantor.

- D. In anticipation of Grantee completing the Ocean Colony Force Main work, Grantee wishes to acquire a permanent sanitary sewer pipeline easement (“**Easement**”) across and under a portion of the Grantor’s Property for both the existing Pelican Point Force Main and a portion of the new Ocean Colony Force Main (collectively, the “**Pipeline Improvements**”).
- E. As of the Execution Date, Grantor’s Property is zoned Planned Unit Development and is subject to use as a Golf Course Maintenance Yard serving Grantor’s adjacent golf course.
- F. Grantor anticipates that Grantor’s Property could, at some time in the future, be developed for use(s) other than its current use and, in connection with such development, Grantor may desire to construct certain improvements such as buildings, access drives, utilities and other appurtenances at currently unknown locations (“**Grantor Improvements**”) which may interfere with Grantee’s Pipeline Improvements.
- G. Grantee recognizes the Pipeline Improvements may impact future construction of Grantor Improvements and, in consideration of acquiring a permanent sewer utility easement across Grantor’s Property, Grantee is willing, on a one-time basis, to relocate the Pipeline Improvements and Easement, at Grantee’s sole expense, under the terms and conditions of this Relocatable Easement Agreement.
- H. Accordingly, the Parties wish to enter into this Relocatable Easement Agreement to set forth the terms and conditions upon which Grantee will acquire the Easement (as defined in Section 3), operate and maintain the Pipeline Improvements, and address the matters generally described in Recitals F and G above, all as more particularly set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and commitments made herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The foregoing Recitals are incorporated into and made substantive provisions of this Relocatable Easement Agreement.
2. **Recording Conditions; Recording Fees.** Grantee shall cause this Relocatable Easement Agreement to be recorded in the Official Records of San Mateo County (the “**Recording**”) subject to Grantee having delivered to Grantor the Acquisition Payment as defined in **Section 6** below. Grantee shall pay all recording fees and costs and shall provide to Grantor a conformed copy of the recorded Relocatable Easement Agreement promptly following recordation thereof.
3. **Grant of Easement.** For and in consideration of the Acquisition Payment and Grantee’s covenants and agreements set forth herein, Grantor grants and conveys to Grantee a permanent, non-exclusive, relocatable Easement across the Easement Area (as defined in **Section 4**) for those Permitted Uses described in **Section 5** below, together with the right to enter by Grantee’s employees, consultants, contractors and other permittees reasonably

required and related to Grantee's use of the Easement ("Permittee(s)"), all subject to Grantor's Reserved Uses described in **Section 11** below, and all other terms and conditions of this Relocatable Easement Agreement.

4. **Initial Easement Area and Relocation.** As of the Execution Date, the area that is subject to and encumbered by the Easement is the eighteen foot (18') wide strip of land described in the legal description attached hereto as **Exhibit A** and depicted in **Exhibit B** (both as subject to modification as provided below) ("**Easement Area**"). The locations of the Pipeline Improvements and Easement Area, including legal description of the Easement Area, are subject to change, as follows:

(a) **One-time Only; No phasing.** Grantee's Relocation of the Pipeline Improvements and modification of the location and legal description of the Easement Area ("**Relocation**") shall be one-time only. There shall be no piecemeal phasing of the Relocation.

(b) **Limited Commitment to Defer Relocation for Five Years.** Except to the extent Grantor determines that a Relocation is reasonably necessary to facilitate Grantor's compliance with new regulatory requirements or other changes in law applicable to Grantor's ownership, use or operation of Grantor's Property or Grantor's adjacent golf links property, Grantor covenants and agrees that Grantor shall not request a Relocation of the Pipeline Improvements or Easement Area within the first 5 years following the Execution Date of this Relocatable Easement Agreement.

(c) **Notice of Required Relocation; Timing of Performance.** Grantor will notify Grantee in writing at least eighteen (18) months prior to the date by which Grantor requires Grantee to complete Relocation of the Pipeline Improvements and Easement Area. Grantor's written notification shall include specific detail of acceptable pipeline and easement relocation area subject to provisions of this Section. Grantee shall use best efforts to implement the Relocation as promptly as feasible once the details of the Relocation, including new location of the Pipeline Improvements and Easement Area, are determined, but in no case later than twenty four (24) months after the date of Grantor's notice.

(d) **Grantee's Evaluation of Initial Easement Location.** Grantee has undertaken a review of all matters Grantee determined pertinent to establishing the location, dimensions, alignment and other matters regarding the Easement and the Easement Area and the Pipeline Improvements, including but not limited to the potential that Relocation may be required in the future. Grantee acknowledges that Grantor has made no representations and provided no plans regarding the nature or location of potential future Grantor Improvements, and Grantee shall not claim any reliance on assumptions regarding Grantor Improvements when it designed or located the Pipeline Improvements or the Easement Area as it may affect future consideration of Relocation.

(e) **Grantee's Assumption of Risk.** As of the Execution Date, Grantee has established the Easement Area as described and depicted in **Exhibits A and B** based on Grantee's assessment of the matters generally described in **Subsections 4(a), (b) and (c)** above and the risk a Relocation may be required in the future. In determining the location, size, orientation and other matters relating to the Easement and the Easement Area, and in designing, constructing and operating the Pipeline Improvements to be located within the Easement Area, Grantee has not relied on, and

expressly releases Grantor from any liability whatsoever relating to: (i) potential designs, timing or locations of future Grantor Improvements; (ii) the potential Relocation of the Easement Area or the Pipeline Improvements; or (iii) any other information that might be pertinent to evaluating the suitability of the Easement Area as presently described or the risk of future potential Relocation. Grantee assumes all risk of any and all costs and expenses that relate to or result in any manner from any Relocation that may be required by Grantor. Any such Relocation required by Grantor, will be at Grantee's sole cost and expense, and Grantor will have no liability for any costs or expenses pertaining to such Relocation.

(f) Relocation Conditions. Any underground sewer facilities abandoned as a result of such Relocation shall be left in place and filled with cement slurry or sand unless removal is necessary to accommodate Grantor Improvements. The post-Relocation position of the realigned Pipeline Improvements shall not materially or unreasonably interfere with Grantee's Permitted Uses (defined below), and any Relocation shall ensure that the Easement Area remains:

i. in a location that enables reasonable alignment with and connection to the 37 foot-wide Public Utility and Emergency Vehicle Access Easement and the existing Pelican Point Force Main entering Grantor's Property from the south at Parcel D 137 RSM 1-7 (Carnoustie), and on the north to Redondo Beach Road right-of-way;

ii. a minimum of eighteen feet (18') in width;

iii. in conformance with specifications set forth in a future engineering analysis, conducted by Grantee, to ensure the realignment of the Easement Area will not materially impact the functions of the Ocean Colony Force Main and related sewer pump station; and

iv. in a location mutually agreed upon by Grantor and Grantee; provided, the final location shall not materially interfere with Grantor's desired development plans or intended use of Grantor's Property.

5. Permitted Uses. From and after the date on which Grantee completes the Ocean Colony Force Main work as provided in the TCE Agreement, Grantee and its Permittees shall have the right to enter upon and utilize the Easement Area for the following purposes in connection with the Pipeline Improvements (collectively, the "**Permitted Uses**"), subject to Grantor's Reserved Uses, Grantor's rights to require Relocation, and Grantee's obligation to use best efforts to minimize interference with Grantor's day-to-day use of Grantor's Property:

(a) Construction and Operating Activities. In compliance with applicable City of Half Moon Bay Municipal Code requirements and all other applicable federal, state and local laws and regulations, to construct, lay, install, inspect, monitor, maintain, repair, renew, substitute, change the size of, replace, remove, operate and use the Pipeline Improvements, which Pipeline Improvements may consist of up to two operational underground sewer force main pipelines and such underground and surface appurtenances thereto, including but not limited to air release valves and vents, meters, gauges and control instrumentation, as are customary and reasonably necessary for

operation of underground force main pipelines, of such size and capacity as reasonably necessary or required by Grantee in connection with the use and operation of such Pipeline Improvements.

(b) Inspections. To perform such surveys, inspection of soils conditions and similar activities as may be necessary or desirable in connection with Grantee's activities pursuant to this **Section 5**.

(c) Performance of Obligations. To perform Grantee's Obligations (as defined in **Section 9** below) and any other obligations of Grantee under this Relocatable Easement Agreement.

(d) Ingress and Egress. The right of ingress and egress in, to, over, through and across the surface of the Easement Area for purposes reasonably related to the full enjoyment of all Permitted Uses as provided for in this **Section 5**, including the use of heavy equipment to perform the above tasks; provided, Grantee shall coordinate such access and activity with Grantor so as to minimize interference with the use of Grantor's Property by Grantor and its tenants, employees, invitees and contractors.

6. **Acquisition Payment.** Upon execution of this Relocatable Easement Agreement, Grantee shall remit to Grantor the sum of ten dollars (\$10.00) (the "**Acquisition Payment**"). No other payment to Grantor shall be required in consideration for the grant of Easement herein.

7. **Construction, Ownership and Maintenance of the Pipeline Improvements; Compliance with Laws.** Grantee, at Grantee's sole cost and expense, will be solely responsible to design, construct, own, repair, replace and maintain the Pipeline Improvements in accordance with applicable laws and the terms and conditions of this Relocatable Easement Agreement. Grantee shall ensure that all components of the Pipeline Improvements (including but not limited to horizontal alignment, vertical alignment, and the locations within the Easement Area of the various subsurface and surface components of the Pipeline Improvements) are designed, constructed, repaired, replaced, maintained, operated and, if applicable, relocated and reconstructed, in full compliance with all applicable federal, state and local technical and legal requirements in effect and applicable as of the time of such design, construction, repair, replacement, maintenance, operation, relocation or reconstruction.

8. **Intentionally Omitted.**

9. **Grantee's Obligations.** In addition to its other obligations under this Relocatable Easement Agreement, Grantee, at its expense, will undertake and perform the following (collectively, "**Grantee's Obligations**"):

(a) Relocation. Grantee will be solely responsible for performing a Relocation, if required by Grantor, and for payment of all hard and soft costs and expenses of performing a Relocation.

(b) Repair and Restoration of Grantor's Property and Improvements. In the event any inspections, construction activities, entry onto the Easement Area or other exercise by Grantee or its Permittees of the Permitted Uses disturbs the surface of the Easement Area, Grantee, promptly following conclusion of such activities, shall restore or cause the restoration of the surface of the ground and any landscaping or hardscaping thereon as nearly as reasonably possible to the grade and physical condition it was in immediately prior to Grantee's activities, except as necessarily modified to accommodate the Pipeline Improvements and the Permitted Uses. Without limitation of the foregoing, Grantee, at its sole cost and expense, will promptly replace or cause to be replaced removed topsoil and re-sod, reseed and/or re-vegetate any removed plantings, patch or repair any removed pavement or hardscaping, and remove any excess earth resulting from Grantee's or its Permittees' activities.

10. **Indemnification.** Grantee shall indemnify, defend (with counsel reasonably acceptable to Grantor) and hold harmless Grantor and Grantor's shareholders, members, officers, employees, representatives, agents, tenants, successors and assigns (collectively, "**Grantor Parties**") from and against any claims, damages, liens, (including, without limitation, mechanic's and materialmen's liens), losses, suits, actions, judgments, liabilities, including reasonable attorneys' fees and other costs and expenses reasonably incurred by Grantor (collectively "**Claims**"), including Claims for death or injury to any person or damage to any property, to the extent such Claims are caused by, arise from, or are in any way connected with Grantee's or its Permittees' entry upon Grantor's Property or the exercise or performance of or failure to perform its or their rights or obligations herein; provided, however, Grantee's obligation to indemnify Grantor and Grantor Parties shall not apply to the extent any such Claims are the result of Grantor's or Grantor Parties' active negligence or willful misconduct. Grantee's obligations under this **Section 10** will survive any termination or expiration of this Relocatable Easement Agreement.
11. **Grantor's Reserved Uses.** Fee ownership of Grantor's Property remains vested in Grantor, subject to Grantee's rights pursuant to this Relocatable Easement Agreement to access Grantor's Property, and undertake Permitted Uses within the Easement Area, in accordance with and subject to the terms, conditions and limitations set forth in this Relocatable Easement Agreement. To the extent not unreasonably impairing or interfering with Grantee's exercise of the Permitted Uses and subject to the rights granted herein, Grantor and Grantor Parties will have and retain the right to occupy and use the surface and subsurface of the Easement Area for any and all purposes consistent with the rights granted to Grantee herein (collectively, "**Grantor's Reserved Uses**"), including but not limited to (i) constructing future Grantor Improvements; (ii) maintaining existing and constructing new fencing and gating to control access to Grantor's Property, landscaping and hardscaping improvements, non-woody vegetation, signage, and similar non-habitable improvements; (iii) staging of construction materials; construction staging and mobilization activities; (iv) granting to third parties non-exclusive licenses and/or leasehold rights over and across the Easement Area; and (v) granting to third parties additional non-exclusive easements within the Easement Area location and, pursuant to such easements, the right to construct, own, operate and maintain therein public and private improvements and utilities such as water lines and facilities, sanitary sewer lines and facilities, storm sewer facilities, natural gas lines and facilities, electric lines and

facilities, telephone lines and facilities, oil and gas pipelines and related facilities, and similar improvements (collectively, “**Reserved Use Improvements**”); provided, however, that such Grantor’s Reserved Uses and Reserved Use Improvements will be designed, constructed and used in a manner that is consistent with industry standards, in compliance with applicable City of Half Moon Bay Municipal Code requirements and the requirements of other governmental entities with respect to crossing and vertical and horizontal spacing of similar improvements, and which does not unreasonably impair or interfere with the rights granted to Grantee herein; and further provided that any Reserved Use Improvements (other than Grantor Improvements) installed on or after the Execution Date of this Relocatable Easement Agreement shall be removed, modified, or relocated at Grantor’s sole expense, as necessary for purposes of any Relocation.

Except as provided herein with respect to Grantor Improvements, Grantor shall not erect nor construct any building foundation, building or structures above or below the present ground level, raise or lower the ground level, or plant any hedge or tree within the Easement Area, unless Grantor receives prior written approval from Grantee; provided, however, that this requirement shall not prevent Grantor from laying, constructing, operating, maintaining, repairing or removing its own utilities, water pipelines, conduits or drains below the surface of the Easement Area if such utilities, water pipelines, conduits or drains do not interfere with the exercise by Grantee of the rights herein granted, and provided that any such utilities, water pipelines, conduits or drains laid or constructed on or after the Execution Date of this Relocatable Easement Agreement shall be removed, modified, or relocated at Grantor’s sole expense, as necessary for purposes of any Relocation(s).

12. **Lateral & Subjacent Support.** Grantee, with respect to the Pipeline Improvements, and Grantor with respect to the Grantor Improvements, any improvements existing as of the Execution Date, and any Reserved Use Improvements, will each have the right of lateral and subjacent support to whatever extent is reasonably necessary or desirable for the full and complete enjoyment of its respective rights pursuant to this Relocatable Easement Agreement. Neither Grantor nor Grantee will take or permit any action that would impair the lateral or subjacent support for any of the Pipeline Improvements, the Grantor Improvements, improvements existing as of the Execution Date or other Reserved Use Improvements within or in the vicinity of the Easement Area, and will not materially modify the earth cover over any part of the Pipeline Improvements, existing improvements or Reserved Use Improvements without the other Party's prior written authorization which will not be unreasonably withheld, conditioned or delayed.
13. **Abandonment; Termination.** If Grantee expressly and in writing abandons or releases any rights granted pursuant to this Relocatable Easement Agreement, the Parties will execute, acknowledge and cause to be recorded an amendment to this Relocatable Easement Agreement evidencing such abandonment and/or release and, if applicable, the new Easement Area location, configuration and legal description following any Relocation.

14. Representations and Warranties.

(a) Of Grantor. Grantor warrants that it has full right and lawful authority to enter into this Relocatable Easement Agreement, to grant the Easement, and to undertake and perform its obligations under this Relocatable Easement Agreement.

(b) Of Grantee. Grantee warrants that it has full right and lawful authority to enter into this Relocatable Easement Agreement and to undertake and perform its obligations under this Relocatable Easement Agreement.

15. General Provisions.

(a) Headings. The section headings and titles in this Relocatable Easement Agreement are for convenience of reference only. Such headings and titles will not be construed as modifying, limiting or expanding in any manner the terms and provisions of this Relocatable Easement Agreement.

(b) Runs with Title. From and after recording, this Relocatable Easement Agreement and the Easement will run with the land, and the benefits and burdens of this Relocatable Easement Agreement and the Easement will inure to and be binding upon the Parties and their respective successors and assigns.

(c) Severability. Should any one or more provisions of this Relocatable Easement Agreement be judicially determined invalid or unenforceable, such judgment will not affect, impair or invalidate the remaining provisions of this Relocatable Easement Agreement, the intent being that the various sections and provisions hereof are severable.

(d) Entire Agreement; Amendments. This Relocatable Easement Agreement constitutes the entire agreement between the Parties and no additional or different oral representation, promise or agreement will be binding on the Parties with respect to the subject matter of this Relocatable Easement Agreement. No modification or amendment of this Relocatable Easement Agreement will be effective unless made by a recorded written instrument executed by each of the Parties or their respective successors in interest.

(e) No Waiver. In no event will any failure by either Party to enforce any right, covenant or restriction contained in this Relocatable Easement Agreement be deemed a waiver of the right to enforce such a right, covenant or restriction or any other right, covenant or restriction thereafter.

(f) Governing Law; Venue. This Relocatable Easement Agreement will be governed by and construed in accordance with the laws of the State of California. The exclusive venue for the filing of any legal action to enforce, interpret or otherwise pertaining to a dispute relating to this Relocatable Easement Agreement or the Parties' rights and obligations hereunder will be in the Superior Court of San Mateo County, California, or the Federal Court for the Northern District of California.

(g) Remedies; Attorneys' Fees. In the event of any controversy, claim or dispute between Grantor and Grantee arising out of or relating to this Relocatable Easement Agreement or the breach or threatened or claimed breach hereof, or the interpretation hereof, the prevailing Party will be entitled to seek and be awarded from

the non-prevailing Party such damages and other remedies as are available at law or in equity (including but not limited to an order requiring specific performance) for a breach or default of such non-prevailing Party, together with such prevailing Party's reasonable expenses, attorneys' fees and other costs incurred in connection therewith.

(h) Notices. Notices or other written communications required to be delivered to a Party will be given or delivered by certified mail, return receipt requested, to Grantee at the address set forth in the introductory paragraph of this Relocatable Easement Agreement and to Grantor at the address shown on the County Assessor's records for mailing of property tax bills, and will be deemed delivered as of the Parties' receipt as set forth on the return receipt.

(i) Counterpart Originals. The Parties may execute this Relocatable Easement Agreement in multiple counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement.

(j) Grantor's Release of Claims. Grantor acknowledges and agrees that its grant of relocatable Easement to Grantee is in consideration of Grantee's obligations under the TCE Agreement, including Grantee's agreement to pay Grantor's attorneys' fees incurred in connection with the negotiation and drafting of said agreement. Accordingly, Grantor hereby waives and releases all rights to claim just compensation for the relocatable Easement granted hereunder, including claims for severance damages, loss of business goodwill or other losses or damages recognized under law which Grantor could assert or allege against Grantee as a result of Grantee's acquisition of the Easement. The foregoing shall not operate as a waiver or release of any other rights or remedies that Grantor may have related to or arising out of this Relocatable Easement Agreement or the TCE Agreement or the subject matter thereof, or by reason of Grantee's default or breach of its obligations under or in connection with said agreements.

[signatures follow this page]

IN WITNESS WHEREOF, the Parties have executed this Relocatable Easement Agreement, to be effective and binding as of the Execution Date.

GRANTOR:

Ocean Colony Partners, L.P.,
a California limited partnership

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

GRANTEE:

City of Half Moon Bay, a California municipal
corporation

By: _____

Bob Nisbet, City Manager

Approved as to form:

By: _____

Catherine Engberg, City Attorney

Attest:

By: _____

_____, City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed herein is hereby accepted by order of the Council of the City of Half Moon Bay pursuant to Council Resolution No. _____ dated March 17, 2020, and grantee consents to recordation thereof by its duly authorized officer.

CITY OF HALF MOON BAY
A Municipal Corporation

By: _____
Jessica Blair, City Clerk

Dated: March 17, 2020

EXHIBIT "A"
LEGAL DESCRIPTION
SANITARY SEWER EASEMENTS

An eighteen (18') foot wide strip of land situate in the City of Half Moon Bay, County of San Mateo, State of California, being a portion of Lot 13 as shown on that certain Parcel Map recorded on July 18, 1972 in Book 76 pages 9 - 16, San Mateo County Records, more particularly described as follows:

SANITARY SEWER EASEMENT:

Commencing at the northwest corner of said Lot 13, also being a point on the southerly right-of-way line of Redondo Beach Road. Thence easterly along said southerly right-of-way line North 82°11'45" East, 67.73 feet to the Point of Beginning;

Thence continuing along said southerly right-of-way line North 82°11'45" East, 18.00 feet;

Thence southerly leaving said line southerly right-of-way line the following four (4) courses and distances:

1. South 7°48'15" East, 8.42 feet;
2. South 4°11'29" West, 185.63 feet;
3. South 40°08'28" West, 39.75 feet;
4. South 4°51'16" East, 1.40 feet to a point on the southerly property line of said Lot 13;

Thence westerly along said southerly line South 85°08'44" West, 18.00 feet;

Thence northerly leaving said southerly line the following four (4) courses and distances:

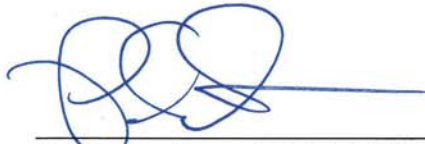
1. North 4°51'16" West, 8.86 feet;
2. North 40°08'28" East, 41.37 feet;
3. North 4°11'29" East, 177.90 feet;
4. North 7°48'15" West, 6.53 feet to the Point of Beginning.

Containing 4,228 ± Square Feet.

As shown on Exhibit "B" attached hereto and by this reference made a part hereof.

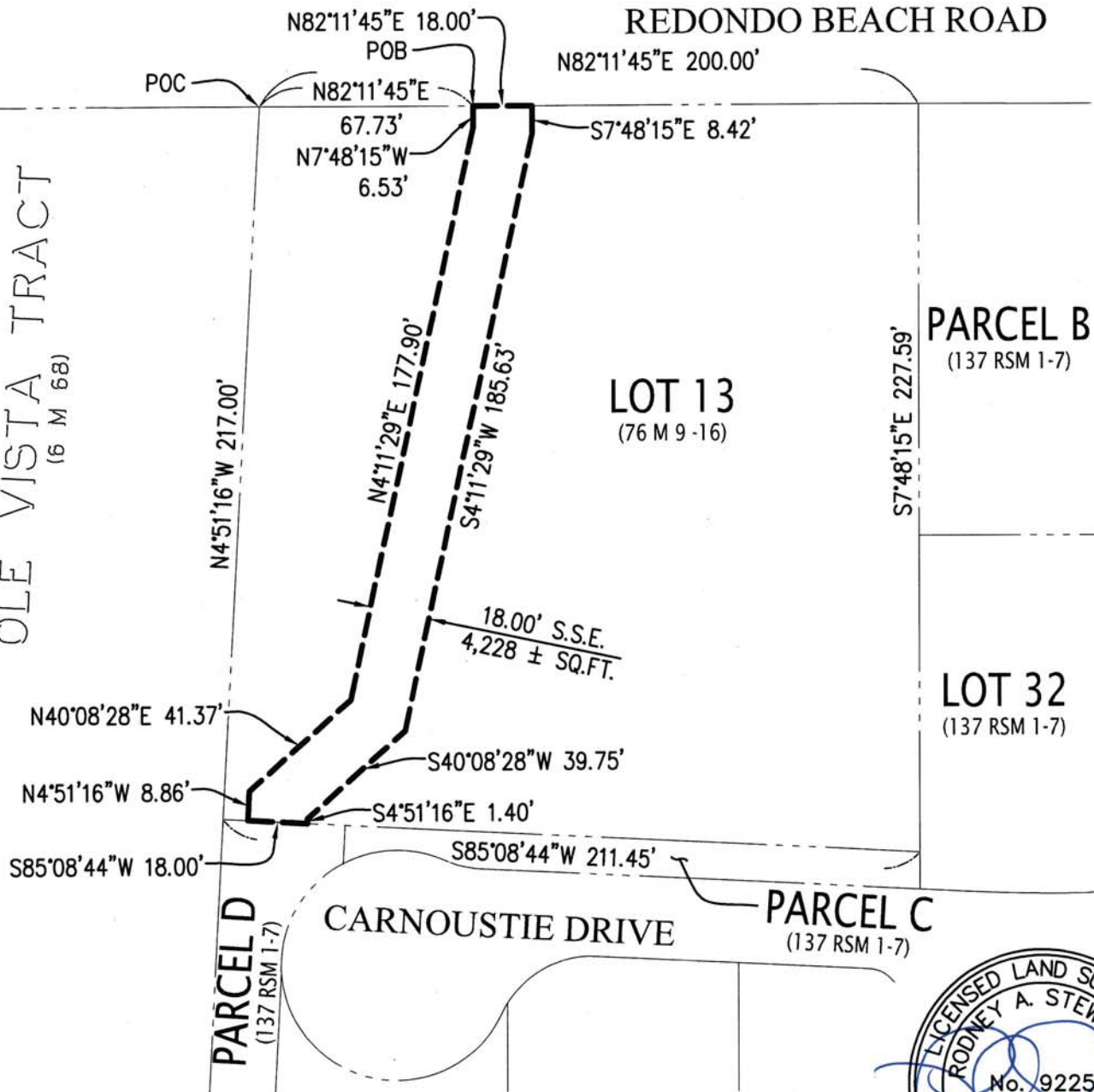
Legal Description prepared by Kier & Wright Civil Engineers and Surveyors, Inc.

8/15/19
Date


Rodney A. Stewart II, L. S. 9225



OLE VISTA TRACT
(6 M 68)



LEGEND

PROPOSED EASEMENT LINE	---
PROPERTY LINE	---
ADJACENT PROPERTY LINE	---

ABBREVIATIONS

POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
P.A.E.	PRIVATE ACCESS EASEMENT
SQ.FT.	SQUARE FEET
S.S.E.	SANITARY SEWER EASEMENT



0 25' 50' 100'

Scale 1" = 50'



8/15/19



KIER & WRIGHT
CIVIL ENGINEERS & SURVEYORS, INC.

3350 Scott Boulevard, Building 22
Santa Clara, California 95054
www.kierwright.com

Phone (408) 727-6665
Fax (408) 727-5641

EXHIBIT "B" PLAT

SANITARY SEWER EASEMENT
HALF MOON BAY CALIFORNIA

DATE	AUG., 2019
SCALE	1" = 50'
BY	NSA
JOB NO.	A17071-1
SHEET	1 OF 1

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

FROM: Jill Ekas, Community Development Director

TITLE: **2019 HOUSING ELEMENT ANNUAL PROGRESS REPORT**

RECOMMENDATION:

Confirm receipt of the 2019 Housing Element Annual Progress Report and consider providing direction for administration of Measure D for the remainder of 2020.

FISCAL IMPACT:

There is no fiscal impact associated with receiving this report.

STRATEGIC ELEMENT:

This action supports the Healthy Communities and Public Safety and Inclusive Governance Elements of the Strategic Plan.

BACKGROUND:

Pursuant to Government Code Section 65400, each city and county is required to prepare a Housing Element Annual Progress Report (APR) presenting the status of the jurisdiction's housing element. The APR must be prepared using forms and definitions adopted by the California Department of Housing and Community Development (HCD). The APR is meant to serve as a tool for implementing a jurisdiction's Housing Element.

Half Moon Bay's 2015-2023 Housing Element was adopted by City Council in March 2015 and certified by HCD the following October. The City's Housing Element is to be updated on an eight-year cycle as provided for by the regional planning oversight of the Association of Bay Area Government's compliance with SB 375 the Sustainable Communities and Climate Protection Act. Without this structure, housing elements must be updated on five-year cycles.

State Legislation adopted as part of the 2017 Housing Package (AB 879 and SB 35) added new reporting requirements which took effect with last year's 2018 APR. Half Moon Bay's 2019 APR is attached. It was presented to the Planning Commission at their session on March 10, 2020.

DISCUSSION:

Housing Element implementation is specifically relevant to the City Council's on-going priority to address local housing needs. In 2019, the Council established renter security measures and approved the Affordable Housing Fund Allocation Guidelines. Both of these accomplishments are consistent with Housing Element program implementation and are included in the 2019 APR. In 2019, the Planning Commission and City Council also initiated the Mixed-Use Districts and Parking Standards Ordinance. This ordinance was crafted to facilitate production of housing in the City's mixed-use zoning districts, especially within the town center. This ordinance is anticipated to be completed in 2020 with Coastal Commission certification, and it will be reported for the 2020 APR. Progress on Housing Element program implementation, including these efforts, is summarized toward the end of the APR (Table D). Note that many programs are being addressed on an on-going basis, while other are complete.

The remainder of the APR is focused on tracking housing production. A series of tables presents housing development by assessor's parcel number with all milestones occurring in 2019 indicated by date including submittal for planning entitlements (e.g. coastal development permit), approval of planning entitlements, issuance of building permits, and issuance of certificates of occupancy/final inspections. The report also tracks affordability and if units are deed restricted to specified affordability levels. The report acknowledges if sites are considered to be infill and also tracks applications seeking new streamlining requirements. Sites within the Coastal Zone are exempt from these streamlining requirements and thus the City, being located entirely within the Coastal Zone, does not have any sites subject to these regulations.

In 2019, the City saw a significant increase in the production of accessory dwelling units (ADUs). Looking forward, the City was informed in February that HCD approved an SB 2 planning grant to support Town Center planning. The project is slated to kick-off at the beginning of the next fiscal year, following anticipated City County adoption of the Land Use Plan update. Staff has also been working with the County of San Mateo's 21 Elements group, which supports the County's jurisdictions in implementing housing law and updating housing elements. 21 Elements is developing a commercial linkage fee study for several San Mateo County cities, including Half Moon Bay.

At its priority setting session March 10, 2020, City Council provided confirmation on-going and new efforts for addressing affordable housing as summarized below. These efforts incorporate several Housing Element programs.

Town Center Planning: Completion of the Land Use Plan update has been labor-intensive. Its completion will continue to be prioritized until it has been approved by City Council, anticipated before the end of the fiscal year. At that time, with support from HCD's SB 2 planning grant, a transition from the Land Use Plan to focused planning initiatives for the Town Center area will get underway. This effort will include additional zoning work, consideration of economic factors and incentives, and environmental review pursuant to the California Environmental Quality Act (CEQA).

Municipal Code Amendments: Recent updates to the Municipal Code, such as the 2018 ADU ordinance and the Mixed-Use Districts and Parking Standards ordinance, have the potential to support preservation and production of a wide array of more affordable housing types. These new regulations help the City ‘set the table’ to be ready for more opportunities. Code amendments require research, outreach, and careful work through public hearing processes before both the Planning Commission and City Council. Also, it is very important for the community to understand that any amendments to the Subdivision Ordinance and Zoning Code require Coastal Commission certification. Consequently, these efforts can take some time. Despite the time and effort, staff considers this work to hold some of the greatest potential for retaining and/or enabling production of more affordable housing types. Staff recommends code amendments to improve regulations for all of the following:

Measure D Allocation Process: Measure D established an annual population growth limit of 1 percent through a ballot measure in 1999. Subsequently, Measure D was made part of the City’s certified LCP. Each new housing unit in Half Moon Bay, with very few exceptions, require a Measure D allocation. This includes accessory dwelling units. For more detail, see Half Moon Bay Municipal Code [Chapter 17.06](#) (Residential Dwelling Unit Allocation System). In recent years, the City explored exempting ADUs from the requirements of Measure D. However, Coastal Commission staff disagreed with the City and clearly advised that ADUs are not exempt from Measure D’s growth limitations.

Although Measure D was established through a voter measure, the City has some degree of flexibility in how Measure D is administered. As of January 31, 2020, the City was in receipt of more applications for Measure D allocations for sites outside a specified Downtown area than available allocations. This condition requires the City to review the applications and follow a ranking procedure to determine which units will receive allocations.

This circumstance has not occurred before with the current code, which is about ten years old. In working with the ranking requirements, staff has discovered several challenges with implementing the system. Staff will present the rankings to the Planning Commission on March 24, 2020 and we look forward to the Commission’s input. Following that, staff will prepare proposed amendments to the Measure D ordinance language, that target two areas: 1) the annual establishment of allocations; and 2) the ranking criteria. For both of these areas, the current regulations do not apply very well to ADUs. This is an important consideration because ADUs comprise a significant number of the housing units proposed throughout the City. The ranking criteria are also significantly outdated (e.g. a number of the ranking criteria are now required by State or local laws and thus applicable to all proposed units) or seem out of sync with City Council’s current prioritization of affordable housing (e.g. more points are available for landscaping [up to 70 points] than for deed restricted affordable units [35 points]).

Accessory Dwelling Unit Ordinance Update: An ordinance compliant with current State ADU law was drafted and reviewed by the Planning Commission in December 2019. City Council considered the ordinance at a public hearing in January 2020. Subsequently, Council continued the item to a date uncertain to provide time to obtain guidance from the Coastal Commission

about the specific circumstances of Half Moon Bay's planned development areas. The guidance is pending, and staff continues to reach out to Coastal Commission staff on this matter. As soon as the various options are clarified, staff will bring the ordinance back to City Council.

Short-Term Vacation Rental Ordinance: Short-term vacation rental (STR) use indirectly affects housing. A significant amount of work has already been completed on an STR ordinance and staff proposes to conclude this effort with Planning Commission and City Council review of a new ordinance over the next few months.

Below Market Rate and Density Bonus: The City Attorney and Community Development Department staff have conducted preliminary research on updating the Below Market Rate (BMR) and Density Bonus provisions. In order to balance workload, we recommend that this be taken up in early 2021.

Summary: As City Council continues to prioritize housing, especially affordable housing, staff continues to spend significant time and effort developing programs and regulations, working with developers, and seeking funding. The 2019 APR shows progress since last year, and staff is aware that the development community is appreciative of the progress being made with the regulatory environment.

ATTACHMENT:

2019 Housing Element Annual Report

ANNUAL ELEMENT PROGRESS REPORT
Table A

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes							
1					2	3	4	5							6
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project
Summary Row: Start Data Entry Below								0	0	0	0	0	0	16	33
	056-085-530	600 Highland Ave		PDP-19-002	ADU	R	2/12/2019							1	1
	048-126-130	537 Roosevelt Blvd		PDP-19-009	SFD	O	2/21/2019							1	1
	048-114-120	309 Washington Blvd		PDP-19-015	ADU	R	2/25/2019							1	1
	064-342-220	564 Magnolia Street		PDP-19-017	SFD	O	3/8/2019							1	1
	064-321-010	307 Magnolia Street		PDP-19-018	ADU	R	3/11/2019							1	1
	048-206-160	401 Beach Avenue		PDP-19-019	ADU	R	3/13/2019							1	1
	056-117-110	444 Correas Ave		PDP-19-020	SFD	O	3/15/2019							1	1
	064-082-130	332 Spruce Street		PDP-19-027	ADU	O	3/29/2019							1	1
	048-371-010	1575 Mizzen Lane		PDP-19-028	ADU	R	4/15/2019							1	1
	056-116-320	439 Correas Street		PDP-19-031	SFD	O	4/30/2019							1	1
	064-342-120	555 Seymour Street		PDP-19-037	SFD	O	5/5/2019							1	1
	048-264-250	909 Grand View Blvd		PDP-19-045	ADU	R	5/31/2019							1	1
	048-264-250	909 Grand View Blvd		PDP-19-045	SFD	O	5/31/2019							1	1
	048-091-420	41 Alameda Ave		PDP-19-054	ADU	R	7/22/2019							1	1
	064-103-220	563 Myrtle Street		PDP-19-068	SFD	O	8/15/2019							1	1
	064-103-220	563 Myrtle Street		PDP-19-068	ADU	R	8/15/2019							1	1
	056-141-430	493 Kelly Avenue		PDP-19-072	SFD	O	9/5/2019							1	1
	056-141-430	493 Kelly Avenue		PDP-19-072	ADU	R	9/5/2019							1	1
	056-103-080	234 Correas Street		PDP-19-086	ADU	R	9/20/2019							1	1
	056-200-410	747 Vasquez Ave		PDP-19-091	ADU	R	10/30/2019							1	1
	064-061-280	341 Myrtle Street		PDP-19-096	SFD	O	11/1/2019							1	1
	064-062-570	336 Myrtle Street		PDP-19-095	SFD	O	11/5/2019							1	1
	064-062-570	336 Myrtle Street		PDP-19-095	ADU	R	11/5/2019							1	1
	064-061-210	301 Myrtle Street		PDP-19-098	ADU	R	11/15/2019							1	1
	048-094-180	41 Valencia Street		PDP-19-104	ADU	R	12/3/2019							1	1
	064-092-530	472 Myrtle Street		PDP-19-107	ADU	R	12/10/2019							1	1
	066-092-800	2450 Cabrillo Highway South		PDP-19-109	5+	R	12/10/2019							7	7

ANNUAL ELEMENT PROGRESS REPORT

Table A Continued

Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes
7	8	9	10
Total <u>APPROVED</u> Units by project	Total <u>DISAPPROVED</u> Units by Project (Auto-calculated Can Be Overwritten)	Was <u>APPLICATION</u> <u>SUBMITTED</u> Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes ⁺
11	0	0	
	0	No	Detached ADU
		No	SFD
1	0	No	Attached ADU
		No	SFD
1	0	No	Detached ADU
1	0	No	Detached ADU
		No	SFD
1	0	No	Detached ADU
1	0	No	Detached ADU
	0	No	SFD
	0	No	Conversion of a church to SFD
	0	No	Attached ADU
	0	No	SFD
1	0	No	ADU within existing detached garage
	0	No	SFD with attached ADU
	0	No	Attached ADU
	0	No	SFD with attached ADU
	0	No	Attached ADU
1	0	No	Detached ADU
1	0	No	Attached ADU
	0	No	SFD
	0	No	SFD with attached ADU
	0	No	Attached ADU
1	0	No	Attached ADU
1	0	No	Detached ADU
1	0	No	Detached ADU
	0	No	Conversion of the second story of an existing office building to 7 residential units

Jurisdiction	Half Moon Bay
Reporting Year	2019 (Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Table A2 Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units															
Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement								
1					2	3	4								5
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R= renter O= owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units Issued Entitlements
Summary Row: Start Data Entry Below							0	0	0	0	0	14	14		28
	066-182-030	520 Kelly Avenue		PDP 2018-017	2 to 4	R						4		5/14/2019	4
066-092-830	pending	Carnoustie Court Lot 1	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
066-092-830	pending	Carnoustie Court Lot 2	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
066-092-830	pending	Carnoustie Court Lot 3	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
066-092-830	pending	Carnoustie Court Lot 4	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
066-092-830	pending	Carnoustie Court Lot 5	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
066-092-830	pending	Carnoustie Court Lot 6	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
066-092-830	pending	Carnoustie Court Lot 7	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
066-092-830	pending	Carnoustie Court Lot 8	Carnoustie Phase 4	PDP 2018-074	SFD	O							1	5/21/2019	1
	064-104-240	543 Filbert Street		PDP 2018-057	SFD	O							1	7/9/2019	1
	064-104-240	543 Filbert Street		PDP 2018-057	ADU	R						1		7/9/2019	1
	066-141-330	219 Pilarotos Avenue		PDP 2018-076	2 to 4	R						3		9/10/2019	3
	066-055-040	415 Chesterfield Avenue		PDP 2018-081	SFD	O							1	11/13/2019	1
	066-191-020	700 Main Street		PDP 2018-042	SFD	O							1	4/23/2019	1
	066-914-080	332 Valdez Avenue		PDP 2018-039	ADU	R								8/15/2018	0
	066-179-010	814 Miramontes Street		PDP 2017-069	ADU	R									0
	048-133-010	2801 Champs Elysee Blvd.		PDP 2018-004	SFD	O							1	2/12/2019	1
	066-085-530	600 Highland Ave		PDP-19-002 / B30990	ADU	R						1		2/12/2019	1
	066-055-085	417 Chesterfield Avenue		PDP 2017-085	SFD	O								6/27/2018	0
	048-371-010	1575 Mizen Lane		PDP-19-028	ADU	R								2/14/2018	0
	048-121-100	2782 Pullman Avenue		PDP 2015-096	SFD	O								3/27/2018	0
	064-103-230	567 Myrtle Street		PDP 2018-070	ADU	R								11/14/2018	0
	064-082-130	332 Spruce Street		PDP-19-027	ADU	R						1		3/29/2019	1
	064-141-290	604 Filbert Street		PDP 2018-088	ADU	R						1		1/22/2019	1
	064-243-060	555 Poplar Street		PDP-17-080	2 to 4	R								6/11/2019	2
	048-091-420	41 Alameda Avenue		PDP-19-054 / B32271	ADU	R						1		9/27/2019	1
	048-126-130	537 Roosevelt Blvd		PDP-19-009	SFD	O							1	5/29/2019	1
	064-062-540	328 Myrtle Street		B32202	ADU	R									0
	066-133-350	525 Railroad Avenue		PDP 2017-040	SFD	O								4/17/2018	0
	066-133-360	565 Railroad Avenue		PDP 2017-041	SFD	O								12/13/2017	0
	066-560-080	109 Pumpkin Hollow Court		B30233	SFD	O									0
	064-062-630	390 Myrtle Street		PDP 2018-001	SFD	O								4/10/2018	0
	066-171-150, -160, -170, -180	574, 576, 578, 580 Kelly Avenue		B29348	2 to 4	O									0
	064-112-240	456 Spruce Street		PDP 2018-008	ADU	R								4/11/2018	0
	066-055-220	306 Ralston Street			ADU	R									0
	066-192-230	719 Main Street		PDP 2016-055	2 to 4	R								5/9/2017	0
	066-108-020	312 Valdez Avenue		PDP 2016-041	SFD	O									0
	066-105-020	312 Kelly Avenue		PDP 2017-001	SFD	O								4/5/2017	0
	064-104-310	575 Filbert Street		PDP 2018-011	SFD	O								6/26/2018	0
	066-141-340	225 Pilarotos Avenue		PDP 2017-050	SFD	O								11/1/2017	0
	066-115-330	412 Kelly Avenue		PDP 2016-083	ADU	R								1/15/2018	0
	066-116-320	439 Correas Street		PDP-19-031	SFD	O							1	4/30/2019	1

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A2

[illegible]

Table A2

	Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Notes
13	14	15	16	17	18	19	20			21
How many of the units were Extremely Low Income?*	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units*	Demolished or Destroyed Units*	Demolished/Destroyed Units Owner or Renter*	Notes*
0	0						0	0	0	
	N	Y			Mixed-use, multi-family					
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit issued 01/21/20
	N	Y								Building permit submitted on 12/19/19.
	N	Y			ADU					Building permit submitted on 12/19/19.
	N	Y			Triplex					Building permit submitted on 12/10/19.
	N	Y								Building permit submitted on 12/16/19.
	N	Y								Project was complete in 2019, but applicant
	N	Y			ADU					
	N	Y								
	N	Y								Certificate of Occupancy issued
	N	Y			ADU					
	N	Y								
	N	Y			ADU					
	N	Y								
	N	Y			ADU					
	N	Y			ADU					
	N	Y			ADU					Final inspection in 2020
	N	Y			Duplex					Duplex under construction
	N	Y			ADU					New ADU in existing building.
	N	Y								
	N	Y			Legalize an ADU					Legalize existing ADU in existing living space.
	N	Y								
	N	Y								
	N	Y								
	N	Y			Ownership, live-work units					
	N	Y			ADU					
	N	Y			ADU					Convert existing space to an ADU, no
	N	Y								Mixed use project on Main Street with 2
	N	Y								
	N	Y								
	N	Y			Substandard site, pre-fab construction type					
	N	Y			ADU					
	N	Y								

Jurisdiction	Half Moon Bay	
Reporting Year	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
 Please contact HCD if your data is different than the material supplied here

Table B													
Regional Housing Needs Allocation Progress													
Permitted Units Issued by Affordability													
		1	2									3	4
Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	52											52
	Non-Deed Restricted												
Low	Deed Restricted	31											31
	Non-Deed Restricted												
Moderate	Deed Restricted	36										24	12
	Non-Deed Restricted			6	3	3	12						
Above Moderate		121	9	14	12	10	7					52	69
Total RHNA		240											
Total Units			9	20	15	13	19					76	164

Note: units serving extremely low-income households are included in the very low-income permitted units totals
 Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Half Moon Bay
Reporting Year	2019 (Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
1-1 Housing Rehabilitation	1-2 housing rehabilitation loans/year and home repairs to six senior, disabled, or special needs homes each year, subject to County program funding availability.	On-going	The City provides grant funding to Senior Coastsiders and other nonprofits to support housing needs.
1-2 Condominium & Mobile Home Conversions	Revise Chapter 17.62 of the Municipal Code to address both condominium and mobile home park conversion.	Mid 2016	A portion of the code revisions were implemented in 2015.
1-3 Conversion of At-Risk Units	Zoning Amendment to require enhanced notification and other protections for at-risk units.	Mid 2016	Anticipated completion in 2021 with additional associated code amendments.
2-1 Below Market Rate Program	Implement the Below Market Rate (BMR) program by improving administration, establishing agreements for affordability in perpetuity, encouraging provision of units on-site as part of market-rate development, provide density bonuses or other incentives.	On-going	In 2018, updated the City's affordable housing agreement template to improve administration of the BMR ordinance; City Council approved an affordable housing agreement for subdivision of 940 Main Street requiring that units be built on-site; anticipated update to BMR ordinance to include rental units in 2020.

2-2 Density Bonus	Determine financial feasibility of fee waivers as an incentive for affordable housing.	Mid-2016	To be considered as a future action.
2-3 Second Units	Encourage development of accessory dwelling units.	On-going	Following 2018 ADU ordinance update; draft ADU ordinance in compliance with 2019 State ADU law presented to Planning Commission. Anticipated completion 2020.
2-4 Small Lot Development	Encourage development of substandard or severely substandard lots for two such lots developed per year.	On-going	Meeting and/or exceeding goal of two substandard or severely substandard lots developed per year and on track to meet the objective of 16 units during the housing element cycle; all applications for development of substandard or severely substandard lots have been approved by the applicable hearing body (Community Development Director or Planning Commission) when the applications are brought forward to hearing.
2-5 Adequate Sites	Provide adequate sites as part of the Local Coastal Program and General Plan Update.	Mid 2016	The LCP/General Plan update process is on-going and continued through multiple Planning Commissions study sessions. In October 2019, the City Council and Planning Commission held a joint study session and directed staff to prepare a final draft of the plan, anticipated in 2020. The draft plan maintains adequate sites and includes numerous new sites, including a new "Workforce Housing Overlay" designation. The existing LCP and General Plan provide adequate sites and ensure consistency.
2-6 Consistency in Planning Documents	Ensure consistency with existing conditions, policy, and regulations in planning documents.	Mid 2016	The LCP/General Plan update process is on-going and continued through multiple Planning Commissions study sessions. In October 2019, the City Council and Planning Commission held a joint study session and directed staff to prepare a final draft of the plan, anticipated in 2020.
2-7 Utilization of Affordable Housing Fund	Establish an allocation method for the City's affordable housing fund including an RFP process to solicit proposals for affordable housing developments.	On-going	Adopted affordable Housing Fund Allocation Guidelines; City Council approved first funding allocation for homelessness prevention workforce development center. The \$300,000 from the affordable housing fund will support a new workforce development center run by nonprofit Abundant Grace. The center provides job training, employment, and support services. Participants have found regular employment and have found housing.
2-8 Affordable Housing Resources	Identify funding sources and notify developers of these options.	On-going	Initiated commercial linkage fee study with San Mateo County 21 Elements. Anticipated completion 2020.

2-9 Housing Element Annual Report	Prepare and submit Annual Housing Element Report to HCD by April 1st following an update to the Planning Commission and City Council	On-going annually	Continued annual compliance with this program.
2-10 Annual review of Residential Dwelling Unit Allocation System	Conduct annual evaluation of Measure D implementation in December each year	On-going annually	Continued annual compliance with this program.
2-11 Mixed Use Development and Housing Stock Diversity	Identify and plan for diverse housing types.	Mid 2016	The LCP/General Plan update process is on-going; two "Community Conversations about Housing" in 2018 confirmed a range of diverse housing types to be included in the updated plan; in December 2018 a public draft of the Development Chapter of the Local Coastal Land Use Plan was brought to the Planning Commission; the draft plan maintains adequate sites and includes numerous new sites including several within the City's defined "Town Center" area.
3-1 Removal of Constraints	Continue to assess and update the zoning ordinance to address constraints	On-going	The ADU ordinance update adopted by the City and certified by the California Coastal Commission in December 2018 reduced constraints for the development of ADUs. Further updates to the ADU ordinance were prepared in 2019 and anticipated for completion in 2020. The Mixed-Use Districts and Parking Standards Ordinance discussed in 3-8 below, was initiated in 2019 and is anticipated to be certified by the California Coastal Commission in 2020.
3-2 Senior and Disabled Housing	Encourage development of housing for seniors and the disabled, including persons with development disabilities	On-going	City staff routinely meets with developers and encourages development of housing for seniors and the disabled as well as use of the density bonus incentives.
3-3 Special Needs Housing Coordination	Support agencies serving the City to address special needs housing.	On-going	The 2019 rental security measures ordinance outreach will include support agencies. In 2018, the City prepared and continues to broadly distribute a Housing Resources Guide in English and Spanish specifically pertinent to the San Mateo County coastside with numerous contacts for local resources for those with special needs and/or housing insecurity.
3-4 Home Sharing	Facilitate home sharing and cooperatives	On-going	The City continues to support HIP Housing and has made significant progress with ADU production since adoption of the ADU ordinance in December 2018. This is expected to continue with pending ADU ordinance update.

3-5 Large Households	Provide incentives for large BMR units	On-going	This City did not receive any applications for large BMR units in 2019. The triplex project at 219 Pilarcitos Avenue includes large family-sized units, which is a local rarity for rental housing.
3-6 Emergency Shelters and Transitional/Supportive Housing	Define and identify transition and supportive housing as permitted uses subject to the same standards as other residential dwellings	Completed 2016	In 2016 the Zoning Code was updated to implement this program with respect to transitional and supportive housing.
3-7 Maintain Ongoing Estimates of the Demand for Emergency Housing	Consult with the Police Department, churches and other agencies to maintain ongoing estimates of the demand for emergency housing.	On-going	Community services and Community Development Department staff maintain relationships with the Sheriff and the Homeless Outreach Team (HOT) and also keep track of encampments to make sure needed services are made available to the local homeless population.
3-8 Revise Development Standards	Update the parking standards in the zoning ordinance for the R-3 Zoning District	Pending	Although the program focuses on the R-3 Zoning District, parking standards in the mixed-use districts were determined to be more important to address. Planning Commission reviewed comprehensive ordinance update ("Mixed-Use Districts and Parking Standards Ordinance") to mixed-use development standards for four zoning districts including progressive parking code; anticipated to be complete in 2020.
3-9 Regulations Addressing Design Review	Update design guidelines and design review process	Complete	The City applied for HCD's SB 2 Planning Grant to support Town Center planning. This work will include CEQA coverage and objective design standards, including components of form based code. The residential design guidelines were updated in 2015 concurrent with adoption of the 2015-2023 Housing Element; the 2018 update of the Accessory Dwelling Unit ordinance includes only objective criteria and provides significant flexibility with respect to detached accessory dwelling units. The draft update to the ADU ordinance also includes objective design standards.
4-1 Equal Housing Opportunity	Facilitate equal opportunity housing	On-going	In 2019, the City adopted renter security measures (e.g. tenant protection measures) to coordinate with AB 1482. Measures include minimum lease terms and City-funded mediation. Implementation will begin in 2020. The City posts and provides information regarding equal housing opportunity; the new Housing Resources Guide provides additional information and support.

Jurisdiction	Half Moon Bay	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	12
Above Moderate		7
Total Units		19

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Housing Applications Summary	
Total Housing Applications Submitted:	27
Number of Proposed Units in All Applications Received:	33
Total Housing Units Approved:	11
Total Housing Units Disapproved:	1

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

FROM: Jessica Blair, Communications Director/City Clerk
Jonathan Roisman, Deputy City Clerk

TITLE: **ADOPTION OF RESOLUTION DECLARING A LOCAL EMERGENCY RELATED TO COVID-19**

RECOMMENDATION:

Adopt a resolution declaring the existence of a local emergency regarding the coronavirus ("COVID-19") threat and discuss the City's actions in response.

FISCAL IMPACT:

To be determined.

STRATEGIC ELEMENTS:

This recommendation supports all elements of the Strategic Plan.

BACKGROUND:

The State of California, the Counties of San Mateo, San Francisco, Santa Clara, Alameda, and other local counties have reported multiple cases of COVID-19 and have declared states of emergency. In addition, to date, several San Mateo cities, including Menlo Park, San Carlos, Redwood City, and South San Francisco have declared local states of emergency.

From the San Mateo County's Health Officer's Declaration of a Local Health Emergency:

"A novel coronavirus (named "COVID-19" by the World Health Organization) was first detected in Wuhan City, Hubei Province, China, in December 2019. The Centers for Disease Control and Prevention ("CDC") has stated that COVID-19 is a serious public health threat, based on current information. Cases of COVID-19 have been diagnosed in the United States, primarily in individuals who have traveled to other countries, but there have been cases identified of "community spread" of COVID-19 involving individuals who have not traveled overseas and who have no known connections to overseas travel. In part, the virus is considered a very serious health threat because much is unknown. The exact modes of transmission, the factors facilitating human-to-

human transmission, the extent of asymptomatic viral shedding, the groups most at risk of serious illness, the attack rate, and the case fatality rate all remain active areas of investigation.”

San Mateo County Health Officer Dr. Scott Morrow issued an updated statement March 10, 2020 indicating there is now evidence of widespread community transmission of COVID-19 in San Mateo County.

The best information to date suggests that the virus is spread between people primarily via respiratory droplets produced when an infected person coughs or sneezes. Symptoms of the virus include fever, cough, and shortness of breath, and infected individuals have experienced a range of outcomes, from mild sickness to severe illness and death. The CDC believes currently that symptoms appear 2 to 14 days after exposure. Currently, there is no vaccine or specific antiviral treatment for COVID-19.

The number of reported cases of COVID-19 has escalated dramatically over a short period of time. As of March 12, 2020, the CDC had reported 1,215 confirmed cases of COVID-19 in the United States, including 36 deaths. A March 11, 2020 statement from the World Health Organization (WHO) stated the global number of COVID-19 cases surpassed 118,000 cases in 114 countries, with 4,291 deaths. These numbers are growing daily.

Actions are being taken to protect public health and limit the spread of COVID-19 in the United States. The CDC recommends that travelers avoid all nonessential travel to China, Iran, South Korea, and Italy. Moreover, media accounts report that the Federal Emergency Management Agency (FEMA) is preparing for the possibility that the President may make an emergency declaration at the federal level related to COVID-19.

DISCUSSION:

Pursuant to California Government Code section 8630, the City Council may declare a local emergency where there is extreme peril to persons or property. In addition to the factors described by the San Mateo Health Officer, staff notes that Half Moon Bay has a sizable population of residents that are at-risk due to age and income level. Declaration of the Proclamation of a Local Emergency allows the City to exercise emergency police powers, such as evacuation; immunity for emergency actions; authorization of issuance of orders and regulations; activation of preestablished emergency provisions; and is a prerequisite for requesting state or federal assistance.

The need to continue the local emergency will be brought before the Council for review every 60 days until conditions warrant termination, as required by law.

ATTACHMENTS:

Resolution

Resolution No. C-2020-_____

A RATIFICATION OF A RESOLUTION OF LOCAL EMERGENCY RELATED TO COVID-19

WHEREAS, pursuant to California Government Code Sections 8680.9 and 8558(c), a local emergency is a condition of extreme peril to persons or property proclaimed as such by the governing body of the local agency affected by a natural or manmade disaster; and

WHEREAS, the purpose of a local emergency proclamation is to provide extraordinary police powers, immunity for emergency actions, authorize issuance of orders and regulations, and activate pre-established emergency provisions; and

WHEREAS, a local emergency proclamation is a prerequisite for requesting state or federal assistance; and

WHEREAS, the Director of Emergency Services is identified in the Half Moon Bay Municipal Code as the City Manager and is provided powers delineated in Municipal Code Section 2.25.060; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen within the City, based on the following:

- 1) A novel coronavirus (named “COVID-19” by the World Health Organization) was first detected in Wuhan City, Hubei Province, China, in December 2019. The Centers for Disease Control and Prevention (“CDC”) has stated that COVID-19 is a serious public health threat, based on current information; and
- 2) Cases of COVID-19 have been diagnosed in the United States, originally primarily in individuals who have traveled to other countries, but there have been cases identified of “community spread” of COVID-19 involving individuals who have not traveled overseas and who have no known connections to overseas travel; and
- 3) In part, the virus is considered a very serious health threat because much is unknown. The exact modes of transmission, the factors facilitating human-to-human transmission, the extent of asymptomatic viral shedding, the groups most at risk of serious illness, the attack rate, and the case fatality rate all remain active areas of investigation; and
- 4) The best information to date suggests that the virus is spread between people primarily via respiratory droplets produced when an infected person coughs or sneezes. Symptoms of the virus include fever, cough, and shortness of breath, and infected individuals have experienced a range of outcomes, from mild sickness to severe illness and death; and

- 5) The CDC believes at this time that symptoms appear two to 14 days after exposure. Currently, there is no vaccine or specific antiviral treatment for COVID-19; and
- 6) The number of reported cases of COVID-19 has escalated dramatically over a short period of time. As of March 12, 2020, the Centers for Disease Control and Prevention (CDC) had reported 1,215 confirmed cases of COVID-19 in the United States, including 36 deaths. A March 11, 2020 statement from the World Health Organization (WHO) stated the global number of COVID-19 cases surpassed 118,000 cases in 114 countries, with 4,291 deaths. These numbers are growing daily; and
- 7) Actions are being taken to protect public health and limit the spread of COVID-10 in the United States. The CDC recommends that travelers avoid all nonessential travel to China, Iran, South Korea, and Italy. Moreover, media accounts report that the Federal Emergency Management Agency is preparing for the possibility that the President may make an emergency declaration at the federal level related to COVID-19.

WHEREAS, the above facts give rise to conditions of extreme peril to the safety and health of persons within the City; and

WHEREAS, the above facts give rise to conditions of extreme peril to the safety and health of persons within the City; and

WHEREAS, these conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and the efforts required to prepare for, respond to, mitigate, and recover from the increasing spread of COVID-19 have and will continue to impose extraordinary requirements and expenses on the City, requiring diversion of resources from day-to-day operations; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Half Moon Bay that the City Council hereby proclaims that a local emergency now exists throughout Half Moon Bay.

BE IT FURTHER RESOLVED that the local emergency shall be deemed to continue to exist for sixty (60) days unless early terminated by the City Council of the City of Half Moon Bay.

BE IT FURTHER RESOLVED that during the existence of said local emergency, the powers, functions and duties of the City Council, the Director of Emergency Services and the Emergency Organization of the City shall be those prescribed by state law, ordinances, resolutions and administrative policies of this City and by the City of Half Moon Bay Emergency Plan.

BE IT FURTHER RESOLVED that the City Manager as Director of Emergency Services of the City of Half Moon Bay is hereby authorized to execute for and on behalf of the City of Half Moon Bay any agreement or application for, and to file the agreement with, the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance.

IT IS REQUESTED that the Governor of the State of California include the City of Half Moon Bay in any emergency declaration by the State; ensure the City of Half Moon Bay is included in any emergency declaration that may be issued by the President of the United States of America; waive regulations that may hinder response and recovery efforts; and make available all relevant funds to the City of Half Moon Bay and all eligible community members, organizations, service providers, and businesses, including, but not limited to, aid made available by the California Disaster Act, the State Private Nonprofit Organizations Assistance Program Funding, the Small Business Administration, and HUD, to assist the City of Half Moon Bay and its community.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 17th day of March 2020 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Adam Eisen, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

FROM: Matthew Chidester, Deputy City Manager
John Doughty, Public Works Director
Saul Lopez, Director of Police Services

TITLE: **POPLAR BEACH ACTION PLAN 2020**

RECOMMENDATION:

Receive a report regarding the proposed “Action Plan” for enhanced security and enforcement at Poplar Beach Park (beach, parking lot and coastal trail) for Spring and Summer 2020; and consider community input and provide comment/direction as necessary.

FISCAL IMPACT:

The Action Plan is anticipated to result in a fiscal impact of approximately \$60,000 to the General Fund. Funding for activities in fiscal year (FY) 2019-20 is available within the current Operating Budget. The FY 2020-21 Operating Budget will recommend funding to address the action plan. Charging for parking on a 24-hour basis would increase revenues and provide a portion of funding needed.

STRATEGIC ELEMENT:

This plan is consistent with the Infrastructure and Environment, and Healthy Community and Safety elements of the adopted Strategic Plan.

BACKGROUND:

Poplar Beach is a prime recreation and sightseeing location with access to the park, coastal trail and beach. It is a significant community and coastal asset. Poplar Beach is a popular location for locals and visitors alike to recreate and escape the heat of the Bay Area. Poplar Beach has historically been a congregating point for large groups, particularly local youth and teens. Increasingly, Poplar Beach has become a meeting spot for groups coming from Bayside communities. These activities last year coincided much of the spring with graduation and related “Senior Skip Days”.

Under the California Coastal Act, Poplar Beach and the adjacent State Beaches are open to the public 24-hours a day. Access to the Poplar Beach Parking Lot has historically been limited to

daylight hours (sunrise to sunset). Access has been controlled via a gate located approximately 200-feet westerly of Railroad Avenue. From December until present, the City has informally run a Pilot Program; we have left the gate open 24-hours per day with standard Sheriff patrol. This issue will be discussed below further. The pedestrian trail adjacent to Poplar Street remains open and unrestricted.

Last year, the City and Sheriff's Office executed an amended service contract for Police Services. As part of that contract, the following conditions were added:

"During the summer months (Memorial Day Weekend through Labor Day Weekend), the Police Chief shall consider the City's beach and park areas to be an enforcement priority and shall make resource, deployment, and staffing decisions with that in mind. Within the confines of the staffing model and budget outlined in the current contract, the Police Chief will use a variety of tactics to maintain law and order at the beaches and parks, including but not limited to: routine patrols, increased patrols, redeployment of on-duty patrol force, foot patrols, overtime details at peak hours, electronic sign boards, use of the Crime Suppression Unit, etc. The Police Chief will retain the right to provide general police services within the policy guidelines and practices of the Sheriff's Office which establishes priorities for deputies when receiving multiple calls and when responding to more serious crimes or emergencies in progress."

On June 4, 2019, the City Manager outlined several steps that were being taken to address increased activity and demands at Poplar Beach. These initial steps for the summer months included:

- Enhanced Police Services including Bicycle Beach/Trail Patrol
- Expanded Public Works Maintenance—Adding full day Saturday and Sunday staffing
- Expanded Abundant Grace Coastsides Worker Program
- Coordination with Republic Services on refuse removal and collection
- Assessing ways to expand volunteer / non-profit participation

On June 18, 2019 the City Council authorized staff to proceed with an action plan that included the bullet point items above as well as private security, weekend Public Works coverage, the expanded Abundant Grace Worker Program.

Recently, the City received complaints from a resident raising concerns about after-hours activities on the beach including parties and bonfires. This appeared to coincide with school "ski week" vacations. We have not received any other complaints.

DISCUSSION:

City staff, notably representatives of the Sheriff's Office, Public Works and City Manager's Office, have been discussing plans for addressing the anticipated crowds and compliance issues at Poplar Beach and Park during the spring/summer 2020 since January. The Action Plan for 2020 reflects a continuation of measures introduced and implemented in 2019. The 2020 Plan

reflects lessons learned from last year, preemptive actions deemed necessary by staff in response to prior community and City Council input. The 2020 Plan is as follows:

Action Plan—Poplar Beach (Spring/Summer 2020)

- Time Frame—May 15 to September 15
- Enforcement (General)
 - Sheriff
 - Continue deploying Bicycle Beach/Trail Patrols
 - Sheriff to continue regular patrols of City including Poplar Street and Poplar Beach
 - Sheriff has purchased a four-wheel drive Polaris vehicle for use by Patrol on Poplar Beach. Patrols will be conducted throughout the spring and summer evenings based on staffing availability, safe access to beach and environmental factors
 - The City will prepare and send a letter to local high schools (coastside and bayside) and the campus resource officer(s) to inform them of the rules of Poplar Beach and to discuss the enforcement that they are going to encounter should they choose Poplar Beach for graduation related activities
 - Private Security
 - City to utilize private security to monitor Poplar Beach from 8:00 PM to 2:00 AM, seven days a week to serve as visual deterrent and eyes/ears for Sheriff staff
 - Security to monitor activities at beach and alert Sheriff of deleterious activities
 - Continue “Open Gate Pilot Project” through the summer. Gates to remain open with security and sheriff monitoring activities
 - Signage
 - Continue to evaluate signage to maximize information, improve education and address enforcement in the Park and on the beach.
- Enforcement (Memorial Day, Independence Day and Labor Day)
 - Sheriff to staff an additional patrol car with two deputies on these holidays and will conduct enforcement provided staffing is available
 - Community outreach
 - Place changeable copy sign at Highway 92 near Main Street reminding the public regarding parking, activities, no fireworks, etc.
 - In advance of Independence Day, place signage reminding community and visitors that fireworks are illegal in Half Moon Bay
 - On Independence Day, post conspicuous temporary signs along local road arteries and at local beaches, as necessary, reminding the public that fireworks are illegal and issue public service announcement and utilize

other sources to remind the public that fireworks are illegal in the City limits

- Maintenance
 - The City will deploy maintenance staff Poplar Beach on Saturdays, Sundays and holidays
 - Abundant Grace will continue to provide expanded letter services per their contract with the City
 - Public Works will work with Pacific Beach Coalition on Coastal Clean Up Day and beach clean ups throughout the year.
 - Public Works to install bag dispenser at Poplar Beach vertical access

OTHER RELATED ISSUES

Poplar Gate

The City began leaving the Poplar Beach gate unlocked in December. This “Pilot Project” was initiated to test the potential neighborhood benefits of allowing visitors to park in the lot rather than in the adjacent neighborhood. Secondly, this addressed an ongoing issue for the City regarding opening and closing the gate seven days a week, twice a day. As many are aware, there have been many instances in which the gate lock has been cut and/or vehicles are bypassing the gate via an adjacent private property. These incidents are costing the property owner and the City money and time. Over the years (including in 2019) neighbors have complained to the City about the parking of vehicles (and the related undesirable activities associated with the parking) in their neighborhood. Given the fact that Poplar Beach is open 24-hours a day (by State law), staff is recommending that the “open gate” Pilot Project extend at least through the summer months to reduce parking and noise impacts in the nearby neighborhoods. From a policing perspective, the Sheriff’s Office is supportive. In the event of a large gathering, the gate can be temporarily closed and locked while enforcement in the parking lot and on the beach commences/continues.

Beach Fires

Currently bonfires are not permitted on Poplar Beach. Throughout the year (and particularly during summer months) people are starting bonfires up and down Poplar Beach. Unless an officer sees the person “strike-the-match”, the only enforcement available is to ask that a fire be put out. Beyond the enforcement challenge is the topographic challenge of the bluff and beach. In many instances, unless a person is on the beach or peering directly over the edge of the bluff, fires cannot be easily seen. The remnants of bonfires create litter on the beach as well as in some cases, a hazard even after the fire is extinguished. Staff would like to be given the authority to evaluate options that would allow for controlled locations (fire pits) to allow the activities legally in limited locations near the vertical access during summer months.

Conclusion

Poplar Beach and the nearby beaches are major draws for local and distant visitors. As such, we can expect traffic and related impacts through the summer of 2020 and subsequent years.

The impacts will be more acute during Bay Area heat waves and holiday weekends. The “2020 Action Plan” suggests reasonable and achievable steps that can be taken by the City and Sheriff to alleviate many of the concerns and impacts identified by residents.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **March 17, 2020**

TO: Honorable Mayor and City Council

VIA: Bob Nisbet, City Manager

FROM: John T. Doughty, Public Works Director
Lisa Lopez, Administrative Services Director
Maz Bozorginia, City Engineer

TITLE: **WORKSHOP REGARDING PROPOSED SEWER RATE ADJUSTMENTS**

RECOMMENDATION:

Direct staff to schedule a Public Hearing for April 7, 2020 to formally accept the 2020 Sewer Service Charges Study and authorize the release of notices to rate payers pursuant to Proposition 218.

FISCAL IMPACT:

The purpose of the rate adjustment is to create a financially sustainable Sewer Enterprise Fund. Over the last five years, fixed sewer system costs have continued to grow with costs exceeding revenues generated by the current rates each of the last fiscal years. Over the last three years, it has been necessary to utilize emergency/capital reserve funds for fixed operational costs. In FY 2019-20, \$2,006,000 was transferred to the operating fund from the capital reserve fund.

STRATEGIC ELEMENT:

This recommendation supports the Infrastructure and Environment, Healthy Communities and Public Safety, and Inclusive Governance Elements of the Strategic Plan.

SEWER SYSTEM OVERVIEW:

The City's collection system includes approximately 35 miles of gravity sewer lines, three (3) pump stations and three (3) force mains. Wastewater from residences, businesses, schools, restaurants and other buildings and uses is conveyed through sewer mains owned by the City of Half Moon Bay to the sewer treatment plant operated by Sewer Authority Mid-Coastside (SAM). The City collection system serves residences, businesses and public uses from Frenchman's Creek on the north to Miramontes Point Road on the south. The City primarily serves properties located in the incorporated City; however, the City serves some adjacent areas outside the City limits including the Moonridge Housing Development.

The City, Granada Community Services District (Granada) and Montara Water and Sanitary District (Montara) form Sewer Authority Mid-Coastside (SAM) via an exercise of Joint Powers Agreement (JPA). SAM facilities include a conventional wastewater treatment plant (located at 1000 N. Cabrillo Highway, Half Moon Bay) and the Intertie Pipeline System (IPS), which conveys flows through pumping facilities, force mains, and interceptor pipelines from Granada and Montara service areas to the wastewater treatment plant. Under the current JPA, the City is responsible for paying a proportional share of the plant flow for operations, maintenance and capital costs of the wastewater treatment plant. In FY 2019-20, the City's proportional share of operations and maintenance was set at 56-percent. In 2017, the City filed for Declaratory Relief regarding language in the JPA related to member agencies' respective obligations for paying for capital projects (notably the IPS). The parties and City agreed to enter into mediation and have been actively engaged in settlement discussions.

The regional wastewater treatment plant was originally constructed in the late 1970s, following the formation of the JPA. The treatment plant was substantially upgraded in late 1999/2000 and has sufficient capacity to receive and treat anticipated wastewater flows. The treatment plant, due substantially to deferred maintenance, is in need of major maintenance and capital repair which have been estimated between \$30 and \$40 million. This rate study includes funding for capital repair and replacement on either a financed or pay-as-you-go scenario. The rates include approximately \$2.4 million combined annual contribution from the City, Granada and Montara.

The IPS was constructed in the late 1970s and is, for the most part, comprised of original system components. In 2017, the Granada Force Main suffered a major break and resulted in a significant sanitary sewer spill (SSO). Two smaller SSO events occurred on other sections of the Granada Force Main. As a result, SAM completed replacement of approximately 5,700 feet of the Granada Force Main at a cost of almost \$2.0 million. SAM recently commenced work on an additional 1,500 feet of the Granada Force Main. SAM was fined (and member agencies proportionately paid) approximately \$600,000 by the Regional Water Board for the 2017 SSO events. SAM was subsequently sued by the Ecological Resource Foundation (ERF). In addition to some cash considerations, the settlement of this suit included commitment to a series of replacements of the IPS over the next 5-years totaling almost an estimated \$9.0 million. Total IPS repair and replacement is estimated at between \$20 and \$25 million.

SEWER ENTERPRISE FUND OVERVIEW:

The City's Sewer Fund is a government enterprise fund. An enterprise fund is a self-supporting government fund that provides a specialized service. In this instance, City sewer services represent the specialized service; the Sewer Fund is the City's only enterprise fund. The Sewer Fund is shown in the City's Annual Operations Budget as two separate accounts: Fund 05 (Operating Fund); and 06 (Sewer Capital Fund). The separation exists solely to separately account for operations expenses and capital expenses.

Ninety-nine (99%) percent of the sewer system (utility) revenues is derived directly from the rates charged to the users of the sewer system. Per State law, sewer service charges are

permitted to recover only revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditure including maintenance of emergency and capital reserves. As noted above, the City's sewer service charges include not only the operation and maintenance of the City collection system, but also the proportional costs of operating and maintaining Sewer Authority Mid-Coastside (SAM) (including the treatment plant and intertie pipeline system).

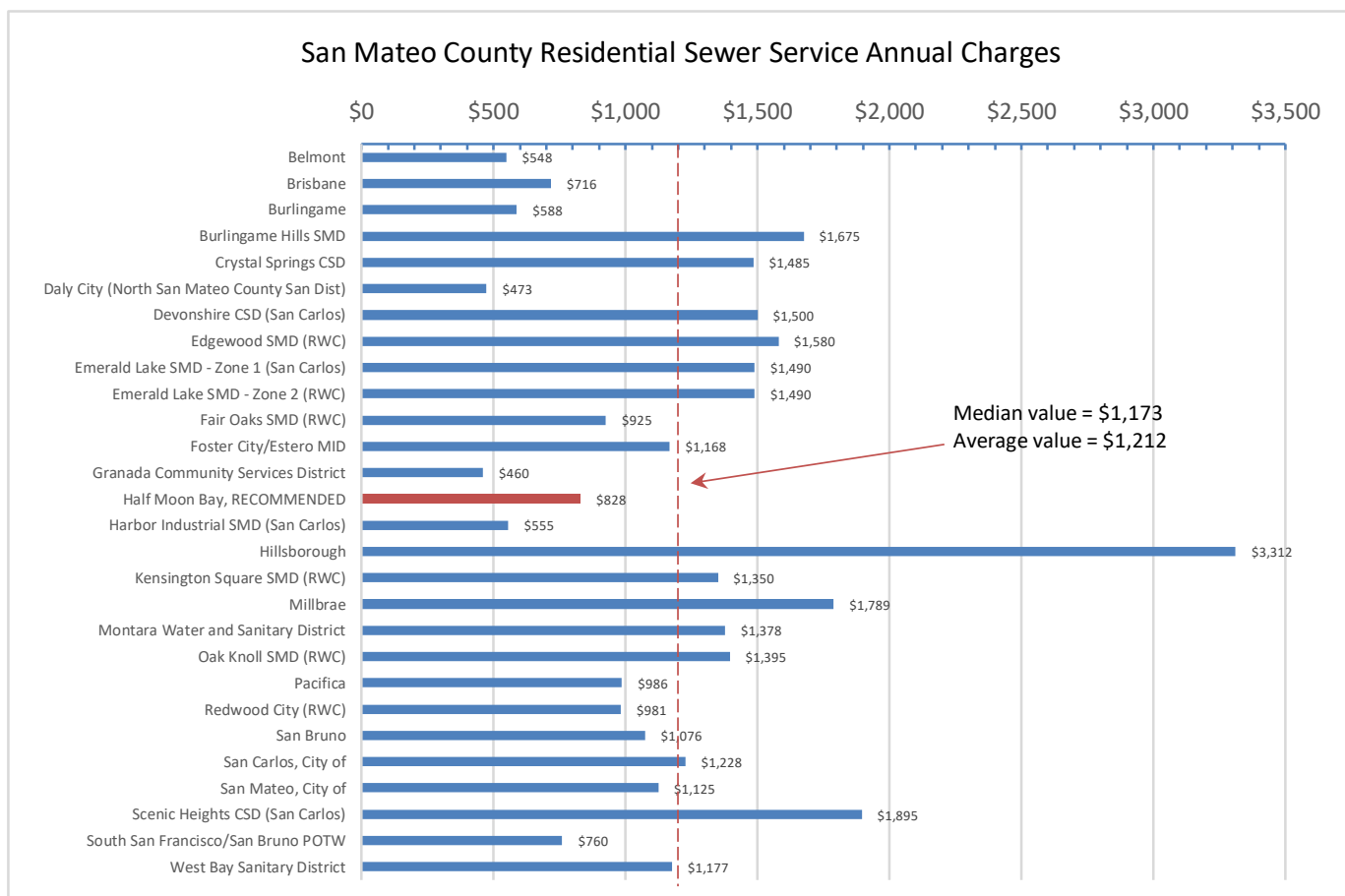
Operations and maintenance costs for sewer services have increased significantly over the last three years. Between FY 2015-16 (\$2,299,898) and FY 2019-20 (\$4,131,899) the Half Moon Bay proportion of SAM budgeted costs alone have almost doubled. Additionally, the City's share of the costs has increased by almost 10-percent over the last five years. SAM related increases are attributable to a number of factors including the need to provide sufficient staffing, address deferred maintenance, pay for sewer spill related costs and account for the rapidly increasing cost of materials and labor for capital construction and maintenance.

The City's collection system operating costs have also risen in response to statutory oversight obligations, addressing long deferred maintenance, providing oversight of the operations and maintenance and also to account for the rapidly increasing cost of materials and labor for capital construction and maintenance. The City is currently advertising for the Ocean Colony Pump Station and Force Main Project. This project is necessary to replace aging infrastructure necessary to protect the environment and limit liability. The engineer's estimate of construction costs is nearly \$3 million. Additional capital maintenance and repair will need to continue to protect the environment, limit liability and meet statutory obligations. While the City is proactively managing and maintaining its sewer assets, portions of the inground pipes are 70-80 years old and approaching normal life expectancy.

The last rate increase for City sewer customers was effective July 1, 2014; based upon a rate study approved by City Council in 2012. The increases covered rates for fiscal year (FY) 2012-13 and 2013-14. This adjustment followed a rate increase approved in 2010 which increased rates in FY 2010-11 and FY 2011-12. Granada and Montara are subject to the same fixed costs issues and have each increased rates during this period of time. Montara is considering three years of 9-percent annual rate increases which will be effective on July 1, 2020. Many San Mateo County/Peninsula agencies have or will be considering rate adjustments to address increasing fixed costs and environmental compliance.

DISCUSSION:

The City currently serves 4,762 sewer customers, of which, 4,455 are currently classified as residential customers and 307 classified as non-residential customers. City sewer service charges across-the-board are among the lowest in San Mateo County. Today, the average single-family rate (averaged across all accounts) is approximately \$830 annually or the equivalent of \$69.00 per month. Across San Mateo County, the average annual service charge is \$1,212 (\$101 per month) and the median annual sewer service charge is \$1,173 (\$97.75). The rate comparison table for San Mateo County is below. The City rate (in red) reflects the anticipated rate for an average single-family home as of July 1, 2020.



City sewer customers have enjoyed six years of rate stability. Unfortunately, revenues are not keeping pace with the increasing cost of operating and maintaining the City collection system or the SAM operations and facilities. While efforts have and will continue to be made to operate efficiently and cost effectively, the cost of “doing business” has increased and the rates need to be adjusted. Further, neither the City or SAM can defer infrastructure repairs and replacements as the cost of deferral would be significantly greater in both actual costs and potential liabilities. Over the last several years, the City has been required to use emergency and capital reserve funds to cover the increasing costs of operations.

In light of this, the City commissioned the services of Municipal Financial Services (MFS) to assist the City in evaluating the current rates and rate structure, City costs (current and anticipated costs), SAM costs (current and anticipated) and to recommend a revised rate structure in accordance with Proposition 218. The City has been working with MFS since the fall of 2019 to complete the statutorily required cost of service analysis. We are nearing completion of the cost of service study. With the concurrence of the City Council Finance Committee, staff felt it important to provide information to the community and full City Council

regarding the study and the initial recommendations regarding the rate structure and sewer service charges (rates) for the next five fiscal years.

Below is a table which reflects preliminary service charges by customer/premise classification.

	Current 2019-20 Rate Structure			2020-21	2021-22	2022-23	2023-24	2024-25
	<u>Minimum</u>	<u>@ 60 HCF/year</u>	<u>Avg./year</u>					
Residential Single Family	\$537	\$0	Average Bill	\$828	\$936	\$1,056	\$1,188	\$1,344
Residential Single Family w/ADU	<<< no current charges >>>			\$960	\$1,104	\$1,236	\$1,392	\$1,572
Residential Multiple Family	\$0	\$0	Per Acct/Unit	\$504	\$576	\$648	\$732	\$828
Mobile Home	\$0	na	\$0	\$504	\$576	\$648	\$732	\$828
Senior Apartments (New Class)				\$504	\$576	\$648	\$732	\$828
	<u>Minimum</u>							
Retirement Homes	\$0	na	\$0	\$504	\$576	\$648	\$732	\$828
Annual Account Charge	<u>Minimum</u>							
All classes	varies by strength			\$183	\$208	\$235	\$264	\$298
Flow Rate, \$/HCF	<u>Strength Factor</u>	<u>Above Minimum</u>						
Office	60.00%	\$6.72		\$8.11	\$9.26	\$10.44	\$11.72	\$13.25
School	65.71%	\$7.36		\$8.11	\$9.26	\$10.44	\$11.72	\$13.25
Recreational	114.29%	\$12.79		\$13.03	\$14.88	\$16.77	\$18.83	\$21.28
Commercial	85.71%	\$9.59		\$9.35	\$10.68	\$12.04	\$13.52	\$15.28
Medical	100.00%	\$11.19		\$11.12	\$12.70	\$14.32	\$16.08	\$18.17
Motel	122.86%	\$13.75		\$13.74	\$15.70	\$17.69	\$19.87	\$22.45
Restaurant	180.00%	\$20.15		\$19.75	\$22.56	\$25.43	\$28.56	\$32.27

Staff and the consultant will be providing a detailed presentation to help explain the methodology and financial analysis leading to these charges.

Conclusion

The City Council is committed to fiscal sustainability and environmental protection. Without a rate adjustment, the City sewer system will not be a financially viable enterprise. Without adequate funding of the sewer system, the City will not be able to operate and maintain the City sewer system in conformance with State and federal regulations; likely resulting in sewer system overflows (SSOs) and extreme legal liability to the City.

Next Steps

- March 17, 2020 – City Council Workshop (Today)
- April 7, 2020 – Council accepts draft report and authorizes mailing Prop 218 Notice
- June 2, 2020 – Hold continued public hearing and adopt rates
- July 2020 – Rates become effective; prepare Tax Roll