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CITY OF BLUE LAKE

CALIFORNIA

111 Greenwood Road

P.O. Box 458

Blue Lake, CA 95525

Blue Lake City Council Agenda

Tuesday, May 24, 2022 ~ 6:30 p.m. ~Regular Council Meeting

Skinner Store Building-111 Greenwood Road, Blue Lake-Behind City Hall

Zoom Option: The Public May Participate in Person, or Via Zoom at the Link Below:

Join Zoom Meeting

<https://us02web.zoom.us/j/85469285505?pwd=SkhDdGpmajk4ajF1TEY2OTNUMIRROT09>

Meeting ID: 854 6928 5505

Passcode: 741018

Dial by your location:+1 669 900 6833 US (San Jose)

Unless Otherwise Noted, All Items on the Agenda are Subject to Action.

1. **Pledge of Allegiance and Establish a Quorum of the Council**
2. **Approve Agenda**
3. **Public Comment** – *The Public is invited to present petitions, make announcements, or provide other information to the City Council that is relevant to the scope of authority of the City of Blue Lake that is not on the Agenda. The Council may provide up to 15 minutes for this public input session. To assure that each individual presentation is heard, the Council may uniformly impose time limitations of 3 minutes to each individual presentation. The public will be given the opportunity to address items that are on the agenda at the time the Council takes up each specific agenda item.*
4. **Proclamation-Honoring June 2022 as National Alzheimer’s and Brain Awareness Month-Action**
5. **Closed Session (6:30 PM-7:30 PM): Conference with Real Property Negotiators (Government Code § 54956.8):** Property: Approximately three (3) acres of land and is a portion of the parcel designated as Assessor’s Parcel Numbers 312-161-018 and 312-161-015.
City of Blue Lake Negotiator(s): Amanda Mager (City Manager), Ethan Walsh and Russ Gans (Attorneys for City)
Negotiating parties/Negotiating With: DANCO Communities, a California corporation, Chris Dart, McKenzie Dibble
Under negotiation: Price and/or terms of payment/conditions, Ground Lease and Development Agreement
6. **Review/Approve Disposition and Development Agreement with DANCO Communities**
Properties: Approximately three (3) acres of land and is a portion of the City of Blue Lake’s parcels designated as Assessor’s Parcel Numbers 312-161-018 and 312-161-015-Action
7. **Water and Wastewater Rate Study Presentation-Discussion/Action**
8. **Powers Creek District Development Update-Discussion/Direction**
 - a. **Storyland Update: Powers Creek District Economic Analysis/Branding-Discussion/Update**
 - b. **Bike Park-Status Update-Discussion/Update**

c. **Corporation Yard Development-Discussion/Update**

9. **City Manager Evaluation Ad Hoc Committee-Discussion/Action**

10. **Council Correspondence**

11. **Consent Agenda:**

a. Warrants and Disbursements

b. Meeting Minutes:

i. March 22, 2022-Regular Council Meeting

ii. April 26, 2022-Regular Council Meeting

iii. May 10, 2022-Special Council Meeting

12. **Reports of Council and Staff**

- City Manager Report

- Unaudited Financial Report 7/1/2021-3/31/2022

13. **Future Agenda Items**

14. **Adjourn**

A request for disability-related modification or accommodation, including auxiliary aid or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting, by contacting City Manager Amanda Mager, 668-5655, at least 24 hours prior to the commencement of the meeting.

PROCLAMATION

HONORING JUNE 2022 AS NATIONAL ALZHEIMER'S AND BRAIN AWARENESS MONTH

WHEREAS, Today, there are more than 6 million Americans living with Alzheimer's disease, a figure that is expected to grow to as many as 13 million by 2050 if scientists don't develop a cure or an effective treatment.

WHEREAS, 1 in 3 seniors die with Alzheimer's or another dementia. It kills people more than breast cancer and prostate cancer combined. Between 2022 and 2019, deaths from heart disease have decreased 7.3% while deaths from Alzheimer's disease have increased by 145%.

WHEREAS, More than 11 million Americans provide unpaid care for people with Alzheimer's or other dementias. In 2021, these caregivers provided more than 16 billion hours of care valued at nearly \$272 billion.

WHEREAS, Alzheimer's disease is a local issue. Our friends and neighbors need access to support and resources to lessen the disease's impacts. In Humboldt County, it is estimated that about 3,384 people currently live with Alzheimer's and related dementias. There are another 7,600 caregivers who are caring for a loved one with Alzheimer's.

WHEREAS, In 2020, COVID-10 contributed to a 17% increase in Alzheimer's and dementia deaths.

WHEREAS, Fewer than 1 in 5 Americans are familiar with mild cognitive impairment (MCI), which can be an early stage of Alzheimer's. 90% of physicians say it's important to diagnose MCI due to Alzheimer's, but over half say they are not fully comfortable making that diagnosis.

WHEREAS, During June, the Alzheimer's Association invites Humboldt County residents to participate in The Longest Day on June 21st. Held annually on the summer solstice, The Longest Day invites participants to fight the darkness of Alzheimer's through a fundraising activity of their choice or by wearing purple.

NOW THEREFORE, We, the City Council of Blue Lake, California, do hereby proclaim the month of June as Alzheimer's and Brain Awareness Month. The Council thanks the Alzheimer's Association for providing services to people and families coping with dementia.

NATIONAL ALZHEIMER'S AND BRAIN AWARENESS MONTH – JUNE

SIGNED AND SEALED, at _____, California, this _____ day of _____, 2022.

Adelene Jones-Mayor



CITY OF BLUE LAKE

Post Office Box 458, 111 Greenwood Road, Blue Lake, CA 95525
Phone 707.668.5655 Fax 707.668.5916

AGENDA REPORT

Item #: 5
Date: May 24, 2022
Item Subject: Closed Session-DANCO Disposition Agreement
Submitted By: Mandy Mager, City Manager

General Information:

Under Negotiation: Price and/or terms of payment/conditions, Ground Lease and Development Agreement

Closed Session (6:30 PM-7:30 PM): Conference with Real Property Negotiators (Government Code § 54956.8): Property: Approximately three (3) acres of land and is a portion of the parcel designated as Assessor's Parcel Numbers 312-161-018 and 312-161-015.
City of Blue Lake Negotiator(s): Amanda Mager (City Manager), Ethan Walsh and Russ Gans (Attorneys for City)
Negotiating parties/Negotiating With: DANCO Communities, a California corporation, Chris Dart, McKenzie Dibble

Background Material Provided: N/A

Fiscal Impact: N/A

Recommended Action: As Discussion Directs

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Comments:



CITY OF BLUE LAKE

Post Office Box 458,
Phone 707.668.5655

111 Greenwood Road,

Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 6
Date: May 24, 2022
Item Subject: Final Disposition Development Agreement with DANCO Communities
Submitted By: Mandy Mager, City Manager

General Information:

The City has been working with DANCO Communities for several months to explore development options for a portion of the City's property located along Taylor Way. Development concepts include the development of approximately 45 mixed income residential units, along with approximately 20,000 square feet of commercial/retail space.

The City's attorneys have developed a final Disposition Development Agreement and ground lease, for Council's consideration. City staff have developed a list of required improvements necessary to accommodate the proposed development and have incorporated various improvement requirements as part of the DDA.

City staff are presenting the final draft of the DDA for Council's consideration. The development agreement is the next step in the process of refining a project scope; this will include various special studies, architectural designs, and further vetting of infrastructure requirements; the DDA will also allow the developer to pursue funding opportunities to support the development of the project. The project will go through various layers of review, including permitting, as set forth in the City's zoning ordinance for the district.

Background Material Provided: Final Disposition Development Agreement

Fiscal Impact: N/A

Recommended Action: Discussion/Action

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

CITY OF BLUE LAKE
a municipal corporation of the State of California

and

DANCO COMMUNITIES
a California corporation

[_____ Project]

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Attachments

Attachment No. 1	Map of the Site
Attachment No. 2	Legal Description of the Site
Attachment No. 3	Schedule of Performance
Attachment No. 4	Scope of Development
Attachment No. 5	Form of Ground Lease
Attachment No. 6	Form of Memorandum of Ground Lease
Attachment No. 7	Notice of Affordability Restrictions
Attachment No. 8	Form of Certificate of Completion
Attachment No. 9	Anticipated Public Improvements

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (“**Agreement**”) is entered into as of _____, 2022 by and between the CITY OF BLUE LAKE, a municipal corporation of the State of California (the "**City**") and DANCO COMMUNITIES, a California corporation (the "**Developer**"). The City and the Developer agree as follows:

I. [§100] SUBJECT OF AGREEMENT

A. [§101] Purpose of This Agreement

The City of Blue Lake (the "**City**") is the owner of that certain real property (the "**Site**") as more particularly described in Section 102 below. Consistent with the City’s General Plan, the City desires to convey a leasehold interest in the Site for the purpose of creating a mixed-use development that would include approximately 40 multifamily rental housing units, 39 of which are for families and/or seniors earning no more than sixty percent (60%) of the Area Median Income for Humboldt County and approximately 20,000 square feet of light industrial and/or retail space within the City’s boundaries, as more fully described in Section 402, below.

The development of the Site pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City, and the health, safety, morals and welfare of its residents and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

B. [§102] The Site

The Site is shown on the "**Map of the Site**" (Attachment No. 1) and is more particularly described in the "**Legal Description of the Site**" (Attachment No. 2). The Site consists of approximately three (3) acres of land, and is a portion of the parcel designated as Assessor’s Parcel Numbers 312-161-018 and 312-161-015.

C. [§103] Parties to This Agreement

1. [§104] The City

The City is a municipal corporation of the State of California. The office of the City is located at 111 Greenwood Road, Blue Lake, CA 95525-0458. "**City**," as used in this Agreement, includes the City and any assignee of or successor to its rights, powers and responsibilities.

2. [§105] The Developer

The Developer is DANCO COMMUNITIES, a California corporation. The principal office of the Developer is located at 5251 Ericson Way, Arcata, California 95521. Wherever the term "**Developer**" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

The qualifications and identity of the Developer are of particular concern to the City, and it is because of such qualifications and identity that the City has entered into this Agreement with the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. This Agreement may be terminated by the City pursuant to Section 611 hereof if there is any significant change (voluntary or involuntary) in the composition, management or control of the Developer without the prior written approval of the City.

The Developer may assign or transfer its interest in or obligations under this Agreement, without the City's prior written approval, to a limited partnership or other entity (“**Affiliate**”) created and controlled by the Developer for purposes of developing, owning and operating the Project; provided that Developer shall notify the City in writing prior to any such assignment or transfer; and provided, further, that such assignee or transferee shall assume all of Developer's interest in and obligations under this Agreement, pursuant to a written assignment and assumption agreement, in such form and content as is reasonably satisfactory to the City.

Except as specifically authorized by this Agreement, the Developer shall not assign all or any part of this Agreement without the prior written approval of the City.

D. [§106] Deposit

Prior to or concurrently with the execution of this Agreement, the Developer has or shall deposit with the City the amount of _____ Dollars (\$_____) (the “**Deposit**”). The Deposit shall be credited toward Reimbursable Costs (as defined herein). The Developer shall reimburse the City for the City’s actual third-party out-of-pocket costs and expenses incurred by the City directly related to (a) City’s costs of preparing the Property for disposition, including but not limited to complying with the Surplus Lands Act, (b) negotiating and preparing this Agreement and (c) processing Developer’s application for development entitlements for the Project, including but not limited to all planning and engineering work for the Project (collectively, “**Reimbursable Costs**”). “Reimbursable Costs” does not include City’s normal permit or processing fees charged to developers, which shall be paid by Developer in addition to the Reimbursable Costs. The total amount of Reimbursable Costs to be paid by Developer is estimated to be _____ Dollars (\$_____) (the “**Reimbursable Costs Budget**”). The City shall have the right to revise the Reimbursable Costs Budget, from time to time, as necessary, to add unanticipated new expenditures and increases in budgeted Reimbursable Costs expenditures reasonably projected to be incurred by the City provided, however, in no event shall the total amount of Reimbursable Costs set forth in the Reimbursable Costs Budget increase by more than Ten Thousand Dollars (\$10,000) without the prior consent of the Developer. In the event that any funds remain from the Deposit after the City has incurred all third-party out-of-pocket costs and expenses described herein, such remaining funds shall be returned to Developer at Close of Escrow.

II. [§200] DISPOSITION OF THE SITE

A. [§201] Ground Lease of Property

In accordance with and subject to all the terms, covenants and conditions of this Agreement, City agrees to ground lease to Developer, and the Developer agrees to ground lease from City the Site pursuant to the “**Ground Lease**,” the form of which is attached hereto as Attachment No. 5 and incorporated herein by this reference.

Conveyance of the Site pursuant to the Ground lease shall be made through Escrow. The Developer and City shall both execute and deliver into escrow the Ground Lease in substantially the form attached hereto, provided, however, the City agrees to cooperate with the Developer, and the City Manager shall have the authority, to approve any reasonable modifications to the terms of the Ground Lease that may be required by the terms of any Tax Credit Financing or other funding sources secured by the Developer for the Project as referenced in Section 301 of this Agreement. Developer and City shall further execute and deliver into escrow a “**Memorandum of Ground Lease**” in the form attached hereto as Attachment No. 6 and incorporated herein by this reference.

The Developer acknowledges and understands that the Site will be ground leased to the Developer for purposes of development pursuant to this Agreement and not for speculation in undeveloped land.

B. [§202] Escrow

The City agrees to open an escrow with Commonwealth Land Title Company, or any other escrow company approved by the City and the Developer, as escrow agent (the “**Escrow Agent**”), in or serving Blue Lake, California, within the time established in the Schedule of Performance (Attachment No. 3). This Agreement constitutes the joint escrow instructions of the City and the Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of escrow. The City and the Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement and, upon indicating its acceptance of the provisions of this Section 202 in writing, delivered to the City and to the Developer within five (5) days after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

The Developer shall each execute and deposit with the Escrow Agent the Ground Lease for the Site and the Memorandum of Ground Lease in accordance with the provisions of Section 207 of this Agreement.

The Developer shall be responsible for payment of all escrow fees, charges and closing costs for the conveyance of the Site to the Developer, except those costs to be paid by City as specifically set forth below. Developer shall pay in escrow to the Escrow Agent all such fees, charges and costs promptly after the Escrow Agent has notified the Developer of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for the close of escrow.

The City shall pay in escrow to the Escrow Agent the following costs promptly after the Escrow Agent has notified the City of the amount of such costs, if any, but not earlier than ten (10) days prior to the scheduled date for the close of escrow:

1. Costs necessary to place the title to the Site in the condition for conveyance of the leasehold interest required by the provisions of this Agreement; and
2. Ad valorem taxes, if any, upon the Site for any time prior to conveyance of title.

Upon delivery of the Ground Lease and Memorandum of Ground Lease to the Escrow Agent by the City pursuant to Section 206 of this Agreement, the Escrow Agent shall record the Memorandum of Ground Lease in accordance with the terms and provisions of this Agreement. The Escrow Agent shall buy, affix and cancel any transfer stamps required by law and pay any transfer tax required by law. Any insurance policies governing the Site are not to be transferred.

The Escrow Agent is authorized to:

1. Pay and charge the City and the Developer, respectively, for any fees, charges and costs payable under this Section 202. Before such payments are made, the Escrow Agent shall notify the City and the Developer of the fees, charges and costs necessary to clear title and close the escrow;
2. Disburse funds and deliver the ground lease and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the City and the Developer; and
3. Record any instruments delivered through this escrow, if necessary or proper, to vest title in the Developer in accordance with the terms and provisions of this Agreement.

All funds received in this escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in a general escrow account or accounts with any state or national bank doing business in the State of California. Such funds may be transferred to any other such general escrow account or accounts. All disbursements shall be made by check of the Escrow Agent. All adjustments shall be made on the basis of a thirty (30) day month.

If this escrow is not in condition to close before the time for conveyance established in Section 203 of this Agreement, either party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, terminate this Agreement in the manner set forth in Section 610 or 611 hereof, as the case may be, and demand the return of its money, papers or documents. Thereupon all obligations and liabilities of the parties under this Agreement shall cease and terminate in the manner set forth in Section 610 or 611 hereof, as the case may be. If neither the City nor the Developer shall have fully performed the acts to be performed before

the time for conveyance established in Section 203, no termination or demand for return shall be recognized until ten (10) days after the Escrow Agent shall have mailed copies of such demand to the other party or parties at the address of its or their principal place or places of business. If any objections are raised within the ten (10) day period, the Escrow Agent is authorized to hold all money, papers and documents with respect to the Site until instructed in writing by both the City and the Developer or upon failure thereof by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible. Nothing in this Section 202 shall be construed to impair or affect the rights or obligations of the City or the Developer to specific performance.

Any amendment of these escrow instructions shall be in writing and signed by both the City and the Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from the Escrow Agent to the City or the Developer shall be directed to the addresses and in the manner established in Section 701 of this Agreement for notices, demands and communications between the City and the Developer.

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 202 to 208, both inclusive, of this Agreement.

Neither the City nor the Developer shall be liable for any real estate commissions or brokerage fees that may arise herefrom. The City and the Developer each represent that neither has engaged any broker, agent or finder in connection with this transaction.

C. [\$203] Conveyance of Leasehold Interest and Delivery of Possession

Provided that the Developer is not in default under this Agreement and all conditions precedent to such conveyance have occurred, and subject to any mutually agreed upon extensions of time, conveyance to the Developer of the leasehold interest to the Site shall be completed on or prior to December 31, 2024. The City and the Developer agree to perform all acts necessary to conveyance of title in sufficient time for title to be conveyed in accordance with the foregoing provisions. The date set forth in this Section 203 for conveyance of title of the Site to the Developer may be extended by mutual agreement of the parties, to the extent the parties agree that any such extension is reasonable and necessary for the parties to complete all actions necessary to effectuate such conveyance in accordance with the other terms and conditions set forth in this Agreement. The City Manager shall have the authority to authorize any such extension on behalf of the City.

Possession shall be delivered to the Developer concurrently with the conveyance of the leasehold interest, except that limited access may be permitted before conveyance of title as permitted in Section 213 of this Agreement. The Developer shall accept the leasehold interest and possession on or before said date.

D. [§205] Condition of Title

Within the times set forth in the Schedule of Performance (Attachment No. 3), the City shall submit a Preliminary Title Report for the Site to the Developer for approval. Developer shall approve or disapprove the Preliminary Title Report within thirty (30) days from the time of receipt. Failure by the Developer to either approve or disapprove the conditions of title within such time shall be deemed an approval. If the condition of title is not acceptable to Developer, the City shall have thirty (30) days to eliminate exceptions to title or covenant to do so as a condition to Close of Escrow. If City is unable to eliminate exceptions to title, Developer may either terminate this Agreement pursuant to Section 510, or accept the conditions of title.

The City shall convey to the Developer a leasehold interest to the Site free and clear of all recorded liens, encumbrances, assessments, leases and taxes except as are consistent with this Agreement and as approved by the Developer pursuant to this Section 205.

E. [§206] Time for and Place of Delivery of Ground Lease, Memorandum of Ground Lease

Subject to any mutually agreed upon extensions of time, the City and the Developer shall both deposit the executed Ground Lease and Memorandum of Ground Lease, (provided for under Section 201) and additional instructions relating to the Site with the Escrow Agent on or before the date established for the conveyance of the Site in the Schedule of Performance (Attachment No. 3).

F. [§207] Recordation of Memorandum of Ground Lease

Upon the close of escrow, the Escrow Agent shall file the Memorandum of Ground Lease for recordation among the land records in the Office of the County Recorder of Humboldt County, and shall deliver to the Developer the title insurance policy insuring leasehold title and the priority of liens in conformity with Section 208 of this Agreement.

G. [§208] Title Insurance

Concurrently with recordation of the grant deed, Commonwealth Land Title Company, or some other title insurance company satisfactory to the Developer having equal or greater financial responsibility ("**Title Company**"), shall provide and deliver to the Developer an ALTA leasehold owner's title insurance policy issued by the Title Company insuring that leasehold title to the Site is vested in the Developer in the condition required by Section 205 of this Agreement.

The Developer shall pay for all premiums for title insurance coverage or special endorsements.

Concurrently with the recording of the Memorandum of Ground Lease against the Site, the Title Company shall, if requested by the Developer, provide the Developer with an endorsement to insure the amount of the Developer's estimated development costs of the

improvements to be constructed upon the Site. The Developer shall pay the entire premium for any such increase in coverage requested by it.

H. [§209] Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Site, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period commencing prior to conveyance of leasehold title shall be borne by the City. All such ad valorem taxes and assessments, including but not limited to possessory interest taxes, levied or imposed for any period commencing after closing of the escrow shall be paid by the Developer.

I. [§210] Conveyance Free of Possession

Except as otherwise provided in the Scope of Development (Attachment No. 4), the leasehold interest to the Site shall be conveyed free of any possession or right of possession by any person except that of the Developer and the easements of record.

J. [§211] Zoning of the Site

The Site is currently designated by the General Plan as Mixed Use, and is zoned as Opportunity Zone, which is primarily intended for commercial and manufacturing uses with residential dwellings located above or behind the primary commercial or manufacturing uses to promote a live-work type environment. Developer, at its sole cost and expense, shall use its best efforts to obtain, prior to the time of conveyance and through the City's normal approval process, approval of entitlements necessary to permit the development and construction of the Project in accordance with the provisions of this Agreement and the use, operation and maintenance of such improvements on the Site. If Developer is unable to obtain such entitlements or the conditions to such entitlements make the proposed Project infeasible, then the Developer shall have the option to terminate this Agreement pursuant to the provisions of Section 610.

K. [§212] Inspections; Condition of the Site

1. Inspections. Within the time established in the Schedule of Performance (Attachment No. 3), the Developer shall conduct its own investigation of the Site (or portion thereof being conveyed), its physical condition, the soils and toxic conditions of the Site and all other matters which in the Developer's judgment affect or influence the Developer's proposed use of the Site and the Developer's willingness to develop the Site pursuant to this Agreement. The Developer's investigation may include, without limitation, the preparation by a duly licensed soils engineer of a soils report and environmental report for the Site. Within the time set forth in the Schedule of Performance (Attachment No. 3), the Developer shall provide written notice to the City of the Developer's determinations concerning the suitability of the physical condition of the Site. If, in the Developer's reasonable judgment, the physical condition of the Site is unsuitable for the use or uses to which the

Site will be put, then the Developer shall have the option either: to (a) take any action necessary to place the Site in a condition suitable for development, at no cost to the City; or (b) terminate this Agreement pursuant to the provisions of Section 610. If the Developer has not notified the City of its determinations concerning the suitability of the physical condition of the Site within the time set forth in the Schedule of Performance (Attachment No. 3), the Developer shall be deemed to have waived its right to terminate this Agreement pursuant to this Section.

2. "As Is." The City shall deliver to the Developer all information of which it has actual knowledge concerning the physical condition of the Site, including, without limitation, information about any Hazardous Materials, as defined below. The Developer acknowledges and agrees that any portion of the Site that it acquires from the City pursuant to this Agreement shall be purchased "as is," in its current physical condition, with no warranties, express or implied, as to the physical condition thereof, the presence or absence of any latent or patent condition thereon or therein, including, without limitation, any Hazardous Materials thereon or therein, and any other matters affecting the Site.
3. Indemnity. The Developer agrees, from and after the date of execution of the Ground Lease conveying leasehold title to the Site from the City to the Developer under this Agreement, to defend, indemnify, protect and hold harmless the City and its officers, beneficiaries, employees, agents, attorneys, representatives, legal successors and assigns ("**Indemnities**") from, regarding and against any and all liabilities, obligations, orders, decrees, judgments, liens, demands, actions, Environmental Response Actions (as defined herein), claims, losses, damages, fines, penalties, expenses, Environmental Response Costs (as defined herein) or costs of any kind or nature whatsoever, together with fees (including, without limitation, reasonable attorneys' fees and experts' and consultants' fees), ("**Damages**") whenever arising, resulting from or in connection with the actual or claimed generation, storage, handling, transportation, use, presence, placement, migration and/or release of Hazardous Materials (as defined herein), at, on, in, beneath or from the Site (sometimes herein collectively referred to as "**Contamination**"), except if such Damages result from the willful misconduct, gross negligence, fraud, misrepresentation or failure to disclose by the Indemnities. The Developer's defense, indemnification, protection and hold harmless obligations herein shall include, without limitation, the duty to respond to any governmental inquiry, investigation, claim or demand regarding the Contamination, at the Developer's sole cost.

4. Release and Waiver. The Developer hereby releases and waives all rights, causes of action and claims the Developer has or may have in the future against the Indemnities arising out of or in connection with any Hazardous Materials (as defined herein), at, on, in, beneath or from the Site, except if such cause of action arises from the fraud or misrepresentation or failure to disclose by the City. In furtherance of the intentions set forth herein, the Developer acknowledges that it is familiar with Section 1542 of the Civil Code of the State of California which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The Developer hereby waives and relinquishes any right or benefit which it has or may have under Section 1542 of the Civil Code of the State of California or any similar provision of the statutory or nonstatutory law of any other applicable jurisdiction to the full extent that it may lawfully waive all such rights and benefits pertaining to the subject matter of this Section 212.

5. Definitions.

- a. As used in this Agreement, the term "**Environmental Response Actions**" means any and all activities, data compilations, preparation of studies or reports, interaction with environmental regulatory agencies, obligations and undertakings associated with environmental investigations, removal activities, remediation activities or responses to inquiries and notice letters, as may be sought, initiated or required in connection with any local, state or federal governmental or private party claims, including any claims by the Developer.
- b. As used in this Agreement, the term "**Environmental Response Costs**" means any and all costs associated with Environmental Response Actions including, without limitation, any and all fines, penalties and damages.
- c. As used in this Agreement, the term "**Hazardous Materials**" means any substance, material or waste that is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of

California law; (2) petroleum; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; (6) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 *et seq.* (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (7) defined as a "hazardous substance" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.* (42 U.S.C. Section 6903) or its implementing regulations; (8) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.* (42 U.S.C. Section 9601); or (9) determined by California, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property.

6. Materiality. The Developer acknowledges and agrees that the defense, indemnification, protection and hold harmless obligations of the Developer for the benefit of the City set forth in this Agreement are a material element of the consideration to the City for the performance of its obligations under this Agreement, and that the City would not have entered this Agreement unless the Developer's obligations were as provided for herein.

L. [§213] Preliminary Work by the Developer

Prior to the conveyance of leasehold title from the City, representatives of the Developer shall have the right of access to the Site at all reasonable times for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. The Developer shall hold the City harmless from any injury or damages arising out of any activity pursuant to this section. The Developer shall have access to all data and information on the Site available to the City, but without warranty or representation by the City as to the completeness, correctness or validity of such data and information.

Any preliminary work undertaken on the Site by the Developer prior to conveyance of title thereto shall be done only after written consent of the City and at the sole expense of the Developer. The Developer shall save and protect the City against any claims resulting from such preliminary work, access or use of the Site. Copies of data, surveys and tests obtained or made by the Developer on the Site shall be filed with the City. Any preliminary work by the Developer shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

M. [§214] Evidence of Financing

As set forth in Section 301, below, the Developer intends to apply for and secure tax credit financing and other commitments for financing for development of the Site. No later than the time specified in the Schedule of Performance (Attachment No. 3), the Developer shall submit to the City evidence satisfactory to the City that the Developer has any required equity capital and conditional commitments for construction financing necessary for development of the Site, subject to such conditions as are normally and reasonably imposed in connection with such financing commitments.

N. [§215] Conditions of Closing

The close of escrow (the "**Close of Escrow**") is conditioned upon the satisfaction of the following terms and conditions within the times designated below:

1. City Conditions to Close of Escrow. City's obligation to proceed with the Close of Escrow and convey the leasehold interest in the Site is subject to the fulfillment or waiver by City of each and all of the conditions precedent a. through f., inclusive, described below ("**City's Conditions Precedent**"), which are solely for the benefit of City, and which shall be fulfilled or waived by the time period provided herein:

a. No Default. Before the Close of Escrow, Developer shall not be in default of any of its obligations under the terms of this Agreement and all representations and warranties of Developer contained herein shall be true and correct in all material respects.

b. Execution of Documents. The Developer shall have executed the Ground Lease, Memorandum of Ground Lease and any other documents required hereunder and delivered into Escrow.

c. Payment of Funds. Before the Close of Escrow, Developer shall have paid all required costs into Escrow in accordance with Section 202, hereof.

d. Land Use Approvals. The Developer shall have received approval of all permits that may be required by the City or any governmental agency pursuant to Section 409, hereof.

e. Insurance. The Developer shall have provided proof of insurance as required by Section 408, hereof.

f. Financing. As set forth in Section 301, hereof, Developer shall have obtained the necessary Tax Credit Financing and any other financing required for the Project.

2. Developer's Conditions to Close of Escrow. Developer's obligation to proceed with the lease of the Site is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent a. through g., inclusive, described below ("**Developer's Conditions Precedent**"), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein:

a. No Default. Before the Close of Escrow, City shall not be in default of any of its obligations under the terms of this Agreement and all representations and warranties of the City contained herein shall be true and correct in all material respects.

b. Execution of Documents. The City shall have executed the grant deed and any other documents required hereunder, and delivered such documents in Escrow.

c. Review and Approval of Title. Developer shall have reviewed and approved the condition of title of the Site, as provided in Section 203, hereof.

d. Review and Approval of Soils Conditions of Site. Developer shall have reviewed and approved the soils condition of the Site.

e. Title Policy. The Title Company shall, upon payment of the Title Company's regularly scheduled premium, have agreed to provide to the Developer the title policy for the Site upon the Close of Escrow, in accordance with Section 208, hereof.

f. Land Use Approvals. The Developer shall have received approval of all permits that may be required by the City or any governmental agency pursuant to Section 409, hereof.

g. Financing. The Developer shall have obtained the Tax Credit Financing and other financing necessary for the Project, as set forth in Section 301, hereof.

O. [\$216] Representations and Warranties

1. City Representations. City represents and warrants to Developer as follows:

a. Authority. City is a municipal corporation of the State of California. City has full right, power and lawful authority to grant, sell and convey the leasehold interest in the Site as provided herein, and the execution, performance and delivery of this Agreement by City has been fully authorized by all requisite actions on the part of the City.

b. No Conflict. To the best of City's knowledge, City's execution, delivery and performance of its obligations under this Agreement will not constitute a default or breach under any contract, agreement or order to which City is a party or by which it is bound.

c. Litigation. There are no claims, causes of action or other litigation or proceedings pending or, to the best knowledge of the City, threatened with respect to the ownership, operation or environmental condition of the Site or any part thereof (including disputes with mortgagees, governmental authorities, utility companies, contractors, adjoining landowners or suppliers of goods and services).

2. Developer's Representations. The Developer represents and warrants to City as follows:

a. Authority. Developer is a duly organized California corporation authorized to do business within the State of California. The copies of the documents evidencing the organization of the Developer which have been delivered to the City are true and complete copies of the originals, as amended to the date of this Agreement. The Developer has full right, power and lawful authority to accept the conveyance of the Site and undertake and satisfy all obligations as provided herein and the execution, performance, and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of the Developer.

b. No Conflict. To the best of Developer's knowledge, Developer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or breach under any contract, agreement or order to which the Developer is a party or by which it is bound.

c. No Developer Bankruptcy. The Developer is not the subject of a bankruptcy proceeding.

d. Litigation. There are no claims, causes of action or other litigation or proceedings pending or threatened against the Developer, or any affiliate thereof, that would affect Developer's ability to undertake and satisfy all of its obligations pursuant to in this Agreement.

Until the Close of Escrow, the Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Close of Escrow, immediately give written notice of such fact or condition to the City. Such exception(s) to a representation shall not be deemed a breach of this Agreement by the Developer, but shall constitute an exception which City shall have a right to approve or disapprove. If the City elects to close escrow following disclosure of such information, Developer's representations and warranties shall be deemed to have been made as of the Close of Escrow, subject to the exception(s). If, following the disclosure of such information, the City elects to not close escrow, then this Agreement and the escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities pursuant hereunder. The representations and warranties set forth in this Section shall survive the Close of Escrow.

III. [§300] FINANCING; AFFORDABLE HOUSING COVENANT

A. [§301] Financing

The Developer intends to apply for an allocation of 9% or 4% low-income housing tax credits (the "**Tax Credit Financing**") to the California Tax Credit Allocation Committee ("CTCAC") as well as subsidy financing from the California Department of Housing and Community Development to cover the costs of development of the Project.

The Developer shall complete or cause to be completed all actions necessary to secure all approvals and commitments necessary to effectuate the Tax Credit Financing, and all other alternative funding, as the case may be, including construction and/or permanent financing, in an amount satisfactory to complete the development of the Site.

Development of the Project is contingent upon Developer receiving the Tax Credit Financing. Developer intends to submit an application for the Tax Credit Financing to CTCAC in 2022. In the event that Developer does not receive an allocation for the Tax Credit Financing in its first attempt, Developer shall submit applications for the Tax Credit Financing in up to two subsequent tax credit application rounds. In the event that the Developer does not receive an allocation of Tax Credit Financing for the Project after three consecutive applications, this Agreement shall terminate and neither the City nor the Developer shall have any obligation or liability to the other.

B. [§302] Affordable Housing Covenant

As more particularly provided in the Ground Lease, for a period beginning on the date on which a Certificate of Completion of Completion (as defined herein) records in the Official Records of Humboldt County for the Project and ending at the end of the Term of the Ground Lease as provided therein, the dwelling units in the Project shall be rented to families whose incomes do not exceed the incomes required by the Tax Credit Financing. Without limiting the generality of the foregoing, the Parties acknowledge that the dwelling units in the Project (except for the manager's unit) shall be rented to families whose incomes do not exceed sixty percent (60%) of area median income. At the Close of Escrow the City and Developer shall additionally record in the Official Records of Humboldt County a Notice of Affordability Restrictions on Transfer of Property ("**Notice of Affordability**") to the City in the forms substantially as set forth in Attachment No. 6, attached hereto and incorporated herein by reference.

IV. [§400] DEVELOPMENT OF THE SITE

A. [§401] Development of the Site

1. [§402] Scope of Development

The Site will be improved with a mixed-use project (the "**Project**") that will have the following primary components:

- a. Light industrial/retail space: Approximately 20,000 square feet of ground floor light industrial/retail space for land use types such as light manufacturing and processing, distribution and associated warehousing, commercial services, and professional offices and services.
- b. Affordable housing: 40 residential units ranging from ___ to ___ square feet on upper floors above the light industrial/retail space, to be rented at affordable rents to low income seniors and/or families; and
- c. Public Improvements: Public improvements that the City requires Developer to construct or install as a condition of approval of the light industrial/retail space and affordable housing as described above. The public improvements that the City anticipates will be required as conditions of approval for the development will include but may not be limited to the

improvements described in Attachment No. 9, attached hereto and incorporated herein by reference.

Developer shall diligently pursue the development of the Project in accordance with the "Scope of Development," attached here to as Attachment No. 4 and incorporated herein by reference and the "Schedule of Performance" attached hereto as Attachment No. 3 and incorporated herein by reference. Developer's failure to comply with any of the terms set forth in the Scope of Development (Attachment No. 4) or the Schedule of Performance (Attachment No. 3), following notice to Developer and expiration of any applicable cure period provided for hereunder, shall be a default hereunder.

2. [§403] Basic Concept Drawings

Within the time set forth in the Schedule of Performance (Attachment No. 3), the Developer shall prepare and submit to the City, for review and written approval, Basic Concept Drawings and related documents containing the overall plan for development of the Site. The Basic Concept Drawings shall conform to this Agreement, including the Scope of Development (Attachment No. 4) and any presentation materials or site plans approved by the City prior to or at the time of execution of this Agreement. The City shall approve or disapprove the Basic Concept Drawings within the time established in the Schedule of Performance. Failure by the City to either approve or disapprove within such time shall be deemed an approval. Any disapproval shall state in writing the reasons for disapproval.

The Site shall be developed as generally established in the Basic Concept Drawings and related documents, except as changes may be mutually agreed upon between the Developer and the City. Any such changes shall be within the limitations of the Scope of Development (Attachment No. 4).

3. [§404] Construction Plans, Drawings and Related Documents

The Developer shall prepare and submit construction plans, drawings and related documents to the City for architectural and site planning review and written approval as and at the times established in the Schedule of Performance (Attachment No. 3). The construction plans, drawings and related documents shall be submitted in two stages: preliminary and final working drawings. Final drawings and plans are hereby defined as those in sufficient detail to obtain a building permit for the improvements to be constructed on the Site.

The Developer shall also prepare and submit to the City, for its approval, preliminary and final landscaping and finish grading plans for the Site. Such preliminary and final plans shall be prepared and submitted within the times established in the Schedule of Performance (Attachment No. 3), subject to extensions as are authorized herein or as mutually agreed to by the parties hereto.

During the preparation of all drawings and plans, City staff and the Developer shall hold regular progress meetings to coordinate the preparation of, submission to and review of construction plans and related documents by the City. The City and the Developer shall

communicate and consult informally, as frequently as is necessary, to insure that the formal submittal of any documents to the City can receive prompt and speedy consideration.

If any revisions or corrections of plans approved by the City shall be required by any government official, agency, department or bureau having jurisdiction, or any lending institution involved in financing, the Developer and the City shall cooperate in efforts to obtain a waiver of such requirements or to develop a mutually acceptable alternative.

4. [§405] City Approval of Plans, Drawings and Related Documents

The City shall approve or disapprove the plans, drawings and related documents referred to in Section 404 of this Agreement within the times established in the Schedule of Performance (Attachment No. 3). Any disapproval shall state in writing the reasons for disapproval and the changes that the City requests be made. Such reasons and such changes must be consistent with the Scope of Development (Attachment No. 4) and any items previously approved hereunder by the City. The Developer, upon receipt of a disapproval based upon powers reserved by the City hereunder, shall revise such plans, drawings and related documents and resubmit them to the City as soon as possible after receipt of the notice of disapproval, provided that in no case shall the City be entitled to require changes inconsistent with the Scope of Development and any previously approved items.

If the Developer desires to make any substantial change in the construction plans after their approval by the City, the Developer shall submit the proposed change to the City for its approval. If the construction plans, as modified by the proposed change, conform to the requirements of Section 404 of this Agreement, the approvals previously granted by the City under this Section 405 and the Scope of Development (Attachment No. 4), the City shall approve the proposed change and notify the Developer in writing within thirty (30) days after submission to the City. Such change in the construction plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice thereof by the City to the Developer setting forth in detail the reasons therefor, and such rejection shall be made within said thirty (30) day period.

5. [§406] Cost of Construction

All costs of developing the Site and constructing all improvements thereon shall be borne by the Developer. The City and the Developer shall each pay the costs necessary to administer and carry out their respective responsibilities and obligations under this Agreement.

6. [§407] Construction Schedule

After the conveyance of title to the Site, the Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the improvements and the development of the Site. The Developer shall begin and complete all construction and development within the times specified in the Schedule of Performance (Attachment No. 3) or such reasonable extension of said dates as may be granted by the City or as provided in Section 704

of this Agreement. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Developer and the City.

During the period of construction, but not more frequently than once a month, the Developer shall submit to the City a written progress report of the construction when and as requested by the City. The report shall be in such form and detail as may reasonably be required by the City and shall include a reasonable number of construction photographs taken since the last report submitted by the Developer.

7. [§408] Insurance

a. Workers' Compensation. During the term of this Agreement, Developer shall fully comply with the terms of the laws of the State of California concerning workers' compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability Developer may have for Developer's workers' compensation. Said policy shall also include employer's liability coverage no less than \$1,000,000 per accident for bodily injury or disease.

b. General Liability Insurance. Developer shall obtain at its sole cost and keep in full force and effect during the term of this Agreement commercial general liability insurance in the amount of \$1,000,000 per occurrence and \$3,000,000 aggregate for bodily injury, personal injury, and property damage. Said insurance shall provide (1) that the City, and its officers, agents, employees and volunteers, shall be named as additional insureds under the policy, and (2) that the policy shall operate as primary insurance, and that (3) no other insurance effected by the City or other named insureds will be called upon to cover a loss covered thereunder.

c. Automobile Liability Insurance. Developer shall obtain at its sole cost and keep in full force and effect during the term of this Agreement automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage. Said insurance shall provide (1) that the City, and its officers, agents, employees and volunteers, shall be named as additional insureds under the policy, and (2) that the policy shall operate as primary insurance, and that (3) no other insurance effected by the City or other named insureds will be called upon to cover a loss covered thereunder.

d. Course of Construction Insurance. Developer shall obtain at its sole cost and keep in full force and effect during the term of the Agreement Course of Construction insurance with policy limits no less than \$3,000,000 with no coinsurance penalty provisions. The City shall be named as loss payee and the insurer shall waive all rights of subrogation against the City.

e. Contractor Requirements. Developer shall also furnish or cause to be furnished to the City evidence satisfactory to the City that any contractor with whom it has contracted for the performance of work on the Site carries the insurance required of Developer, and in the amounts of coverage specified, and each general contractor shall be required to obtain certification of insurance from all subcontractors.

f. Certificates of Insurance. Developer shall file with City, prior to commencement of construction on the Site or any portion thereof or prior to any access to or entry on the Site as authorized by this Agreement, certificates of insurance which shall provide that no cancellation, material change in coverage, expiration, or nonrenewal will be made during the term of this Agreement, without thirty (30) days written notice to the City Manager prior to the effective date of such cancellation, or change in coverage. Upon notification of receipt by City of a notice of cancellation or major change in coverage, Developer shall, prior to the effective date of policy expiration or reduction in coverage, file with City replacement insurance certificate evidencing the new coverage is substantially the same form and content as previously provided. All insurance shall stipulate that such insurance will operate as primary insurance and that no other insurance effected by the City will be called upon to contribute to a loss suffered by Developer hereunder. All insurance shall name City as additional insured and/or loss payee, as appropriate.

8. [§409] City and Other Governmental Agency Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site (unless such construction, development or work is to be commenced before the conveyance of title), the Developer shall, at its own expense, secure or cause to be secured any and all permits that may be required by the City or any other governmental agency affected by such construction, development or work. The City shall provide all assistance deemed appropriate by the City to the Developer in securing these permits.

9. [§410] Rights of Access

For the purposes of assuring compliance with this Agreement, representatives of the City shall have the reasonable right of access to the Site upon no less than 48 hours written notice to the Developer, without charges or fees and at normal construction hours, during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Such representatives of the City shall be those who are so identified in writing by the City Manager. The City shall indemnify the Developer and hold it harmless from any damage caused or liability arising out of this right to access.

10. [§411] Local, State and Federal Laws

The Developer shall carry out the construction of the improvements in conformity with all applicable laws, including all applicable federal and state labor standards.

11. [§412] Antidiscrimination During Construction

The Developer, for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, the Developer will not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

B. [§413] Taxes, Assessments, Encumbrances and Liens

The Developer shall pay when due all real estate taxes and assessments assessed and levied on its leasehold interest in the Site, including but not limited to possessory interest taxes, for any period subsequent to conveyance of title to or delivery of possession of the Site. Prior to the issuance of a Certificate of Completion, the Developer shall not place or allow to be placed on the Site any mortgage, trust deed, encumbrance or lien unauthorized by this Agreement. The Developer shall remove or have removed any levy or attachment made on the Site (or any portion thereof), or shall assure the satisfaction thereof, within a reasonable time, but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Developer from obtaining a welfare tax exemption, contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to the Developer in respect thereto.

The Developer understands that under certain conditions, its control of the Site or portion thereof under this Agreement may give rise to the imposition of a possessory interest tax on said property, and in such event, the Developer agrees to pay when due any such possessory interest tax.

C. [§414] Prohibition Against Transfer of Site, the Buildings or Structures Thereon and Assignment of Agreement

After conveyance of leasehold title to the Site and prior to the issuance by the City of a Certificate of Completion pursuant to Section 422, the Developer shall not, except as expressly permitted by this Agreement, sell, transfer, convey, assign or lease the whole or any part of its interest in the Site or the buildings or improvements thereon, without the prior written approval of the City. This prohibition with respect to the Site shall not apply subsequent to the issuance of the Certificate of Completion for the Site, except that Developer's interest in the Site shall only be transferred, conveyed, assigned or leased in accordance with Sections 501, 502 and 503. This prohibition shall not be deemed to prevent the granting of easements, dedications or permits to facilitate the development of the Site when said improvements are completed.

In the absence of specific written agreement by the City, no such transfer, assignment or approval by the City shall be deemed to relieve the Developer or any other party from any obligations under this Agreement until completion of development as evidenced by the issuance of a Certificate of Completion therefor.

Following transfer of Developer's interest in the Site with the City's consent, Developer shall be relieved of all of its obligations hereunder. Any such proposed transferee, conveyee, assignee or lessee, by instrument in writing satisfactory to the City and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the City, shall expressly assume all of the obligations of the Developer under this Agreement and agree to be subject to all conditions and restrictions to which the Developer is subject. In the absence of specific written agreement of any proposed transferee, conveyee, assignee or lessee approved by the City as referred to above, no such transfer, conveyance, assignment or lease, or the approval thereof by the City, shall be deemed to relieve the Developer or any other party from any obligations under this Agreement.

D. [\$415] Security Financing; Rights of Holders

1. [\$416] No Encumbrances Except Mortgages, Deeds of Trust, Sales and Leases-Back or Other Financing for Development

Notwithstanding Sections 413 and 414 of this Agreement, mortgages, deeds of trust, sales and leases-back or any other form of conveyance of Developer's leasehold interest as required for any reasonable method of financing are permitted before issuance of a Certificate of Completion, but only for the purpose of securing loans of funds to be used for financing, the construction of improvements on the Site and any other expenditures necessary and appropriate to develop the Site under this Agreement. The Developer shall notify the City in advance of any mortgage, deed of trust, sale and lease-back or other form of conveyance for financing if the Developer proposes to enter into the same before issuance of a Certificate of Completion. The Developer shall not enter into any such conveyance for financing without the prior written approval of the City (unless such lender shall be one of the ten (10) largest banking institutions doing business in the State of California, or one of the ten (10) largest insurance lending institutions in the United States qualified to do business in the State of California), which approval the City agrees to give if any such conveyance is given to a responsible financial or lending institution or other acceptable person or entity. Such lender shall be deemed approved unless rejected in writing by the City within ten (10) days after notice thereof to the City by the Developer. In any event, the Developer shall promptly notify the City of any mortgage, deed of trust, sale and lease-back or other financing conveyance, encumbrance or lien that has been created or attached thereto prior to completion of the construction of the improvements on Developer's leasehold interest in the Site whether by voluntary act of the Developer or otherwise. The words "mortgage" and "deed of trust," as used herein, include all other appropriate modes of financing real estate acquisition, construction and land development.

2. [\$417] Holder Not Obligated to Construct Improvements

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion, nor shall any covenant or any other provision in the Ground Lease for the Site be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by this Agreement.

3. [\$418] Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure

Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the improvements, the City shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement who has previously made a written request to the City therefor. Each such holder shall (insofar as the rights of the City are concerned) have the right, at its option, within ninety (90) days

after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default and to add the cost thereof to the security interest debt and the lien on its security interest. In the event there is more than one such holder, the right to cure or remedy a breach or default of the Developer under this Section 418 shall be exercised by the holder first in priority or as the holders may otherwise agree among themselves, but there shall be only one exercise of such right to cure and remedy a breach or default of the Developer under this Section 418. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the improvements (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to the City by written agreement satisfactory to the City. The holder in that event must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates and submit evidence satisfactory to the City that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder properly completing such improvements shall be entitled, upon written request made to the City, to a Certificate of Completion from the City.

4. [§419] Failure of Holder to Complete Improvements

In any case where, six (6) months after default by the Developer in completion of construction of improvements under this Agreement, the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Site has not exercised the option to construct, or if it has exercised the option and has not proceeded diligently with construction, the City may purchase the mortgage, deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the Site has vested in the holder, the City, if it so desires, shall be entitled to a conveyance of the leasehold interest in the Site from the holder to the City upon payment to the holder of an amount equal to the sum of the following:

- a. The unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);
- b. All expenses with respect to foreclosure;
- c. The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Site;
- d. The costs of any authorized improvements made by such holder; and
- e. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the City.

5. [§420] Right of City to Cure Mortgage, Deed of Trust or Other Security Interest Default

In the event of a default or breach by the Developer of a mortgage, deed of trust or other security interest with respect to the Site prior to the completion of development, and the holder has not exercised its option to complete the development, the City may cure the default prior to completion of any foreclosure. In such event, the City shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the City in curing the default. The City shall also be entitled to a lien upon the Site to the extent of such costs and disbursements. Any such lien shall be subject to mortgages, deeds of trust or other security interests executed for the sole purpose of obtaining funds to purchase and develop the Site as authorized herein.

E. [§421] Right of the City to Satisfy Other Liens on the Site After Title Passes

After the conveyance of title and prior to the issuance of a Certificate of Completion for construction and development, and after the Developer has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Site, the City shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Site to forfeiture or sale.

F. [§422] Certificate of Completion

Promptly after completion of all construction and development to be completed by the Developer upon the Site, the City shall furnish the Developer with a Certificate of Completion for the Site in substantially the form attached hereto as Attachment No. 8 upon written request therefor by the Developer. Such Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the County Recorder of Humboldt County. The Project will be deemed completed upon the issuance of a Certificate of Occupancy and the recording of the Notice of Affordability described in Section 302.

A Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the construction required by this Agreement, and of full compliance with the terms hereof with respect to such construction. After issuance of such Certificate of Completion, any party then owning or thereafter purchasing, leasing or otherwise acquiring the Site shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by the covenants contained in the Ground Lease, including the covenants requiring the residential units to be rented to low income households, and any covenants contained in the deed, lease, mortgage, deed of trust, contract or other instrument of transfer in accordance with the provisions of Sections 501-506 of this Agreement. Except as otherwise provided herein, after the issuance of a Certificate of Completion, neither the City nor any other person shall have any rights, remedies or controls with respect thereto that it would otherwise have or be entitled to exercise under this Agreement as a result of a default in or breach of any provision of this Agreement, and the respective rights and

obligations of the parties shall be as set forth in the Ground Lease, which shall be in accordance with the provisions of Sections 501-506 of this Agreement.

The City shall not unreasonably withhold any Certificate of Completion. If the City refuses or fails to furnish a Certificate of Completion for the Site after written request from the Developer, the City shall, within ten (10) days of the next regularly scheduled City meeting after such written request, provide the Developer with a written statement of the reasons the City refused or failed to furnish a Certificate of Completion. The statement shall also contain the City's opinion of the action the Developer must take to obtain a Certificate of Completion. If the reason for such refusal is confined to the immediate unavailability of specific items or materials for landscaping, the City will issue its Certificate of Completion upon the posting of a bond by the Developer with the City in an amount representing a fair value of the work not yet completed. If the City shall have failed to provide such written statement within said ten (10) day period after such City meeting, the Developer shall be deemed entitled to the Certificate of Completion.

Such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance the improvements or any part thereof. Such Certificate of Completion is not notice of completion as referred to in California Civil Code Section 3093.

V. [§500] USE OF THE SITE

A. [§501] Property Management; Maintenance of the Project

Within the time set forth in the Schedule of Performance (Attachment No. 3), the Developer shall prepare and enter into an agreement with a property management company (the "**Property Management Company**") preapproved by the City to manage the Project. The Developer shall submit a copy of such agreement to the City, provided the City shall not have the right to approve or disapprove such agreement except to ensure compliance of such agreement with the provisions of this Agreement and the Ground Lease. The property management agreement shall name the City as a third-party beneficiary permitting the City the right to enforce the agreement upon the default (after expiration of all notice and cure periods) of the Property Management Company.

For purposes of this Section 501, the City hereby approves of Danco Property Management as an approved Property Management Company. The Developer shall promptly notify the City in the event there is any change in the Property Management Company managing the Project. The City shall have the right to approve any new Property Management Company, which approval shall not be unreasonably withheld. In the event that the Property Management Company changes, Developer shall prepare and enter into an agreement with another property management company and submit such agreement to the City to ensure compliance as stated above.

The Developer further covenants, and the property management agreement shall require, that the Project shall be operated and Eligible Households shall be qualified and selected for tenancy in strict compliance with "**Leasing Guidelines**" for the Project to be prepared by the Developer (or Property Management Company) and approved by the City. The Leasing

Guidelines and any modifications or amendments to the Leasing Guidelines shall require prior written approval of the City, which approval shall not be unreasonably withheld or delayed. The City Manager shall have the authority to approve the Leasing Guidelines and any such modifications or amendments on behalf of the City.

The Developer covenants that it shall maintain, or cause to be maintained, the Site and the improvements to be constructed thereon, in a manner consistent with the provisions set forth therefor in the City of Blue Lake Municipal Code, and shall keep the Site reasonably free from any accumulation of debris or waste materials prior to and after completion of the Project.

If, at any time, Developer fails to maintain and operate the Site in accordance with this Agreement, the City shall have the right to take necessary corrective action pursuant to the provisions set forth in the Ground Lease.

Failure by Developer to maintain, or cause to be maintained, the Site in the condition provided in this Section 502 shall, following expiration of all applicable notice and cure periods, constitute a default hereunder and under the Ground Lease; provided, however, that nothing herein or in the Ground Lease shall be deemed to provide Developer with more than one notice and cure period for each event of default.

The foregoing covenants shall remain in effect for the term of the Ground Lease.

B. [§503] Obligation to Refrain From Discrimination

The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site, the Units or any part thereof, that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Developer or any person claiming under or through the Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Units. The foregoing covenants shall run with the land in accordance and shall remain in effect in perpetuity.

C. [§504] Form of Nondiscrimination and Nonsegregation Clauses

The Developer shall refrain from restricting the rental, conveyance or lease of any portion of its leasehold interest in the Site on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code. All such leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the land herein leased."

2. **In contracts:** "There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

D. [§505] Effect and Duration of Covenants

The covenants contained in Sections 501 through 504 of this Agreement shall be deemed to run with the land and shall remain in effect for the term of the Ground Lease. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on the part of the Developer and any successors and assigns to its leasehold interest in the Site or any part thereof, and the tenants, lessees, sublessees and occupants of the Site, for the benefit of and in favor of the City and its successors or assigns and may be enforced by the City and its successors and assigns.

E. [§506] Rights of Access – Public Improvements and Facilities

For the purposes of assuring compliance with this Agreement, representatives of the City shall have the reasonable right of access to the Site, with reasonable notice to Developer

and subject to the rights of the tenants, and without charges or fees for the purpose of inspection of the Site.

VI. [§600] DEFAULTS, REMEDIES AND TERMINATION

A. [§601] Defaults – General

Subject to the extensions of time set forth in Section 704, failure or delay by either party to perform any material term or provision of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence and during any period of curing shall not be in default.

The injured party shall give written notice of default to the party in default specifying the default complained of by the injured party. Except as required to protect against further damages and except as otherwise expressly provided in Sections 607 and 608 of this Agreement, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice, or if such default cannot reasonably be cured within thirty (30) days and cure is commenced within such initial thirty (30) day period, such longer period as is necessary, not to exceed ninety (90) days. Failure or delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive such party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert or enforce any such rights or remedies.

B. [§602] Legal Actions

1. [§603] Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, or recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Humboldt, State of California, in an appropriate municipal court in that county or in the appropriate Federal District Court in the State of California.

2. [§604] Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

3. [§605] Acceptance of Service of Process

In the event that any legal action is commenced by the Developer against the City, service of process on the City shall be made by personal service upon the City Manager or in such other manner as may be provided by law.

In the event that any legal action is commenced by the City against the Developer, service of process on the Developer shall be made by personal service upon the Developer or in such other manner as may be provided by law and shall be valid whether made within or without the State of California.

C. [§606] Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other party.

D. [§607] Damages

If the Developer or the City defaults with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured or commenced to be cured by the defaulting party within ninety (90) days after service of the notice of default, the defaulting party shall be liable to the other party for any damages caused by such default.

E. [§608] Specific Performance

If the Developer or the City defaults under any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not commenced to be cured by the defaulting party within thirty (30) days of service of the notice of default, the nondefaulting party, at its option, may institute an action for specific performance of the terms of this Agreement.

F. [§609] Remedies and Rights of Termination Prior to Conveyance

1. [§610] Termination by the Developer

In the event that prior to conveyance of title to the Site to the Developer:

- a. The City does not tender conveyance of the Site or possession thereof in the manner and condition and by the date provided in this Agreement, and any such failure is not cured within thirty (30) days after written demand by the Developer; or
- b. The Developer is unable, despite diligent efforts, to obtain all approvals and permits required for the construction and development of the Units on the Site; or

- c. The Developer determines that the physical condition of the Site is unsuitable for the use or uses to which the Site will be put in accordance with Section 212 hereof;

then this Agreement may, at the option of the Developer, be terminated by written notice thereof to the City. Upon such termination, neither the City nor the Developer shall have any further rights against or liability to the other under this Agreement.

2. [§611] Termination by the City

In the event that prior to conveyance of title to the Site to the Developer:

- a. The Developer transfers or assigns or attempts to transfer or assign this Agreement or any rights herein or in its leasehold interest to the Site in violation of this Agreement; or
- b. There is any significant change in the ownership or identity of the Developer or the parties in control of the Developer or the degree thereof contrary to the provisions of Section 105 hereof; or
- c. The Developer does not submit evidence that it has obtained approvals for the Tax Credit Financing or alternative financing and the necessary equity capital for development of the Site in satisfactory form and in the manner and by the date provided in this Agreement; or
- d. The Developer fails to submit to the City Basic Concept Drawings or construction plans, drawings and related documents as required by this Agreement; or
- e. The Developer fails to obtain all approvals and permits necessary for the construction and development of the Project on the Site; or
- f. The Developer does not deliver the Ground Lease, Memorandum of Ground Lease, and Notice of Affordability, and take leasehold title to the Site under tender of conveyance by the City pursuant to this Agreement; or
- g. The Developer is in breach or default with respect to any other obligation of the Developer under this Agreement; and
- h. If any default or failure referred to in subdivision c., d., e., f. or g. of this Section shall not be cured or commenced to be cured within thirty (30) days after the date of written demand by the City;

then this Agreement, and any rights of the Developer or any assignee or transferee in this Agreement pertaining thereto or arising therefrom with respect to the City, may, at the option of the City, be terminated by the City by written notice thereof to the Developer. Upon any such termination, neither the City nor the Developer shall have any further rights against or liability to the other under this Agreement.

G. [§612] Remedies following Conveyance - Option to Terminate the Ground Lease

The City shall have the right at its option to terminate the Ground Lease, reenter, and take possession of the Site with all improvements thereon, if after conveyance of leasehold title to the Site and prior to the issuance of the Certificate of Completion therefor, the Developer:

1. Fails to commence the construction of the improvements on the Site as required by this Agreement for a period of ninety (90) days after written notice thereof from the City; or
2. Abandons or substantially suspends construction of improvements on the Site for a period of ninety (90) days after written notice of such abandonment or suspension from City; or
3. Transfers, or suffers any involuntary transfer of the Site or any part thereof in violation of this Agreement.

This option shall be subordinate and subject to and be limited by and shall not defeat, render invalid or limit:

1. Any first mortgage, deed of trust or other security instrument permitted by this Agreement; or
2. Any rights or interests provided in this Agreement for the protection of the holder of such mortgages, deeds of trust or other security instruments.

To exercise its right to terminate the lease, reenter, and take possession with respect to the Site, the City shall pay to the Developer in cash an amount equal to:

1. The costs actually incurred by the Developer for on-site labor and materials for the construction of the improvements existing on the Site at the time of the repurchase, reentry and repossession, exclusive of amounts financed; less
2. Any gains or income withdrawn or made by the Developer from the Site or the improvements thereon; and less
3. The amount of liens on the Site, and any unpaid assessments against the Site which are assumed by the City.

VII. [§700] GENERAL PROVISIONS

A. [§701] Notices, Demands and Communications Between the Parties

Formal notices, demands and communications between the City and the Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the City and the Developer as set forth in Sections 104 and 105 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

B. [§702] Conflicts of Interest

No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement that affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

The Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

C. [§703] Nonliability of City Officials and Employees

No member, official or employee of the City shall be personally liable to the Developer in the event of any default or breach by the City or for any amount that may become due to the Developer or on any obligations under the terms of this Agreement.

D. [§704] Enforced Delay; Extension of Times of Performance

In addition to the specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of the City shall not excuse performance by the City); or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by the City and the Developer.

E. [§705] Inspection of Books and Records

The City has the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of the Developer pertaining to the Site as pertinent to the purposes of this Agreement.

The Developer also has the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of the City pertaining to the Site as pertinent to the purposes of this Agreement.

F. [§706] Plans and Data

Where the Developer does not proceed with the acquisition of the leasehold interest and development of the Site, and when this Agreement is terminated pursuant to Section 611 hereof for any reason, the Developer shall deliver to the City any and all plans and data concerning the Site, and the City or any other person or entity designated by the City shall be free to use such plans and data, including plans and data previously delivered to the City, for any reason whatsoever without cost or liability therefor to the Developer or any other person.

G. [§707] Attorneys' Fees

Should any action be brought arising out of this Agreement including, without limitation, any action for declaratory or injunctive relief, the prevailing party shall be entitled to reasonable attorneys' fees and costs and expenses of investigation incurred, including those incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code or any successor statutes, and any judgment or decree rendered in any such actions or proceedings shall include an award thereof.

VIII. [§800] SPECIAL PROVISIONS

A. [§801] Submission of Documents to the City for Approval

Whenever this Agreement requires the Developer to submit plans, drawings or other documents to the City for approval, which shall be deemed approved if not acted on by the City within a specified time, said plans, drawings or other documents shall be accompanied by a letter stating that they are being submitted and will be deemed approved unless rejected by the City within the stated time. If there is no time specified herein for such City action, the Developer may submit a letter requiring City approval or rejection of documents within thirty (30) days after submission to the City. This Section shall only apply to documents submitted pursuant to this Agreement, and shall not apply to submissions made as part of the City's review of development entitlements, building permits and other actions taken in its regulatory capacity.

B. [§802] Amendments to this Agreement

The Developer and the City agree to mutually consider reasonable requests for amendments to this Agreement that may be made by any of the parties hereto, lending institutions

or bond counsel or financial consultants to the City, provided such requests are consistent with this Agreement and would not substantially alter the basic business terms included herein.

IX. [§900] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement comprises pages 1 through _____, inclusive, and Attachment Nos. 1 through 8, attached hereto and incorporated herein by reference, all of which constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City and the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Developer.

X. [§1000] TIME FOR ACCEPTANCE OF AGREEMENT BY CITY

This Agreement, when executed by the Developer and delivered to the City, must be authorized, executed and delivered by the City within forty-five (45) days after the date of signature by the Developer or this Agreement shall be void, except to the extent that the Developer shall consent in writing to further extensions of time for the authorization, execution and delivery of this Agreement. The effective date of this Agreement shall be the date when this Agreement has been signed by the City.

_____, 202_

CITY:

CITY OF BLUE LAKE, a municipal corporation of the State of California

By: _____
Amanda Mager, City Manager

Attest:

By: _____
_____, City Clerk

_____, 202_

DEVELOPER:

DANCO COMMUNITIES, a California corporation

By: _____
Daniel Johnson, President

DRAFT

ATTACHMENT NO. 1

Map of Site

DRAFT

ATTACHMENT NO. 2

Legal Description of the Site

DRAFT

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

ACTION	DATE
1. <u>Execution and Delivery of Agreement by Developer.</u> The Developer shall execute and deliver this Agreement to the City.	Not later than _____, 2022.
2. <u>Execution of Agreement by City.</u> The City Council shall hold a public hearing to authorize execution of this Agreement by the City, and if so authorized, the City shall execute and deliver this Agreement to the Developer. (Section 900)	Within 45 days after execution and delivery by the Developer.
3. <u>Opening of Escrow.</u> The City shall open an escrow for conveyance of the Site to the Developer. (Section 202)	Within 30 days after execution of this Agreement by the City.
4. <u>Submission – Basic Concept Drawings.</u> The Developer shall prepare and submit to the City for review and approval Basic Concept Drawings and related documents containing the overall plan for development of the Site. (Section 303)	Within 30 days after execution of this Agreement by the City.
5. <u>Approval – Basic Concept Drawings.</u> The City shall approve or disapprove the Developer's Basic Concept Drawings and related documents. (Section 303)	Within 45 days after receipt thereof by the City.
6. <u>Delivery of Preliminary Title Report.</u> The City shall cause Escrow Agent to deliver to Developer the Preliminary Title Report. (Section 205)	Within 15 days after opening of escrow.
7. <u>Approval of Preliminary Title Report.</u> The Developer shall approval or disapprove the Preliminary Title Report. (Section 205)	Within 30 days after receipt thereof by the Developer.

ACTION

DATE

8. Inspections; Condition of the Site The Developer shall complete its investigation of the Site; its physical condition, the soils and toxic conditions of the Site and all other matters that may affect the Developer's willingness to develop the Site pursuant to this Agreement. (Section 212) Within 90 days after execution of this Agreement by the City.
9. Submission – Preliminary Construction Drawings and Landscaping and Grading Plans. The Developer shall prepare and submit to the City for review and approval Preliminary Construction Drawings and Landscaping and Grading Plans for the Site. (Section 304) Within 60 days after receiving an allocation of Tax Credits.
10. Approval – Preliminary Construction Drawings and Landscaping and Grading Plans. The City shall approve or disapprove the Developer's Preliminary Construction Drawings and Landscaping and Grading Plans. (Section 305) Within 45 days after receipt thereof by the City.
11. Submission – Final Construction Drawings and Landscaping and Grading Plans. The Developer shall prepare and submit to the City for review and approval Final Construction Drawings and Landscaping and Grading Plans for the Site. (Section 304) Not later than 60 days after approval of the Preliminary Construction Drawings.
12. Submission – Evidence of Equity Capital and Financing. The Developer shall submit to the City for review and approval evidence of equity capital, Tax Credit Financing and other alternative financing necessary for development of the Site. (Section 214) Within 90 days of receipt of an allocation of Tax Credits.

ACTION	DATE
13. <u>Approval – Final Construction Drawings and Landscaping and Grading Plans.</u> The City shall approve or disapprove the Developer's Final Construction Drawings and Landscaping and Grading Plans. (Section 305)	Prior to the date set forth herein for the close of escrow
14. <u>Approval – Evidence of Equity Capital and Mortgage Financing.</u> The City shall approve or disapprove the Developer's evidence of equity capital and mortgage financing. (Section 214)	Within 30 days after receipt thereof by the City.
15. <u>Deposit of Executed Documents and All Required Sums.</u> The Developer shall deposit the executed Ground Lease, Memorandum of Ground Lease, and Notice of Affordability, and all required sums into escrow. (Section 207)	Prior to the date set forth herein for the close of escrow.
16. <u>Deposit of Executed Documents.</u> The City shall deposit the executed Ground Lease and Memorandum of Ground Lease into escrow. (Section 206)	Prior to the date set forth herein for the close of escrow.
17. <u>Close of Escrow.</u> The City shall convey leasehold title to the Site to the Developer, and the Developer shall accept such conveyance. (Section 203)	Upon completion of all conditions to close of escrow, but in any event not later than December 31, 2024, or such later date as may be approved by both parties.
18. <u>Submission – Certificates of Insurance.</u> The Developer shall furnish to the City duplicate originals or appropriate certificates of bodily injury and property damage insurance policies. (Section 308)	Prior to the date set forth herein for the commencement of construction of the Developer's improvements on the Site.
19. <u>Governmental Permits.</u> The Developer shall obtain any and all permits required by the City or any other governmental agency. (Section 309)	Prior to the date set forth herein for the commencement of construction of the Developer's improvements on the Site.

ACTION

DATE

20. Commencement of Construction of Developer's Improvements. The Developer shall commence construction of the improvements to be constructed on the Site. (Section 307)
21. Property Management Agreement. The Developer shall enter into an agreement with the approved Property Management Company. (Section 502)
22. Completion of Construction of Project. The Developer shall complete construction of the Project to be constructed on the Site.
23. Issuance – Certificate of Completion. The City shall furnish the Developer with Certificate of Completion. (Section 422)
- Within 30 days after conveyance of the leasehold interest in the Site by the City to the Developer.
- Prior to completion of construction of the improvements on the Site.
- Within 18 months after commencement thereof by the Developer.
- Promptly after completion of all construction required to be completed on the Site and upon written request therefor by the Developer.

ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

I. PRIVATE DEVELOPMENT

A. General

The Developer agrees that the Site shall be developed and improved in accordance with the provisions of this Agreement and the plans, drawings and related documents approved by the City pursuant hereto. The Developer and its supervising architect, engineer and contractor shall work with City staff to coordinate the overall design, architecture and color of the improvements on the Site.

B. Developer's Improvements

The Developer shall construct, or cause to be constructed, in accordance with all City of Blue Lake requirements, on the Site, the Project, consisting of the following:

The Site will be improved with a mixed-use project (the "**Project**") that will have the following components:

a. Light industrial/retail space: Approximately 20,000 square feet of ground floor light industrial/retail space for land use types such as light manufacturing and processing, distribution and associated warehousing, commercial services, and professional offices and services.

b. Affordable housing: 40 residential units ranging from ___ to ___ square feet on upper floors above the light industrial/retail space, to be rented at affordable rents to low income seniors and/or families; and

c. 1, 2 and 3 bedroom units in a 3-story structure. Amenities are envisioned to include: residential common space (community room/kitchen) and other residential common on each residential floor, covered entry, lobby, on site services and management, ample parking, multiple roof decks on second and third levels.

Building materials and standards of construction for the Units shall be subject to the approval of the City.

The Developer shall be responsible for the development of all on-site and off-site improvements required for the Project or otherwise made a condition to the development of the Site, including without limitation landscaping as required by the City Planning Department and the extension of all water, sewer, and electric utility services to the Site.

C. Architecture and Design

The Developer's improvements shall be of high architectural quality, shall be well landscaped and shall be effectively and aesthetically designed. The shape, scale of volume, exterior design and exterior finish of the building must be consonant with, visually related to, physically related to and an enhancement of adjacent buildings within the Project Area. The Developer's plans submitted to the City shall describe in detail the architectural character intended for the Developer's improvements.

D. Applicable Codes

The Developer's improvements shall be constructed in accordance with the Uniform Building Code (with City modifications) and the Municipal Code.

II. SITE CLEARANCE AND PREPARATION

The Developer shall perform, or cause to be performed, at its sole cost and expense, the following work:

The Developer shall compact, finish grade and do such site preparation as is necessary for the construction of the Developer's improvements on the Site.

ATTACHMENT NO. 5

FORM OF GROUND LEASE

DRAFT

Attachment No. 6
Exhibit A

ATTACHMENT NO. 6

MEMORANDUM OF GROUND LEASE

DRAFT

ATTACHMENT NO. 7

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Blue Lake
111 Greenwood Road
Blue Lake, CA 95525-0458
Attn: City Clerk

**NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY**

Important notice to owners, purchasers, tenants, lenders, brokers, escrow and title companies, and other persons, regarding affordable housing restrictions on the real property described in this Notice: Restrictions have been recorded with respect to the property described below (referred to in this Notice as the “Property”) which restrict the price and terms at which the Property may be sold or rented. These restrictions may limit the sales price or rents of the Property to an amount which is less than the fair market value of the Property. These restrictions also limit the income of persons and households who are permitted to purchase and rent the Property.

Title of Document Containing Affordable Housing Restrictions: Ground Lease
(referred to in this Notice as the “Ground Lease”).

Parties to Affordable Housing Restrictions:

City of Blue Lake (“City”) and
_____, a California limited partnership (“Owner”).

Legal Description of Property:

See Exhibit A (Attached hereto)

Street Address of Property: _____, Blue Lake, California.

Assessor’s Parcel Number of Property:

Summary of Affordable Housing Restrictions (*check as applicable*):

- The Affordable Housing Restrictions restrict the amount of rent which may be charged for the rental housing unit or units on the Property, as follows:

Thirty-Nine (39) of the residential units constructed on the Property shall be available to Eligible Households whose income does not exceed sixty percent (60%) of the area median income. These Affordable Units shall be available at rents that do not exceed 30% of 60% of the Median Income, adjusted by Deemed Household Size, less a utility allowance.

“Median Income” shall mean the median income for households in Humboldt County, California, as published from time to time by the United States Department of Housing and Urban Development (“HUD”) in a manner consistent with the determination of median gross income under Section 8 of the United States Housing Act of 1937, as amended, and as defined in Title 25, California Code of Regulations, Section 6932.

- The Affordable Housing Restrictions restrict the income level of the tenant or buyer of the Property, as follows:

Thirty-Nine (39) of the residential units constructed on the Property shall be available to Eligible Households whose income does not exceed sixty percent (60%) of the area median income. These Affordable Units shall be available at rents that do not exceed 30% of 60% of the Median Income, adjusted by Deemed Household Size, less a utility allowance.

“Median Income” shall mean the median income for households in Humboldt County, California, as published from time to time by the United States Department of Housing and Urban Development (“HUD”) in a manner consistent with the determination of median gross income under Section 8 of the United States Housing Act of 1937, as amended, and as defined in Title 25, California Code of Regulations, Section 6932.

- Term of Restrictions: 55 years, commencing on _____ and terminating on _____.

This Notice does not contain a full description of the details of all of the terms and conditions of the Affordable Housing Restrictions. You will need to obtain and read the Affordable Housing Restrictions to fully understand the restrictions and requirements which apply to the Property. In the event of any conflict between the terms of this Notice and the terms of the Affordable Housing Restrictions, the terms of the Affordable Housing Restrictions shall control.

Dated: _____, 20____

CITY OF BLUE LAKE

By: _____,
Amanda Mager, City Manager

Dated: _____, 20____

[TAX CREDIT LIMITED PARTNERSHIP—TBD]

By: _____,

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A

Legal Description of the Property

DRAFT

ATTACHMENT NO. 8

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Blue Lake
111 Greenwood Road
Blue Lake, CA 95525-0458
Attn: City Clerk

**CERTIFICATE OF COMPLETION OF
CONSTRUCTION AND IMPROVEMENT**

WHEREAS, the CITY OF BLUE LAKE, a municipal corporation of the State of California (hereinafter referred to as the "City") and [TAX CREDIT LIMITED PARTNERSHIP] a California limited partnership, ("Developer"), are parties to that certain Disposition and Development Agreement dated _____, 20__ (the "DDA"); and

WHEREAS, pursuant to the DDA, the Developer has developed the Site (as defined therein) legally described in the attached Exhibit A (the "Site") by constructing, or causing to be constructed, all of the improvements required under the DDA; and

WHEREAS, pursuant to Section 422 of the DDA, promptly after completion of construction and development of the improvements to be developed on the Site (as set forth in the DDA) and upon the written request by the Developer, the City is required to furnish the Developer with a Certificate of Completion; and

WHEREAS, the issuance by the City of the Certificate of Completion shall be conclusive evidence that the Developer has complied with the terms of the DDA pertaining to construction and development of the improvements upon the Site; and

WHEREAS, the Developer has requested that the City furnish the Developer with the Certificate of Completion for the Site; and

WHEREAS, the City has conclusively determined that construction of the improvements on the Site as required by the DDA has been satisfactorily completed;

NOW, THEREFORE:

1. As provided in the DDA, the City does hereby certify that construction of the improvements on the Site as required by the DDA has been fully and satisfactorily performed and completed.

2. The DDA is of no further force and effect, with respect to the construction of the improvements to be constructed on the Site, and all rights, duties, obligations and liabilities of the City and the Developer thereunder with respect to such construction shall cease to exist. Any continuing and existing rights, duties, obligations and liabilities of the City and Developer, and its successors and assigns pertaining to the Site, are provided in the Ground Lease from the City conveying leasehold interest in the Site to the Developer including the affordability covenants for rental of the residential units as set forth therein..

3. This Certificate of Completion shall not be deemed or construed to constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the construction of the improvements on the Site. This Certificate of Completion is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, the City has executed this Certificate of Completion as of this _____ day of _____, 20__.

CITY OF BLUE LAKE

By: _____
Amanda Mager, City Manager

"City"

ACCEPTED BY:

[_____]

By: _____

Name: _____

Its: _____

"Developer"

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A
LEGAL DESCRIPTION OF THE SITE

DRAFT

ATTACHMENT NO. 9

ANTICIPATED PUBLIC IMPROVEMENTS

The City anticipates that the public improvements that will be required for this development project will include the following:

Paving of Powers Creek District Trail and installation of street furniture (for example, benches, interpretive signage, art installations, etc.), onsite playground, onsite bike parking (covered and uncovered), contribution to Bike Park development on parcel 312-161-018, Taylor Way improvements, bus stop, offsite parking along Taylor Way or on City-owned parcel 025-091-022, native landscaping, improvements to the intersection at Taylor Way and Hatchery Road, bike and pedestrian improvements along Broderick lane, low impact development to reduce off site impacts to stormwater collection and powers creek, upgrades to WWTP including additional aeration and associated upgrades to the electrical panel to accommodate the additional wastewater loads from the project.

The specific scope of the public improvements will be determined through the entitlement process, with the extent of the public improvements determined based on the impacts of the proposed development project.



CITY OF BLUE LAKE

Post Office Box 458, 111 Greenwood Road, Blue Lake, CA 95525
Phone 707.668.5655 Fax 707.668.5916

AGENDA REPORT

Item #: 7
Date: May 24, 2022
Item Subject: Water and Wastewater Rate Study Presentation
Submitted By: Mandy Mager, City Manager

General Information:

The City of Blue Lake, in partnership with RCAC, has conducted a rate study and analysis for the City’s water and wastewater programs. The intent of the study is to evaluate the current systems and project short- and long-term funding needs, capital improvements, staffing needs, and fee structures.

RCAC has taken all of the provided data and has created a fee structure and capital improvement plan for Council’s consideration. In order to implement the proposed rate structure, the City must comply with the State mandated 218 process, which allows affected property owners an opportunity to voice their support or opposition of the proposal.

The City’s infrastructure is aging out and major improvements and investments are becoming necessary. The City is working diligently to take advantage of grant funding to off set large scale costs and currently has several pending applications that are being considered for funding.

The capital improvement plan created by RCAC will improve the City’s competitiveness in upcoming funding cycles under the Federal Infrastructure bill. The City has worked diligently to keep costs down for the rate payers, but is now in a position that investments need to be made in order to extend the life span of the infrastructure, as well as the longevity of the staff and equipment.

Background Material Provided:

Fiscal Impact: Presentation Only

Recommended Action: Direct the City Manager at Council’s Discretion

Review Information:

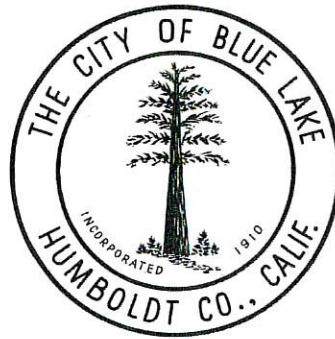
City Manager Review: Legal Review: Planner Review: Engineer:

Comments:

City of Blue Lake
May 24, 2022 Council Meeting

Consent Items:

- a. Council Meeting Minutes
- b. Warrants and Disbursements



City of Blue Lake
 Check/Voucher Register - City Council Check Report
 From 4/1/2022 Through 4/30/2022

Check Number	Check Date	Payee	Check Description	Check Amount
2279	4/1/2022	Tonine Nielsen	Deposit Refund #10054001 Nielsen	30.22
2280	4/1/2022	Kathleen Martin	Deposit Refund #20355001 Martin	80.38
2281	4/1/2022	Laurie Lochner	Deposit Refund #30450002 Lochner	132.90
2282	4/1/2022	City of Blue Lake	Utilities paid from Deposits 4/1/22 Billing	426.00
9667	4/7/2022	Aflac	4/1/22 Inv#744265	131.52
9668	4/7/2022	Access Humboldt	3/31/22 Inv#1816	112.50
9669	4/7/2022	AT&T	2-3/20/22 bills	67.94
9670	4/7/2022	Advanced Security Systems	4/18/22 Inv#600305	315.00
9671	4/7/2022	big bear design & graphics	3/21/22 Inv# 1126	709.73
9672	4/7/2022	CA State Disbursement Unit	3/25/22 PR deduction-Coke	92.30
9673	4/7/2022	Christopher F. Curran	03/2022 council stipend/Curran	50.00
9674	4/7/2022	Elaine B. Hogan	03/2022 council stipend/Hogan	50.00
9675	4/7/2022	Intedata Systems	3/31/22 statement	75.00
9676	4/7/2022	Adelene Jones	03/2022 council stipend/Jones	50.00
9677	4/7/2022	Mendes Supply Company	4/1/22 statement	207.69
9678	4/7/2022	National Rural Water Assoc.	SCADA loan pmt due 5/1/22	965.00
9679	4/7/2022	National Band and Tag Co.	3/22/22 Inv# 159842	81.71
9680	4/7/2022	RREDC	Town square loan pmt due 5/1/22	1,236.87
9681	4/7/2022	Shred Aware	3/23/22 Inv# 41785	45.00
9682	4/7/2022	U. S. Postal Service	Stamped envelopes fulfillment	700.90
9683	4/7/2022	SHN Consulting	3/22/22 Inv# 112600 Library	2,197.50
9684	4/7/2022	Verizon Wireless	4/13/22 Inv# 9902347294	241.71
9685	4/7/2022	Trevor L. Pumnea	3/24/22 supplies reimb.-Pumnea	84.82
9686	4/7/2022	WebstaurantStore	3/31/22 Order# 73666099	1,671.65
9687	4/7/2022	Jewell Distillery	small business grant/Jewell Distillery	4,000.00
9688	4/7/2022	Arcata Florist	small business grant/Arcata Florist	4,000.00
9689	4/7/2022	Abundance Upcycle Boutique	small business grant/Abundance Upcycle	4,000.00
9690	4/7/2022	Blackberry Bramble	small business grant/Blackberry Bramble	4,000.00
9691	4/7/2022	Honeycomb Coffee, LLC	small business grant/Honeycomb Coffee	4,000.00
9692	4/7/2022	Powers Creek Produce	small business grant/Powers Creek Produce	4,000.00
9693	4/7/2022	Chumayo Spa	small business grant/Chumayo Spa	2,000.00
9694	4/7/2022	Statewide Traffic Safety	3/31/22 statement/marking paint and supplies	198.90
9695	4/7/2022	R. A. O. Construction Co., Inc	Annie & Mary trail phase 1-pmt #4	60,272.56
9696	4/7/2022	Kernen Construction	3/11/22 Inv# 20188/water leak repair-First ave alley	3,462.50
20220408EFT...	4/8/2022	U. S. Department of Treasury	EFTPS federal tax pmt 4/8/22 PR	4,386.82
20220408EFT...	4/8/2022	Employment Development Dept.	DE88 state tax pmt 4/8/22 PR	751.06
20220408EFT...	4/8/2022	Cal PERS	PERS retirement pmt 4/8/22 PR	2,666.34
20220408EFT...	4/8/2022	Freedom Voice	Freedom voice 4/1/22 statement	118.58
220408A01	4/8/2022	Glenn R. Bernald	Employee: bernaldg; Pay Date: 4/8/2022	1,747.13
220408A02	4/8/2022	Skyler A. Coke	Employee: cokes; Pay Date: 4/8/2022	753.50
220408A03	4/8/2022	Melissa M. Combs	Employee: combsm; Pay Date: 4/8/2022	446.93
220408A04	4/8/2022	Lisa M. Honzik	Employee: honziki; Pay Date: 4/8/2022	131.08
220408A05	4/8/2022	Vicki L. Hutton	Employee: huttonv; Pay Date: 4/8/2022	1,324.08
220408A06	4/8/2022	Amanda L. Mager	Employee: magera; Pay Date: 4/8/2022	1,842.87
220408A07	4/8/2022	Jacob P. Meng	Employee: mengj; Pay Date: 4/8/2022	969.08
220408A08	4/8/2022	Ross A. Nash	Employee: nashr; Pay Date: 4/8/2022	785.15
220408A09	4/8/2022	Ashley M. Thacker	Employee: thackera; Pay Date: 4/8/2022	143.07
220408A10	4/8/2022	Emily P. Wood	Employee: woode; Pay Date: 4/8/2022	1,159.93
9697	4/8/2022	Harold D. Burris	Employee: burrish; Pay Date: 4/8/2022	1,500.79
9698	4/8/2022	Trevor L. Pumnea	Employee: pumneat; Pay Date: 4/8/2022	1,315.60
9699	4/8/2022	U. S. Postal Service	Water/Sewer trust and postage stamps	1,568.00
9700	4/8/2022	City of Blue Lake	water/sewer payments 4/1/22	1,552.11
9701	4/8/2022	Blue Lake Rancheria	3/31/22 Inv# B22-034	2,500.00
9702	4/8/2022	B & B Portable Toilet Co.	2/2/22 Inv#'s 137313 & 137314	156.89
9703	4/8/2022	D & R Janitorial Service	4/1/22 statement	295.00
9704	4/8/2022	G.L.J. Construction	3/31/22 Inv# 2646	342.00

City of Blue Lake
 Check/Voucher Register - City Council Check Report
 From 4/1/2022 Through 4/30/2022

Check Number	Check Date	Payee	Check Description	Check Amount
9705	4/8/2022	Hensel's Ace Hardware	3/31/22 statement	70.19
9706	4/8/2022	Humboldt Co. Sheriff's Office	4/2022 animal shelter contractual billing	633.00
9707	4/8/2022	Humb. Bay Municipal Water Dist	3/2022 billing period	16,233.35
9708	4/8/2022	Industrial Electric Service Co	4/1/22 statement	142.38
9709	4/8/2022	Kathleen Martin	2022 business license refund	42.50
9710	4/8/2022	The Mitchell Law Firm, LLP	3/31/22 Inv# 49816	666.84
9711	4/8/2022	Arcata Stationers	4/1/22 statement	346.40
9712	4/8/2022	Redwood Petroleum	4/6/22 Inv# 119	731.37
9713	4/8/2022	SHN Consulting	3/29/22 Inv# 112651 A&M trail	694.11
9714	4/8/2022	SHN Consulting	3/29/22 Inv# 112652 LRSP	2,636.46
9715	4/8/2022	SHN Consulting	2/24/22 Inv# 112327 Planning	2,505.00
9716	4/8/2022	SHN Consulting	3/29/22 Inv# 112654 engineering	4,571.25
9717	4/8/2022	Yasmin L. Spencer, LAc, DAOM	small business grant/Spencer	2,000.00
9718	4/8/2022	Thomas Home Center	3/31/22 statement	16.63
9542	4/12/2022	Sudden Link	2/1/22-2/28/22 billing period	(442.06)
9719	4/14/2022	SHN Consulting	3/24/22 Inv#112629 habitat cons. HA-12-001	2,290.00
9720	4/14/2022	Humboldt Co. Sheriff's Office	Oct 2021-Mar 2022 Law enforcement services	77,837.59
9721	4/14/2022	Melissa Combs - Petty Cash	4/12/22 BO petty cash reimb.	90.65
9722	4/14/2022	Blue Lake Chamber of Commerce	BL chamber annual membership	70.00
9723	4/14/2022	AT&T	4/4/22 cal net 3 bills	259.51
9724	4/14/2022	CA State Disbursement Unit	04/08/22 PR deduction-Coke	92.30
9725	4/14/2022	Coastal Business Systems Inc.	4/1/22 Inv# 31368868	267.59
9726	4/14/2022	Colantuono, Highsmith, Whatley	4/5/22 Inv# 51412	2.79
9727	4/14/2022	Dazey's Arcata	3/31/22 statement	77.56
9728	4/14/2022	Vicki L. Hutton	4/8/22 mileage reimb./ Hutton	24.22
9729	4/14/2022	Jackson & Eklund	4/7/22 Inv# 436153	4,044.00
9730	4/14/2022	FDAC EBA	Billing period: 65-05/01/22 to 05/31/22	13,477.25
9731	4/14/2022	Honda Financial Services	4/4/22 Statement	313.82
9732	4/14/2022	The Mitchell Law Firm, LLP	3/31/22 Inv# 49886	703.00
9733	4/14/2022	McKinleyville Ace Hardware	3/31/22 Statement	58.50
9734	4/14/2022	North Coast Laboratories LTD.	3/31/22 Statement	1,065.00
9735	4/14/2022	O'Reilly Auto Parts	3/28/22 Statement	245.85
9736	4/14/2022	Pacific Gas and Electric	3/31/22 Statement	6,523.97
9737	4/14/2022	Trevor L. Pumnea	4/13/22 mileage reimb./Pumnea	266.71
9738	4/14/2022	Revolution Bicycles	city share for bike donation	300.00
9739	4/14/2022	Sudden Link	Feb & Apr 2022 Billing periods	873.62
9740	4/14/2022	Terminix International	4/15/22 Inv#s 418730249 & 418732556	154.00
9741	4/14/2022	US Bank Corp. Payment Systems	3/22/22 statement	1,636.71
20220422EFT...	4/22/2022	U. S. Department of Treasury	EFTPS federal tax pmt 4/22/22 PR	5,108.09
20220422EFT...	4/22/2022	Employment Development Dept.	DE88 state tax pmt 4/22/22 PR	906.77
20220422EFT...	4/22/2022	Cal PERS	PERS retirement pmt 4/22/22 PR	3,031.00
220422A01	4/22/2022	Glenn R. Bernald	Employee: bernaldg; Pay Date: 4/22/2022	1,770.66
220422A02	4/22/2022	Rosine S. Boyce-Derricott	Employee: boycer; Pay Date: 4/22/2022	168.57
220422A03	4/22/2022	Skyler A. Coke	Employee: cokes; Pay Date: 4/22/2022	834.57
220422A04	4/22/2022	Melissa M. Combs	Employee: combsm; Pay Date: 4/22/2022	515.39
220422A05	4/22/2022	Lisa M. Honzik	Employee: honziki; Pay Date: 4/22/2022	183.76
220422A06	4/22/2022	Vicki L. Hutton	Employee: huttonv; Pay Date: 4/22/2022	1,534.92
220422A07	4/22/2022	Austin R. Jones	Employee: jonesa; Pay Date: 4/22/2022	826.01
220422A08	4/22/2022	Amanda L. Mager	Employee: magera; Pay Date: 4/22/2022	1,926.18
220422A09	4/22/2022	Jacob P. Meng	Employee: mengj; Pay Date: 4/22/2022	969.08
220422A10	4/22/2022	Ross A. Nash	Employee: nashr; Pay Date: 4/22/2022	748.38
220422A11	4/22/2022	Trevor L. Pumnea	Employee: pumneat; Pay Date: 4/22/2022	1,315.59
220422A12	4/22/2022	Ashley M. Thacker	Employee: thackera; Pay Date: 4/22/2022	1,047.49
220422A13	4/22/2022	Emily P. Wood	Employee: woode; Pay Date: 4/22/2022	1,159.93
9742	4/22/2022	Harold D. Burris	Employee: burrish; Pay Date: 4/22/2022	1,500.80
9743	4/22/2022	Marc A. Davis	Employee: davism; Pay Date: 4/22/2022	458.85

City of Blue Lake
 Check/Voucher Register - City Council Check Report
 From 4/1/2022 Through 4/30/2022

<u>Check Number</u>	<u>Check Date</u>	<u>Payee</u>	<u>Check Description</u>	<u>Check Amount</u>
9744	4/28/2022	CA State Disbursement Unit	4/22/22 PR deduction-Coke	92.30
9745	4/28/2022	Dell Arte	Small business grant-Dell'arte	4,000.00
9746	4/28/2022	GreatAmerica Financial Svcs.	4/18/22 Inv# 31474578	204.00
9747	4/28/2022	SHN Consulting	4/13/22 Inv# 112775 WW (CRS)	2,022.50
9748	4/28/2022	SHN Consulting	4/14/22 Inv# 112889 Library	505.00
9749	4/28/2022	SHN Consulting	3/24/22 Inv# 112633 LEAP	4,726.25
9750	4/28/2022	SHN Consulting	3/24/22 Inv# 112628 Planning	2,302.50
9751	4/28/2022	Cheryl E. Turner	4/10/22 iNV# 2022-03 Planning minutes	100.00
9752	4/28/2022	Renee Thompson Designs	artwork for website and promotions	250.00
9753	4/28/2022	Tensor IT	4/15/22 statement	1,511.59
9754	4/28/2022	Emily P. Wood	4/14/22 supplies reimb-Wood	379.00
Report Total				307,767.55



Blue Lake City Council Minutes

Tuesday, March 22, 2022 ~ 6:30 p.m. ~ Council Meeting Via Zoom

Link: <https://us02web.zoom.us/j/83733853782?pwd=SIJYWU5zaXVLZjdsSlI0SE8za3NNQT09>

Meeting ID: 837 3385 3782 **Passcode:** 683342

Dial by your location +1 669 900 6833 US (San Jose)

Meeting Called to Order at 6:30 PM

1. Pledge of Allegiance and Establish a Quorum of the Council

Councilmembers Present:

Adelene Jones, Mayor
Chris Curran
Elaine Hogan
Benjamin McCreath

Staff Present:

Amanda Mager, City Manager/City Clerk
Emily Wood, Economic Development Planner
Trevor Pumnea, Parks and Recreation Director

Public Present:

Elise Scafani, Alice Finen, Lisa Hoover, Lin Glen

2. Approve Agenda

Motion: To Approve the Agenda

Motion by: Councilmember Curran, **Second:** Councilmember McCreath

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath **Nays:** None **Absent:** None

Motion Summary: Motion Passed

3. Public Comment: No comment received

4. Reaffirm the Findings in Resolution Number 1192 -A Resolution of the City Council of the City of Blue Lake Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, and Authorizing the Continued Use of Virtual Meetings-Discussion/Action

Motion: To Reaffirm the Findings in Resolution Number 1192 and explore Hybrid options for future meetings with City Attorney

Motion by: Councilmember Hogan; **Second:** Councilmember Curran



There were no comments from the Council or public.

Vote: Ayes: Curran, Hogan, McCreath, Jones **Nays:** None **Absent:** None

Motion Summary: Motion Passed

- 5. City Council Vacancy-**Discuss, consider and possibly appoint qualified applicant to fill City Council seat vacated on January 31, 2022. The Council received two applications for the position; Mayor Jones asked each applicant to present themselves and their reason for applying for the vacancy. Alice Finen and Elise Scafani introduced themselves to Council and provided information on their background and interest in becoming a Council member.

Motion: To Appoint Alice Finen to the vacant City Council position.

Motion by: Mayor Jones **Second:** Councilmember Hogan

Council Comments: Councilmember Curran thanked the applicants for coming forward and wanting to participate in government; appreciates Alice Finen's background in equity issues.

Public Comment: Elise Scafani expressed disapproval of the process; stated that she was not invited to attend the meeting in person and felt that the Council appointed Alice Finen for reasons other than her qualifications.

Vote: Ayes: Jones, Curran, McCreath, Hogan **Nays:** None **Absent:** None

Motion Summary: Motion Passed

- 6. Council Positions and Committee and Liaison Assignment Designation-**
Discussion/Action

The Council reviewed the Mayor Pro Tem position and the committee and liaison assignments. Changes to the assignments are necessary due to the Council vacancy appointment.

Motion: To appoint Elaine Hogan to the position of Mayor Pro Tem

Motion by: Council member Curran, Second: Council member McCreath

Council/Public Comment: None

Vote: Ayes: Jones, Curran, McCreath, Hogan, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

Motion: To approve the committee and liaison assignments as discussed for 2022

Motion by: Council member McCreath, Second: Council member Hogan

Council/Public Comment: None

Vote: Ayes: Jones, Curran, McCreath, Hogan, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

- 7. Resolution Number 1196-Surplus Lands Designation-** A Resolution of The City Council of the City of Blue Lake Declaring City-Owned Property Located Within the City and Known as Assessor Parcel Numbers 025-201-019 and 025-201-009, as Surplus Land - Discussion/Direction
City Manager Mager provided an overview of the item, including the Surplus Lands Act.



Public Comment:

Lisa Hoover: Where will the residents take their green waste if the corporation yard is moved.

Motion: To Approve Resolution Number 1196

Motion by: Council member Curran, Second: Council member McCreath

Council/Public Comment: None

Vote: Ayes: Jones, Curran, McCreath, Hogan, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

8. Powers Creek District Development Update-Discussion/Direction

- a. **Storyland Update: Powers Creek District Economic Analysis** -Mayor Jones provided an update on the activities of the City’s contract consultant, Storyland Studios, regarding the process to evaluate the development of an RV park and campground, including the feasibility study of the proposed development.
- b. **Bike Park-Status Update-** City Manager Mager, provided an update on the status of the bike park project, including fundraising efforts to date and planning and engineering of the grading plan.
- c. **Corporation Yard Development-**City Manager Mager provided an update on the City Corporation Yard, including the Surplus Lands Act timeframe and an update on interest to date regarding future development of the property.
- d. **Development Agreement and Ground Lease with DANCO Communities-** City Manager Mager provided an update on the development agreement, including next steps and timeframes for review and consideration.

9. Council Correspondence:

Lisa Hoover presented a letter to the Council; the letter was also emailed to the Council prior to the meeting. The letter requested a public meeting to discuss the proposed development of the Powers Creek District outside of a Council or committee forum and requested that this topic be added to the April meeting agenda.

Council Comment: Council member Curran requested a facilitated meeting to look at the whole development project once a project is identified.

10. Consent Agenda:

- a. February 22, 2022 Meeting Minutes
- b. Warrants and Disbursements

Motion: To Approve the Consent Agenda as Presented.

Motion by: Councilmember Hogan; **Second:** Councilmember McCreath

There were no comments from the Council or public.

Vote: Ayes: Curran, Hogan, Jones, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed



11. Reports of Council and Staff

Councilmember Hogan: Provided an update on Humboldt Waste Management Authority activities, including potential designation of the Hawthorne transfer site as an organic waste location. HWMA is evaluating short, mid and long-range strategies to meet State mandates.

Councilmember McCreath: Nothing to report

Mayor Jones: Provided an update on the Humboldt County Association of Government meeting and activities.

Councilmember Curran: Provided an update on the RCEA micro grid project; the project is in its final testing period and will be fully operational by June. Attended RREDC meeting; provided an update on the five year planning process.

Councilmember Finen: Nothing to report.

City Manager Report: A written report was provided

12. Future Agenda Items

- a. DDA with DANCO
- b. Storyland Studios update

13. Adjourn to Closed Session: Public Employee Performance Evaluation (Government Code § 54957): Title: City Manager (Amanda Mager)

Motion: To Adjourn to Closed Session.at 9:04 PM

Motion by: Councilmember Hogan; **Second:** Councilmember McCreath

There were no comments from the Council or public.

Vote: Ayes: Curran, Hogan, Jones, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

14. Motion to come out of Closed Session

Motion: To Come out of Closed Session; Nothing to Report

Motion by: Councilmember McCreath; **Second:** Councilmember Curran

There were no comments from the Council or public.

Vote: Ayes: Curran, Hogan, Jones, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

15. Adjournment

Motion: To Adjourn

Motion by: Councilmember Curran; **Second:** Councilmember Hogan

There were no comments from the Council or public.

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CITY OF BLUE LAKE
CALIFORNIA

111 Greenwood Road
P.O. Box 458
Blue Lake, CA 95525

Vote: Ayes: Curran, Hogan, Jones, McCreath, Finen **Nays:** None **Absent:** None
Motion Summary: Motion Passed

DRAFT

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CITY OF BLUE LAKE

CALIFORNIA

111 Greenwood Road

P.O. Box 458

Blue Lake, CA 95525

Blue Lake City Council Minutes

Tuesday, April 26, 2022 ~ 6:30 p.m. ~Regular Council Meeting

Skinner Store Building-111 Greenwood Road, Blue Lake-Behind City Hall

Zoom Option: The Public May Participate in Person, or Via Zoom at the Link Below:

Join Zoom Meeting

<https://us02web.zoom.us/j/81865803046?pwd=dDBNTkVoVmRyd2J3ZlpHRWZzTOILUT09>

Meeting ID: 818 6580 3046

Passcode: 033968 Dial by your location: +1 408 638 0968 US (San Jose)

Unless Otherwise Noted, All Items on the Agenda are Subject to Action.

Meeting Called to Order at 6:33 PM

1. Pledge of Allegiance and Establish a Quorum of the Council

Council Members Present:

Adelene Jones, Mayor

Chris Curran

Elaine Hogan, Mayor Pro Tem

Benjamin McCreath

Alice Finen (Via Zoom)

Staff Present:

Amanda Mager, City Manager/City Clerk

Emily Wood, Economic Development Planner

Trevor Pumnea, Parks and Recreation Director

Russell Gans, City Attorney

Public Present:

Melissa Combs

Lin Glen

David Glen

Ray

Chris Dart

Phil Nava

McKenzie Dibble

Scott

Valerie Allen
Ashley
Mardi Grainger
Jeff Byrd
Den Whitcomb
Spain Parents
Mike Foget
Elise Scafani
David Ponte
Lori Ponte
Mr. Carlson
Candy Weisse
Jenn Soderfelt
Julie Christie
Lisa Hoover
Diana
Sue Asuzman
Darcey Lima
Marvin Samuels
Ted Hales
Jeff Landen

2. Approve Agenda

Motion: To Approve the Agenda as presented

Motion by: Councilmember Curran, **Second:** Councilmember McCreath

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath **Nays:** None **Absent:** None

Motion Summary: Motion Passed

3. **Public Comment** – *The Public is invited to present petitions, make announcements, or provide other information to the City Council that is relevant to the scope of authority of the City of Blue Lake that is not on the Agenda. The Council may provide up to 15 minutes for this public input session. To assure that each individual presentation is heard, the Council may uniformly impose time limitations of 3 minutes to each individual presentation. The public will be given the opportunity to address items that are on the agenda at the time the Council takes up each specific agenda item.*

Public (Name not provided): Would like to know when the City's Water Deposit Policy would be brought back to Council for review and consideration? City Manager Mager explained that the policy would be addressed during the budget planning process as changes will affect fund balances and fiscal processes. The issue will be addressed and noticed utilizing the City's standard notification process, including postings in the community and via the City's website.

4. **Review and Consider Approval of Disposition and Development Agreement with DANCO Communities, a California corporation**

Property: Assessor's Parcel Numbers 312-161-018 and 312-161-015 (Taylor Way)
Parties to Agreement: City of Blue Lake (Property Owner/Ground Lessor); DANCO Communities, a California corporation (Ground Lessee/Developer)-Discussion/Action

City Manager Mager introduced the item and provided an overview of the agreement and the timeframe associated with the review and consideration process. Manager Mager proposed reviewing the agreement with Council and allowing the City Attorney and representatives from DANCO to answer questions. Manager Mager recommended bringing back a final version of the agreement for the Council's consideration at the next available meeting. This agreement allows DANCO to conduct special studies, complete architectural designs, explore infrastructure requirements, conduct community scoping and pursue funding opportunities. If passed, this agreement would also give DANCO a better opportunity to work with retail and commercial tenants along Taylor Way.

McKenzie Dibble, Development Project Manager, will be presenting the DANCO DDA Presentation. Chris Dart, President of DANCO Communities is also present during the presentation.

Presentation: McKenzie Dibble (DANCO Communities Representative) made a presentation on the project proposal, including information on the project scope, type and similar projects undertaken and operated by DANCO Communities.

Council: No questions

Public Comment:

Wayne Carlson – Expressed concern about flooding, impacts to law enforcement, drugs and garbage found on the river bar. Who will pay for sewer upgrades?.

Manager Mager – Clarified that the project is not located in the flood plain and any project will be required to invest in wastewater improvements.

Mayor Jones – The City is mandated by the State to provide opportunities for housing development.

Chris Dart – Applicants can qualify for tenancy based upon a range of income levels. The property will have an on-site manager and background and credit checks are required to qualify. There are very few problems with affordable housing units as the tenants do not want to lose the opportunity to reside there. There are more issues with market rate units than the affordable housing projects.

Julie Christie: Requests an additional community meeting before the Council considers the DDA; she says her family and friends have not been satisfied with renting from DANCO and thinks the City should be cautious about losing open land.

Lisa Hoover: Has questions about the number of units; staff at HCAOG told her that there are ways around the State mandate for RHNA. Hoover said the Housing Element is not mandating the City to provide more units, but is merely asking the City to consider adding more units. Hoover stated that the HCAOG staff told her that the City only had to provide 34 units.. Hoover would like to know if other sites have been identified in the Housing Element for potential development. Hoover would like to know

if CEQA would be covered by DANCO. Hoover thinks it's ironic grant money is going towards creek restoration when there is housing development going in Powers Creek.

Mager – Our City Planner has gone over the issue of the RHNA allocation (Regional Housing Needs Assessment) with Ms. Hoover numerous times. We have explained at length that the RHNA is not a stagnant allocation. Developments needs to be economically feasible; if the City accommodates the minimum number of units – development does not necessarily stop there. The City has to plan for the future growth of the City and has available space zoned for housing to do so. The State mandates that the City adequately zone to meet current and future RHNA cycles.

Jeff Byrd – What is the timeline for the State taking over if housing mandates are not followed?

Mager – The laws are in effect now and the City is mandated to move forward in good faith to develop housing. SB-35 allows the State to step in and approve projects if they find that the City is not in compliance, or is presenting obstacles for development.

Elise Scafani – Requests that a community forum be devoted specifically to address this development; feels that the public has not been given a chance in the last year to have public comment on this development.

Manager Mager – The City does not know yet what direction we will go with this development. Ultimately, the City owns the property and can ask for more than what the developer is proposing.

City Attorney Russ Gans – Regarding the Development Agreement and Ground Lease – it's crucial that DANCO gains real interest and contractual rights to the property to begin conducting surveys and research on the property. Once DANCO has the Development Agreement, they can begin the design process, which includes community input via the permitting process.

Lin Glen – This property is one of the only properties the City has that can create revenue. Would like to ask the Council to review the revenue potential of this development in an economic analysis. Would like to know what happens if the Council does not like the design – does the Council have the opportunity to reject the blueprints? Has the City talked with neighboring Cities about their experience working with DANCO?

David Ponte – It seems there is better opportunity to develop the historical Downtown as opposed to developing the Powers Creek area.

Mager – The City has been working on developing the Historical Downtown; including loaning and granting money to small businesses and improving sidewalk infrastructure, establishing a partnership with Humboldt Made, creating a foodtruck corner at Dell'Arte, among other improvements. The City is working simultaneously on both the historic downtown and the Powers Creek District.

Lori Ponte – This process should be slower and community members should be eased into this process; many community members have lived in Blue Lake a long time – and would like more opportunity to be involved. DANCO is not a good fit for this community and it feels like this project is being shoved down people's throats.

Sue Asuzman – Appreciates that this project will bring the City revenue; thinks the public should be more informed. The Public needs to take more responsibility to be informed as well. Would like to see a

greater amount of recreational opportunities near the river, such as guided bird and plant walks. Expressed concern that past volunteers that assisted with Powers Creek work were not trained in pruning and removal and although the pruning looks nice it eliminates the sound/creek buffer the plants provide and is not good for our ecosystem's health. Concerned that the lack of shade near the river due to plant removal is not as comfortable for Blue Lake's senior population, who cannot regulate their body temperature as well.

Elise Scafani – DANCO has been working on this for the last year; she has a dozen questions for DANCO and the City. Questions such as: Who makes the money? Where does the money come from? What is the cost benefit of this project? Would like a community forum on this topic where she can ask questions before the agreement is finalized. States the council is accountable to the public and the City Staff is accountable to the Council. Would like to have a meeting before the City signs the final DDA.

Lisa Hoover: This is an important topic and we would like to have forums – feels it's a respectful thing for elected officials to do.

Lin Glen – Asks again, will there be an economic analysis done before the Council signs the final DDA? Has the Council talked with other cities about their experiences with DANCO?

City Manager Mager – The City has done their due diligence and conducted background research for this project, including consulting other cities about their experience with DANCO. Certain City Staff have worked in collaboration with DANCO on projects in other cities. There is a lot that goes into these developments – many are net zero and LEED certified; they have superior amenities that are beneficial to the residents and the community. DANCO developments have helped Arcata attract small businesses and the City of Blue Lake expects to do the same.

Diana Lynn – Will we pay property taxes for this development? Can you give the public a sense of what this development will accomplish?

City Manager Mager – The City is at a very marginal point economically. Lease payments are not being made from the Power Plant and the City is at a critical break even point. There is not a 'hard and fast' number; the City is interested in long term viability to keep the community, our trails, and facilities maintained. The City has struggled to capture revenue generated from people visiting and recreating in our community; creating additional retail opportunities, along with the addition of housing will allow the City to generate additional revenue streams.

Diana Lynn– Can you break down the taxes?

City Manager Mager: The General Fund is comprised mostly of property and motor vehicle taxes. The parks are not financially self sustaining and the City receives very little funding for street maintenance and repair.

Ted Hales– Would like the City to host a comprehensive briefing with “questions that need to be answered”. Feels it would be a great way for the community to get involved.

City Attorney Russ Gans: The steps DANCO must go through after signing the DDA:

1. Design project
2. Submit documentation to City, like all building projects

3. Go through permitting process (where public can participate and address concerns)

Councilmember Finen – Appreciates Council hearing the public's concerns on this project and feels a public, weekend briefing would be useful to address public concerns.

Chris Dart – Plaza Point units are rented to commercial tenants. The City of Arcata collects retail sales tax from the commercial tenants. DANCO is looking to help communities and have plenty of projects to develop. Dart feels he's been working on this project for a very long time and other communities move at a faster pace. DANCO is fine having another meeting although needs to know what the questions will be beforehand – requests structure to the meeting. This project will cost DANCO a lot of money, time, and energy to invest and wants comfort that the City supports this development.

Motion: To hold a special meeting on May 10th, 2022 at 6:30PM to receive the final DDA draft. City of Blue Lake to hold a community meeting on May 15th, 2022 from 2-4PM answering questions submitted to the City's website and Economic Development Planner, Emily Wood Council to make the final decision on May 24th on the DDA Document.

Motion by: Councilmember McCreath, **Second:** Councilmember Finen

Council Comment:

Councilmember McCreath: Asks if the property is or is not located in a flood plain, stated on page 25-section D of the DANCO DDA.

City Manager Mager: Is not sure what this is referencing but will bring back an answer.

Councilmember McCreath: If we do sign the DDA- does the DDA go to the Planning Commission and other entities or does the DDA come back to Council first.

City Attorney Gans – Assuming we do return to a public forum in future meetings; we can give a synopsis of the permitting process and how the public can participate in that process. States that the City Planner can give a better explanation of the permitting process. Once the DDA is signed – we expect DANCO to submit initial permits to the City of Blue Lake. DANCO is being generous by allotting 20,000 sq feet of retail space to this development.

Councilmember Hogan: Would like the community forum to not just be specific to the DDA. Would like questions to be grouped by category and answered in a FAQ Page. Would like the City Planner, City Manager, Chris Dart (DANCO), and Attorney be present.

Vote: Ayes: Finen, Jones, McCreath, Hogan, Curran **Nays:** None **Absent:** None

Motion Summary: Motion Passed

5. Water and Wastewater Rate Study Presentation-Discussion/Action

Bridget Harris from Rural Community Assistance Corporation (RCAC) presents on Water and Wastewater Rates and provides studies that look at the City's capacity and ability to continue a sustainable future.

Looks at sustainability, legality and ability to justify rates and fees; the City has a rate structure that

RCAC is recommending be changed; the proposed structure will simplify pricing structures, reduce fees and remove pricing tiers. This change will ensure that the City provides a legal and justifiable fee structure.

Wastewater Draft Recommendations:

- Uniform Rate
- Remove the Capital Reserve Fee
- ~\$52 per EDU (equivalent dwelling unit) – about \$5/person for the first year and 2.5% for the years thereafter
- 2.5% annual increase

Over the next five years, RCAC recommends putting additional funds into the Capital Improvement Reserve for the future.

Prop 218: Anything that affects property is subject to public vote. Council will need to pass a motion to increase rates and parcel owners are given written notice within 45 days. Parcel owners may submit written objection and vote on rate increases. The majority (50% + 1) of parcel owners must disapprove of the rate change for it not to pass.

Prop 218 Related Changes:

- No more tiers
- No more out of town rate

RCAC is evaluating the City's policies and is developing recommendations that make the most sense for the community and the City administration.

City Manager Mager: Water and wastewater rates are going up across all jurisdictions; with the rise in costs associated with operations, maintenance and system replacement, as well cost of living, rates are not keeping up. Water and wastewater operators are highly sought after the City has to be competitive with their wages in order to maintain staff. The City needs to invest in Public Works infrastructure as trucks and equipment are aging and in need of replacement. The City is looking to use reserve and grant money to fund these improvements.

6. Blue Lake Parks and Recreation Commissioner Applications-Discussion/Action

Motion: To appoint Molly Homen, Jeff Byrd, Jen Soderfelt, and Bettina Eipper to the Blue Lake Parks and Recreation Commission.

Motion by: Councilmember Hogan, **Second:** Councilmember Curran

There were no comments from the Council or public.

Vote: Ayes: McCreath, Finen, Curran, Hogan, Jones **Nays:** None **Absent:** None

Motion Summary: Motion Passed

7. Deed Restrictions for State Park Grant Funding - Action

Motion: To Authorize the City Manager to a execute the Deed Restrictions as provided by the State of California for the Park Per Capita grant and the Statewide Park Development and Community Revitalization Program.

Motion by: Councilmember McCreath, **Second:** Councilmember Curran

There were no comments from the Council or public.

Vote: Ayes: McCreath, Finen, Curran, Hogan, Jones **Nays:** None **Absent:** None

Motion Summary: Motion Passed

Powers Creek District Development Update-

City Manager Mager provided the following updates:

Storyland Update: Powers Creek District Economic Analysis/Branding-Over 65 People attended the meeting at the Grange on Saturday, April 23rd 2022 with Storyland Studios. The public was able to learn about the proposed RV Park & Campground and ask questions about the proposed development.

Bike Park-Status Update-The Bike Park has received over \$800 in donations in the past week to support the development of the Bike Park, including several thousands of dollars in material donations.

Corporation Yard Development-The City corporation yard is being advertised under the Surplus Lands Act; if the corporation yard is redeveloped the City has discussed options for relocating various aspects of the Public Works Department's operations. A majority of the operation can be absorbed at existing facilities, such as our Wastewater Plant and additional offices at City Hall.

8. City Manager Evaluation Ad Hoc Committee Designation - Action

Motion: To appoint Adelene Jones and Elaine Hogan to the City Manager Review Ad Hoc Committee

Motion by: Councilmember Curran, **Second:** Councilmember Finen

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

9. Authorize the City Manager to Request Remittance of the City's Property Taxes- Action

Motion: To Authorize the City Manager to request remittance of the City's Property Taxes

Motion by: Councilmember Finen, **Second:** Councilmember Hogan

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

10.Council Correspondence: No Council Correspondance.

11.Consent Agenda:

a. Warrants and Disbursements

Motion: To accept the Consent Agenda as Presented

Motion by: Mayor Pro-Tem Hogan; **Second:** Councilmember Curran

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

12. Reports of Council and Staff

Mayor Pro-Tem Hogan- Attended HWMA Meeting

Mayor Jones – Attended HCAOG Meeting; provided update on Last Chance Grade, Broadway safety project and temporary improvements. Attended the Blue Lake Economic Development Commission Meeting. Attended the Blue Lake Chamber of Commerce; provided an update on planning for Annie & Mary Day.

Ben McCreath- Attended the Blue Lake Fire District meeting; the siren was discussed and the department stated that the siren was important as phones and pagers are unreliable for calls. The fire district meetings start at 5:30PM; need to change the meeting time on the Council Assignment sheet.

Chris Curran- Attended the 5 year RCEA Celebration. Airport Micrograde ribbon cutting in June. Attended the RREDC meeting; three flights have been discontinued from ACV Airport. Looking at bringing on Seattle or Portland flight, and possibly a flight to Alaska.

Alice Finen – The Public Safety Commission meeting was canceled for April.

City Manager Report: Nothing additional to report.

13. Future Agenda Items

- a. DANCO DDA

14. Adjourn at 10:00PM

Motion: To Adjourn the meeting

Motion by: Councilmember Curran; Second: Councilmember Finen

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

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CITY OF BLUE LAKE

CALIFORNIA

111 Greenwood Road

P.O. Box 458

Blue Lake, CA 95525

Blue Lake City Council Minutes

Tuesday, May 10, 2022 ~ 6:30 p.m. ~Special Council Meeting
Skinner Store Building-111 Greenwood Road, Blue Lake-Behind City Hall

Unless Otherwise Noted, All Items on the Agenda are Subject to Action.

Meeting Called to Order at 6:34 PM

1. Pledge of Allegiance and Establish a Quorum of the Council

Council Members Present:

Adelene Jones, Mayor
Chris Curran
Elaine Hogan, Mayor Pro Tem
Benjamin McCreath
Alice Finen

Staff Present:

Amanda Mager, City Manager/City Clerk
Russell Gans, City Attorney

Public Present:

Kent Sawatzky, John Grondolski, Sarah M., Ray, Diana, Darcey Lima

2. Approve Agenda

Motion: To Approve the Agenda as presented

Motion by: Councilmember Curran, **Second:** Councilmember McCreath

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath **Nays:** None **Absent:** None

Motion Summary: Motion Passed

- #### **3. Public Comment** – *The Public is invited to present petitions, make announcements, or provide other information to the City Council that is relevant to the scope of authority of the City of Blue Lake that is not on the Agenda. The Council may provide up to 15 minutes for this public input session. To assure that each individual presentation is heard, the Council may uniformly impose time limitations*

of 3 minutes to each individual presentation. The public will be given the opportunity to address items that are on the agenda at the time the Council takes up each specific agenda item.

Kent Sawatzky: There's a perception that County Supervisors are out of touch with the community; there also seems to be a problem with County planners supporting an agenda of the Supervisors. I appreciate Councilmembers that took the time to participate in the meeting about the power plant; some people would like to see the town grow; I like to see the kids playing baseball and older people enjoying the town; likes keeping the community small.

4. **Closed Session (6:30 PM-7:30 PM): Conference with Real Property Negotiators (Government Code § 54956.8):** Property: Approximately three (3) acres of land and is a portion of the parcel designated as Assessor's Parcel Numbers 312-161-018 and 312-161-015.

City of Blue Lake Negotiator(s): Amanda Mager (City Manager), Ethan Walsh and Russ Gans (Attorneys for City)

Negotiating parties/Negotiating With: DANCO Communities, a California corporation, Chris Dart, McKenzie Dibble

Under negotiation: Price and/or terms of payment/conditions, Ground Lease and Development Agreement

Motion: To enter into closed session

Motion by: Councilmember Finen, **Second:** Councilmember McCreath

There were no comments from the Council

Public Comment: Kent Sawatzky-Look at this project from your constituents viewpoint; the citizens don't really know what the project is because you just decided the project; the public hasn't given you their input yet; the people feel that they haven't been heard and have questions about how the project was developed. It should have gone out to bid; if you're not doing this it feels like a gift of public funds. My company has the qualifications to do this project; not saying that I would bid, but I could.

Vote: Ayes: Jones, Hogan, Curran, McCreath **Nays:** None **Absent:** None

Motion Summary: Motion Passed; Council enters into closed session at 6:40 PM

5. Council returns to open session at 7:35 PM

Motion: To return to open session at 7:35 PM; nothing to report out of closed session

Motion by: Councilmember Curran, **Second:** Councilmember Finen

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath **Nays:** None **Absent:** None

Motion Summary: Motion Passed

6. **Community Workshop-DANCO Presentation Discussion/Update:**

Council requested City staff to update the flyer to show the Grange as the location for the meeting; add a page to the website to host information for the community to access; include a list of presenters and ensure that acronyms are explained (i.e. RHNA, HCD, etc...); provide a roadmap of how the project has come to this point...how did it start...

Mayor Jones: Reads the City's Code of Civility and establishes the meeting protocol, including the process for public comment.

Mayor Jones: Reads into the record a letter from the Blue Lake Chamber of Commerce supporting the proposed DANCO project; the letter supports the development of commercial/retail space and supports the inclusion of housing to help the City meet its State mandates. The chamber letter supports the location of the development, and states that the City has been working on development of this location for years.

Public Comment:

Kent Sawatzky: One thing that the people would like to see is a sticky dot option to vote if they like or don't like the project. This would show how the public feels about the project. People will support people living above their workplace; feels bad for the Council that the State is requiring cities to do this. The Council didn't take any action on the agreement; is the Council going to keep the agreement from the people?

Darcey Lima: Likes the idea of the vote but feels that its too early; I'm not undecided about this project, I'm one rent increase away from being homeless. My daughter is homeless and so is my son. I'm familiar with the DANCO project by the bus garage; it's always immaculate and has a manager. There's a lot of prejudice that has been said about low income people; there are millionaires that have crappy yards; you should judge a person by their character and not by their income. I'm excited for more housing.

Public Comment Closed.

7. Reports of Council and Staff:

Councilmember Finen: Attended the Blue Lake Public Safety Commission Meeting; updates were provided on CERT, the Public Safety Plan Update, Observe and Report training for the community, PODS/home alone phone group opportunities and neighborhood outreach for upcoming meetings.

Councilmember McCreath: Nothing to report

Mayor Jones: Provided an update on the planning of Annie and Mary Day; attended the Blue Lake Economic Development Commission meeting; provided an update on the Wha-Nika plant sale and the opening of the museum

Councilmember Curran: Nothing to report

Mayor Pro-Tem Hogan: Nothing to Report

8. Future Agenda Items:

- City Manager Evaluation

Meeting Adjourned at 8:23 PM

Motion: To adjourn at 8:23 PM

Motion by: Councilmember Curran, **Second:** Councilmember Finen

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath **Nays:** None **Absent:** None

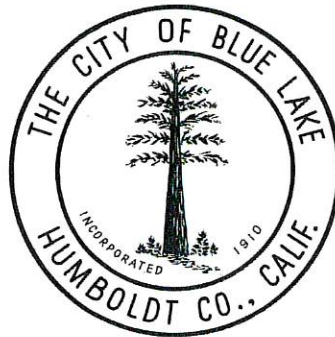
Motion Summary: Motion Passed

DRAFT

City of Blue Lake
May 24, 2022 Council Meeting

Staff Reports

City Manager
Unaudited Financial Reports





City of Blue Lake

City Manager Report

May 2022

Economic Development

Small Business Grant-Federal Rescue Funding: City staff has finalized the contract agreements with the Blue Lake businesses receiving grant funding and the funds have been distributed. staff is finalizing scopes of work with Humboldt Made; delays in the delivery of this service was due to staffing changes at Humboldt Made.

USDA Commercial Kitchen Equipment Funding: Work continues on the upgrade of City facilities to increase food production opportunities in the park. New commercial equipment has been installed at the Clemence facility (the Dog House), and work is continuing on the serving booth to facilitate installation of new commercial equipment. The serving booth will be upgraded with new windows, electrical, refrigeration, prep tables and cooking equipment. The barbecue area adjacent to the serving booth will also be upgraded with a new gravel surface, pergola, and barbecue equipment. The upgrades will facilitate additional food production and rentals. -On-Going

RFQ-RV Park and Campground: Storyland Studios continues to refine details relating to the development of an RV park and campground in the City. Storyland has developed design layouts and architectural renderings and is in the process of refining revenue projections and development costs. Storyland will be presenting the preliminary designs and data to various local and regional industry and financial leaders. Additional outreach will be conducted to the City Council, as well as to the City's various

commissions and committees. Preliminary designs and projections are very positive; Storyland is meeting with various development groups to increase exposure and interest in the development side of the project.

Parks and Recreation

- State Park Per Capita Grant-\$177,000: The grant has been awarded; City staff are in the process of updating quotes for new flooring and a roof on Prasch Hall. Additional upgrades will take place to the party room in Prasch Hall, along with the tennis courts, basketball courts, baseball fields and more.
- Town Square Grant: The City has officially been awarded funding to complete the town square project. Funding will be used to pay off the loan for the land and to make major improvements to the property. We are in the process of updating the appraisal for the town square in order to substantiate the loan pay off request. We will be contracting with Erin Ponte to complete a final design for the town square in preparation for going out to bid in 2022.
- Reopening plans for indoor programs and facilities: Parks and Recreation has opened indoor activities on a limited basis. We are renting the skating rink for private parties and conducting monthly skating events as we start to bring back staff. We are offering drop-in basketball for youth and working on the integration of the new Rec Desk software for liability waivers, rentals, etc...
- Recreation Software-The City has purchased new recreation management software; the new software is being integrated into the City's online marketing and staff is actively training on implementation and operation. The new software is an all-inclusive system that allows the park director to manage staff, programs, facilities, marketing, inventory, retail sales and more.-On-Going.

City Infrastructure

- Wastewater Treatment Plant Power Project: The City is pursuing options to install solar at the wastewater treatment plant; originally, the City was funded to purchase and install an on-site generator to supplement power during public safety power shut-off events. As the City has been unable to procure a generator, we are pursuing opportunities to install solar in its place. The installation of solar will bring long term benefits to the operation of the plant and is an allowable use of grant funding. During the 2022-2023 budget cycle, staff may request additional funding to supplement the grant. The wastewater treatment plant uses a substantial amount of electricity and off-setting this ongoing cost of operation is a preferred use of capital improvement resources.**On-going**
- Water Tank Replacement: Grant application submitted to CalOES/FEMA-**Waiting to hear back on funding**
- Sanitary Sewer Survey: **Grant submitted; waiting on funding notice**
- ADA Library Project: Improvements are being designed and engineered; construction projected for Summer 2022-**On-going**
- Gas Line Replacement Project: PG&E is replacing all of the gas lines in the City; they have completed the survey portion of the project and have contracted with Teichert Construction to complete the replacement work. City staff continues to meet with representatives from PG&E and Teichert to talk about construction activities, impacts, permit requirements, etc... The City Engineer has provided construction details for repaving to ensure that City streets are returned to an acceptable condition.-**On-going**
- **Water and Wastewater Rate Study**-A study is being completed by RCAC; the study is critical to on-going funding efforts and will provide a five-year plan for capital improvements and funding strategies. The rate study will be

presented to Council and the public; the results of the study will provide critical information for upcoming funding cycles through the Build Back Better legislation. The City anticipates submitting funding applications for infrastructure improvements.-**On-Going**

Policy Updates and Studies

Housing Element Update: Staff have completed a draft housing element and has submitted it to the Planning Commission and the public. A second public hearing on the draft element was presented on March 21st. City staff are compiling community comments and will be addressing them as required. Next steps will include sending the final draft to HCD for review and comment, along with presenting the plan to the Council for review and consideration. Staff will be sending the draft element to HCD to initiate the review process by the end of the month; this will take place prior to the element being presented to Council to ensure that any major issues are identified prior to Council review. It is critical that the City move this project forward timely and efficiently; the City is currently out of compliance with the State and is ineligible for the majority of funding opportunities that are currently available through Housing and Community Development-**On-Going**

Local Road Safety Plan: The City is in the final phase of data collection for the Local Road Safety Plan project. Staff has conducted outreach via various methods to gain input regarding safety hazards and community concerns. This will be an on-going project for several months; once finished, the City can use the plan to apply for infrastructure improvements.-**On-going**

Truck Route Study and Design: Work continues on the truck route project; the City has a draft plan that is being used to conduct environmental and cultural studies. Recently, the

City's design project was approved for funding by the HCAOG TAC and has been sent on to the next level of review and approval. If approved, the City would receive \$1.6 million in funding to construct the proposed improvements. The City recently received the second phase of funding to complete the design work; this allocation totaled \$200,000-**On-going**

City of Blue Lake Staff Report

To: Honorable Mayor and City Council
From: Jackson & Eklund Accounting, Contract Accountant
Through: Amanda Mager, City Manager
Date: 5/20/2022
Subject: Unaudited Financial Report 7/01/2021 to 3/31/2022

Attached are the following unaudited financial reports:

- Revenues and Expenditures by Fund - shows the financial results of operations for the period 7/01/2021 to 3/31/2022 and reflects actual year-to-date revenues and expenses/expenditures (including transfers-in/out from fund balance) in comparison to total budgeted amounts for the fiscal year. Additionally, the actual year-to-date as a percentage of the total fiscal year budget is presented.
- Cash Balance by Fund - shows the cash balance by fund and the change from 10/31/2021 to 5/31/2022.

The **budget-to-date percentage** through 3/31/2022 is **75%**.

Financial Highlights

General Fund (fund 10 only)

General Government:

- Expenditures/transfers-out exceeded revenues/transfers-in by \$88,555.
- Revenues/transfers-in are at 35% of the total budgeted revenues/transfer-in for the fiscal year.
- Expenditures/transfers-out are at 57% of the total budgeted expenditures/transfers-out for the fiscal year.
- Expenditures for General Government departments are all within expected budget parameters to date (75% of total fiscal year budget), except for the following departments which are over the budget-to-date as follows:
 - General Government - \$6,689 or 4.5%;
 - Animal Control - \$481 or 8.2%;
 - Public Works (Streets) - \$2,785 or 4.7%.

Parks & Recreation:

- Expenditures/transfers-out exceeded revenues/transfers-in by \$131,183.
- Revenues/transfers-in are at 38% of the total budgeted revenues/transfer-in for the fiscal year.
- Expenditures/transfers-out are at 74% of the total budgeted expenditures/transfers-out for the fiscal year.

City of Blue Lake Staff Report

Parks & Recreation, Continued:

- Expenditures for Parks & Recreation are all within expected budget parameters to date (75% of total fiscal year budget), except for the following departments which are over the budget to date as follows:
 - Facilities & Grounds - \$11,886 or 19.6%;
 - General - \$4,245 or 8.3%;
 - Summer Recreation Program - \$20,918 or 81.7%.

Total general fund cash (including capital project funds) decreased by \$99,256 from \$923,437 at 10/31/2021 to \$824,181 at 3/31/2022.

Water Operating Fund (fund 60 only)

- Expenditures exceeded revenues (excluding depreciation) by \$12,350.
- Expenditures exceeded revenues (including depreciation) by \$44,854.
- Revenues are at 73% of total budgeted revenues for the fiscal year.
- Expenses (excluding depreciation) are at 70% of total budgeted expenses for the fiscal year while expenses (including depreciation) are at 77% of total budgeted expenses for the fiscal year.
- Cash decreased by \$46,220 from \$1,027,719 at 10/31/2021 to \$981,499 at 3/31/2022.

Sewer Operating Fund (fund 70 only)

- Expenses exceeded revenues/transfers-in (excluding depreciation) by \$25,415.
- Expenses exceeded revenues/transfers-in (including depreciation) by \$101,920.
- Revenues/transfers-in are at 67% of total budgeted revenues for the fiscal year.
- Expenses (excluding depreciation) are at 70% of total budgeted expenses for the fiscal year while expenses (including depreciation) are at 88% of the total budgeted expenses for the fiscal year.
- Cash decreased by \$39,478 from \$132,899 at 10/31/2021 to \$93,421 at 3/31/2022.

Overall Cash Balance (all funds)

Overall, the City's cash balance decreased \$88,530 from \$4,354,241 at 10/31/2021 to \$4,265,711 at 3/31/2022. The 3/31/2022 cash balance was comprised of the following: Checking - \$267,605, Public Funds Savings - \$46,971, LAIF - \$3,885,113, Utility Deposits - \$64,932, Petty Cash and Change Funds - \$1,090.

CITY OF BLUE LAKE

FINANCIAL REPORT

3.31.2022

(Unaudited Numbers)

**City of Blue Lake
Financial Report
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City of Blue Lake
Statement of Revenues and Expenditures - Actual to Budget
10 - General Fund
From 7/1/2021 Through 3/31/2022

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
<u>GENERAL GOVERNMENT</u>				
REVENUES & TRANSFERS				
Taxes	27,859	171,910	(144,051)	16.21%
Licenses, Permits & Fees	41,574	68,965	(27,391)	60.28%
Rents - BLP	0	61,429	(61,429)	0.00%
Rents - Resource Center	0	4,980	(4,980)	0.00%
Federal Revenues	0	15,000	(15,000)	0.00%
State Revenues	105,684	231,819	(126,135)	45.59%
Charges for Services	18,839	13,175	5,664	142.99%
Other Revenues	25,869	87,331	(61,462)	29.62%
Interest	1,038	2,290	(1,252)	45.33%
Transfers In	44,598	110,001	(65,403)	40.54%
Total REVENUES & TRANSFERS	265,461	766,900	(501,439)	34.61%
EXPENDITURES & TRANSFERS				
Mayor, Council and City Clerk	1,649	3,560	(1,911)	46.32%
Legal	6,611	11,175	(4,564)	59.16%
General Government	153,861	196,230	(42,369)	78.41%
Planning	47,137	112,309	(65,172)	41.97%
Building	18,566	27,275	(8,709)	68.07%
Law Enforcement	48,133	168,175	(120,042)	28.62%
Animal Control	6,342	7,815	(1,473)	81.15%
Public Works - Streets	61,439	78,205	(16,766)	78.56%
Capital Outlay	10,278	15,000	(4,722)	68.52%
Total EXPENDITURES & TRANSFERS	354,016	619,744	(265,728)	57.12%
TOTAL GENERAL GOVERNMENT	(88,555)	147,156	(235,711)	-60.18%
<u>PARKS & RECREATION</u>				
REVENUES & TRANSFERS				
Rents - Park Facilities	7,990	23,420	(15,430)	34.12%
Recreation - Program Fees, Concessions & Donations	15,060	16,600	(1,540)	90.72%
Recreation - Summer Recreation Program	20,222	32,600	(12,378)	62.03%
Recreation - Skate Program	340	41,500	(41,160)	0.00%
Total REVENUES & TRANSFERS	43,612	114,120	(70,508)	38.22%
EXPENDITURES & TRANSFERS				
Parks - Facilities & Grounds	72,508	80,830	(8,322)	89.70%
Recreation - General	55,147	67,870	(12,723)	81.25%
Recreation - Summer Recreation Program	46,523	34,180	12,343	136.11%
Recreation - Skate Program	617	53,005	(52,388)	1.16%
Total EXPENDITURES & TRANSFERS	174,795	235,885	(61,090)	74.10%
TOTAL PARKS & RECREATION	(131,183)	(121,765)	(9,418)	107.73%
TOTAL GENERAL FUND	(219,738)	25,391	(245,129)	-865.42%

City of Blue Lake
Statement of Revenues and Expenditures
36 - Powers Creek District Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Rents	22,667	27,250	(4,583)	83.18%
Interest	107	490	(383)	21.87%
Total REVENUES & TRANSFERS	<u>22,774</u>	<u>27,740</u>	<u>(4,966)</u>	<u>82.10%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	26,059	29,220	(3,161)	89.18%
Contracted Professional Services	5,701	10,005	(4,305)	56.97%
Other Contracted Services	276	0	276	0.00%
Interest Expense	8,324	11,095	(2,771)	75.02%
Other Expenses	2,929	2,990	(61)	97.95%
Repairs & Maintenance	420	560	(140)	75.06%
Supplies	17	80	(63)	21.60%
Capital Expenditures	939	0	939	0.00%
Debt Service	2,808	3,750	(942)	74.87%
Total EXPENDITURES & TRANSFERS	<u>47,473</u>	<u>57,700</u>	<u>(10,227)</u>	<u>82.28%</u>
TOTAL	<u>(24,699)</u>	<u>(29,960)</u>	<u>5,261</u>	<u>82.44%</u>

City of Blue Lake
Statement of Revenues and Expenditures
38 - CDBG Non-Program Income Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Other Revenues	1,800	2,005	(205)	89.77%
Interest	53	155	(102)	33.92%
Transfers In	<u>0</u>	<u>5,290</u>	<u>(5,290)</u>	<u>0.00%</u>
Total REVENUES & TRANSFERS	<u>1,853</u>	<u>7,450</u>	<u>(5,597)</u>	<u>24.87%</u>
TOTAL	<u><u>1,853</u></u>	<u><u>7,450</u></u>	<u><u>(5,597)</u></u>	<u><u>24.86%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
25 - Highway Users Tax Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Taxes	37,391	61,428	(24,037)	60.87%
Interest	<u>33</u>	<u>90</u>	<u>(57)</u>	<u>37.00%</u>
Total REVENUES & TRANSFERS	<u>37,425</u>	<u>61,518</u>	<u>(24,093)</u>	<u>60.84%</u>
EXPENDITURES & TRANSFERS				
Transfers Out	<u>40,980</u>	<u>83,610</u>	<u>(42,630)</u>	<u>49.01%</u>
Total EXPENDITURES & TRANSFERS	<u>40,980</u>	<u>83,610</u>	<u>(42,630)</u>	<u>49.01%</u>
TOTAL	<u><u>(3,556)</u></u>	<u><u>(22,092)</u></u>	<u><u>18,536</u></u>	<u><u>16.09%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
30 - TDA Street Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Taxes	0	12,175	(12,175)	0.00%
Interest	4	7	(3)	58.42%
Total REVENUES & TRANSFERS	<u>4</u>	<u>12,182</u>	<u>(12,178)</u>	<u>0.03%</u>
EXPENDITURES & TRANSFERS				
Transfers Out	3,605	15,786	(12,181)	22.83%
Total EXPENDITURES & TRANSFERS	<u>3,605</u>	<u>15,786</u>	<u>(12,181)</u>	<u>22.84%</u>
TOTAL	<u><u>(3,601)</u></u>	<u><u>(3,604)</u></u>	<u><u>3</u></u>	<u><u>99.92%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
34 - Regional Surface Transportation Program Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
State Revenues	0	10,582	(10,582)	0.00%
Interest	0	10	(10)	0.20%
Total REVENUES & TRANSFERS	<u>0</u>	<u>10,592</u>	<u>(10,592)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Transfers Out	12	10,605	(10,593)	0.11%
Total EXPENDITURES & TRANSFERS	<u>12</u>	<u>10,605</u>	<u>(10,593)</u>	<u>0.12%</u>
TOTAL	<u>(12)</u>	<u>(13)</u>	<u>1</u>	<u>94.53%</u>

City of Blue Lake
Statement of Revenues and Expenditures
11 - Recreation Economic Analysis Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
State Revenues	0	270,000	(270,000)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>270,000</u>	<u>(270,000)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Contracted Professional Services	40,296	267,500	(227,204)	15.06%
Other Expenses	0	2,500	(2,500)	0.00%
Total EXPENDITURES & TRANSFERS	<u>40,296</u>	<u>270,000</u>	<u>(229,704)</u>	<u>14.92%</u>
TOTAL	<u>(40,296)</u>	<u>0</u>	<u>(40,296)</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
12 - American Rescue Plan - Covid Relief Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Federal Revenues	148,915	148,915	0	100.00%
Total REVENUES & TRANSFERS	<u>148,915</u>	<u>148,915</u>	<u>0</u>	<u>100.00%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	19,002	44,999	(25,997)	42.22%
Other Expenses	225	0	225	0.00%
Supplies	402	3,915	(3,513)	10.26%
Capital Expenditures	10,000	50,000	(40,000)	20.00%
Small Business Grants	0	50,000	(50,000)	0.00%
Total EXPENDITURES & TRANSFERS	<u>29,629</u>	<u>148,914</u>	<u>(119,285)</u>	<u>19.90%</u>
TOTAL	<u>119,286</u>	<u>1</u>	<u>119,285</u>	<u>11,928,592.19%</u>

City of Blue Lake
Statement of Revenues and Expenditures
13 - State Park Per Capita Program Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
State Revenues	0	177,000	(177,000)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>177,000</u>	<u>(177,000)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Contracted Professional Services	420	0	420	0.00%
Capital Expenditures	<u>4,914</u>	<u>177,000</u>	<u>(172,086)</u>	<u>2.77%</u>
Total EXPENDITURES & TRANSFERS	<u>5,334</u>	<u>177,000</u>	<u>(171,666)</u>	<u>3.01%</u>
TOTAL	<u><u>(5,334)</u></u>	<u><u>0</u></u>	<u><u>(5,334)</u></u>	<u><u>0.00%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
31 - TDA Purchased Transportation Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Taxes	0	31,720	(31,720)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>31,720</u>	<u>(31,720)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Transit Services	21,250	32,375	(11,125)	65.63%
Total EXPENDITURES & TRANSFERS	<u>21,250</u>	<u>32,375</u>	<u>(11,125)</u>	<u>65.64%</u>
TOTAL	<u>(21,250)</u>	<u>(655)</u>	<u>(20,595)</u>	<u>3,244.27%</u>

City of Blue Lake
Statement of Revenues and Expenditures
32 - AB-939 Solid Waste/Recycling Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
State Revenues	4,890	9,250	(4,360)	52.86%
Interest	18	70	(52)	26.17%
Total REVENUES & TRANSFERS	<u>4,909</u>	<u>9,320</u>	<u>(4,411)</u>	<u>52.67%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	4,841	7,680	(2,839)	63.03%
Other Contracted Services	875	1,685	(810)	51.90%
Other Expenses	343	470	(127)	73.08%
Repairs & Maintenance	0	2,185	(2,185)	0.00%
Supplies	0	2,980	(2,980)	0.00%
Total EXPENDITURES & TRANSFERS	<u>6,059</u>	<u>15,000</u>	<u>(8,941)</u>	<u>40.40%</u>
TOTAL	<u>(1,151)</u>	<u>(5,680)</u>	<u>4,529</u>	<u>20.26%</u>

City of Blue Lake
Statement of Revenues and Expenditures
33 - Supplemental Law Enforcement Services Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
State Revenues	115,923	160,000	(44,077)	72.45%
Interest	<u>0</u>	<u>169</u>	<u>(169)</u>	<u>0.02%</u>
Total REVENUES & TRANSFERS	<u>115,923</u>	<u>160,169</u>	<u>(44,246)</u>	<u>72.38%</u>
EXPENDITURES & TRANSFERS				
Other Contracted Services	<u>40,042</u>	<u>160,169</u>	<u>(120,127)</u>	<u>25.00%</u>
Total EXPENDITURES & TRANSFERS	<u>40,042</u>	<u>160,169</u>	<u>(120,127)</u>	<u>25.00%</u>
TOTAL	<u><u>75,880</u></u>	<u><u>0</u></u>	<u><u>75,880</u></u>	<u><u>0.00%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
42 - CDBG Program Income-Holding Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Loan Repayments	41,019	111	40,908	36,954.49%
Interest	12,996	4,408	8,588	294.83%
Transfers In	0	2,753	(2,753)	0.00%
Total REVENUES & TRANSFERS	<u>54,016</u>	<u>7,272</u>	<u>46,744</u>	<u>742.79%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	461	2,144	(1,683)	21.51%
Other Contracted Services	60	530	(470)	11.32%
Other Expenses	94	80	14	117.50%
Transfers Out	0	4,518	(4,518)	0.00%
Total EXPENDITURES & TRANSFERS	<u>615</u>	<u>7,272</u>	<u>(6,657)</u>	<u>8.46%</u>
TOTAL	<u>53,401</u>	<u>0</u>	<u>53,401</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
44 - CDBG Program Income-Revolving Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	401	770	(369)	52.03%
Total REVENUES & TRANSFERS	<u>401</u>	<u>770</u>	<u>(369)</u>	<u>52.04%</u>
EXPENDITURES & TRANSFERS				
Contracted Professional Services	2,965	0	2,965	0.00%
Capital Expenditures	0	200,000	(200,000)	0.00%
Transfers Out	<u>0</u>	<u>3,524</u>	<u>(3,524)</u>	<u>0.00%</u>
Total EXPENDITURES & TRANSFERS	<u>2,965</u>	<u>203,524</u>	<u>(200,559)</u>	<u>1.46%</u>
TOTAL	<u><u>(2,564)</u></u>	<u><u>(202,754)</u></u>	<u><u>200,190</u></u>	<u><u>1.26%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
60 - Water Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Current Service Charges	339,769	458,515	(118,746)	74.10%
Other Revenues	7,133	11,960	(4,827)	59.63%
Interest	1,099	3,680	(2,581)	29.86%
Total REVENUES & TRANSFERS	<u>348,001</u>	<u>474,155</u>	<u>(126,154)</u>	<u>73.39%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	147,354	213,075	(65,721)	69.15%
Contracted Professional Services	18,388	26,685	(8,297)	68.90%
Other Contracted Services	7,671	6,355	1,316	120.71%
Insurance	8,480	12,025	(3,545)	70.52%
Interest Expense	962	1,270	(308)	75.71%
Other Expenses	12,811	23,750	(10,939)	53.93%
Repairs & Maintenance	19,073	14,710	4,363	129.65%
Supplies	5,619	6,625	(1,006)	84.80%
Utilities	139,992	207,874	(67,881)	67.34%
Depreciation	32,504	0	32,504	0.00%
Total EXPENDITURES & TRANSFERS	<u>392,855</u>	<u>512,369</u>	<u>(119,514)</u>	<u>76.67%</u>
TOTAL	<u>(44,854)</u>	<u>(38,214)</u>	<u>(6,640)</u>	<u>117.37%</u>

City of Blue Lake
Statement of Revenues and Expenditures
61 - Water Connection Fee Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	225	630	(405)	35.70%
Connection Fees	<u>0</u>	<u>15,000</u>	<u>(15,000)</u>	<u>0.00%</u>
Total REVENUES & TRANSFERS	<u>225</u>	<u>15,630</u>	<u>(15,405)</u>	<u>1.44%</u>
TOTAL	<u><u>225</u></u>	<u><u>15,630</u></u>	<u><u>(15,405)</u></u>	<u><u>1.43%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
62 - Water Capital Reserve Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	<u>15</u>	<u>50</u>	<u>(35)</u>	<u>30.70%</u>
Total REVENUES & TRANSFERS	<u>15</u>	<u>50</u>	<u>(35)</u>	<u>30.70%</u>
TOTAL	<u><u>15</u></u>	<u><u>50</u></u>	<u><u>(35)</u></u>	<u><u>30.70%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
64 - Turbidity Reduction Facility Reserve Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Turbidity Reduction Fees	<u>7,869</u>	<u>10,550</u>	<u>(2,681)</u>	<u>74.58%</u>
Total REVENUES & TRANSFERS	<u>7,869</u>	<u>10,550</u>	<u>(2,681)</u>	<u>74.59%</u>
EXPENDITURES & TRANSFERS				
Turbidity Reduction Costs	<u>8,740</u>	<u>13,650</u>	<u>(4,910)</u>	<u>64.02%</u>
Total EXPENDITURES & TRANSFERS	<u>8,740</u>	<u>13,650</u>	<u>(4,910)</u>	<u>64.03%</u>
TOTAL	<u>(871)</u>	<u>(3,100)</u>	<u>2,229</u>	<u>28.09%</u>

City of Blue Lake
Statement of Revenues and Expenditures
70 - Sewer Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Current Service Charges	252,585	338,430	(85,845)	74.63%
Other Revenues	7,158	11,525	(4,367)	62.11%
Interest	150	135	15	111.19%
Transfers In	0	35,000	(35,000)	0.00%
Total REVENUES & TRANSFERS	<u>259,893</u>	<u>385,090</u>	<u>(125,197)</u>	<u>67.49%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	152,288	238,085	(85,797)	63.96%
Contracted Professional Services	30,464	36,375	(5,911)	83.74%
Other Contracted Services	17,726	15,790	1,936	112.25%
Insurance	9,460	12,505	(3,045)	75.64%
Other Expenses	34,179	36,780	(2,601)	92.92%
Repairs & Maintenance	2,840	12,655	(9,815)	22.43%
Supplies	7,266	12,465	(5,199)	58.28%
Utilities	31,088	44,369	(13,281)	70.06%
Depreciation	76,505	0	76,505	0.00%
Total EXPENDITURES & TRANSFERS	<u>361,813</u>	<u>409,024</u>	<u>(47,211)</u>	<u>88.46%</u>
TOTAL	<u>(101,920)</u>	<u>(23,934)</u>	<u>(77,986)</u>	<u>425.83%</u>

City of Blue Lake
Statement of Revenues and Expenditures
71 - Sewer Connection Fee Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	337	985	(648)	34.18%
Connection Fees	<u>0</u>	<u>19,000</u>	<u>(19,000)</u>	<u>0.00%</u>
Total REVENUES & TRANSFERS	<u>337</u>	<u>19,985</u>	<u>(19,648)</u>	<u>1.69%</u>
TOTAL	<u><u>337</u></u>	<u><u>19,985</u></u>	<u><u>(19,648)</u></u>	<u><u>1.68%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
72 - Sewer Capital Reserve Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	Actual YTD	FY 2021-22 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Interest	1,369	4,410	(3,041)	31.04%
Capital Reserve Fee	<u>89,407</u>	<u>118,790</u>	<u>(29,383)</u>	<u>75.26%</u>
Total REVENUES & TRANSFERS	<u>90,777</u>	<u>123,200</u>	<u>(32,423)</u>	<u>73.68%</u>
EXPENDITURES & TRANSFERS				
Other Expenses	0	500	(500)	0.00%
Transfers Out	<u>0</u>	<u>35,000</u>	<u>(35,000)</u>	<u>0.00%</u>
Total EXPENDITURES & TRANSFERS	<u>0</u>	<u>35,500</u>	<u>(35,500)</u>	<u>0.00%</u>
TOTAL	<u><u>90,777</u></u>	<u><u>87,700</u></u>	<u><u>3,077</u></u>	<u><u>103.50%</u></u>

City of Blue Lake
Statement of Revenues and Expenditures
80 - Dental/Vision Trust Fund
From 7/1/2021 Through 3/31/2022
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2021-22 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Dental/Vision Charges to Operations	5,600	7,950	(2,350)	70.44%
Interest	39	115	(76)	34.29%
Total REVENUES & TRANSFERS	<u>5,639</u>	<u>8,065</u>	<u>(2,426)</u>	<u>69.92%</u>
EXPENDITURES & TRANSFERS				
Dental/Vision Claims	<u>3,161</u>	<u>5,000</u>	<u>(1,839)</u>	<u>63.21%</u>
Total EXPENDITURES & TRANSFERS	<u>3,161</u>	<u>5,000</u>	<u>(1,839)</u>	<u>63.22%</u>
TOTAL	<u><u>2,479</u></u>	<u><u>3,065</u></u>	<u><u>(586)</u></u>	<u><u>80.86%</u></u>

CITY OF BLUE LAKE
Cash Balance by Fund
3/31/2022

	<u>Balance</u> <u>3/31/2022</u>	<u>Balance</u> <u>10/31/2021</u>	<u>Increase</u> <u>(Decrease)</u>	
General Funds				
10	General Fund	806,219	912,972	(106,753)
36	Powers Creek District Fund	79,262	90,438	(11,176)
38	CDBG Non-Program Income Fund	47,258	46,233	1,025
Total		<u>932,739</u>	<u>1,049,643</u>	<u>(116,904)</u>
Gas Tax and Street Funds				
25	Highway User Tax Fund	24,904	23,028	1,876
30	TDA Street Fund	2	3,605	(3,603)
34	Regional Surface Transportation Program Fund	-	12	(12)
Total		<u>24,906</u>	<u>26,645</u>	<u>(1,739)</u>
Special Revenue Funds				
11	Recreation Economic Analysis Fund	(40,296)	-	(40,296)
12	American Rescue Plan COVID Relief Fund	119,286	145,490	(26,204)
13	State Park Per Capita Program Fund	(5,334)	-	(5,334)
31	TDA Purchased Transportation Fund	(20,340)	(7,340)	(13,000)
32	AB-939 Solid Waste/Recycling Fund	16,580	14,741	1,839
33	Supplemental Law Enforcement Services Fund	75,904	(14,824)	90,728
Total		<u>145,800</u>	<u>138,067</u>	<u>7,733</u>
CDBG Funds				
42	CDBG Program Income Holding Fund	53,401	6,406	46,995
44	CDBG Program Income Revolving Fund	348,604	351,375	(2,771)
Total		<u>402,005</u>	<u>357,781</u>	<u>44,224</u>
Water Funds				
60	Water Fund	981,499	1,027,719	(46,220)
61	Water Connection Fee Fund	197,357	197,249	108
62	Water Capital Reserve Fund	13,472	13,465	7
64	Turbidity Reduction Facility Reserve Fund	(20,959)	(19,677)	(1,282)
Total		<u>1,171,369</u>	<u>1,218,756</u>	<u>(47,387)</u>
Sewer Funds				
70	Sewer Fund	93,421	132,899	(39,478)
71	Sewer Connection Fee Fund	295,483	295,321	162
72	Sewer Capital Reserve Fund	1,252,957	1,206,638	46,319
Total		<u>1,641,861</u>	<u>1,634,858</u>	<u>7,003</u>
Trust Funds				
80	Dental/Vision Trust Fund	35,589	34,697	892
82	Self-Insured Retention Reserve Fund	20,000	20,000	-
Total		<u>55,589</u>	<u>54,697</u>	<u>892</u>
Capital Project Funds				
17	Powers Creek Footbridge Project Fund	(10)	(20,000)	19,990
18	Annie & Mary Trail Project Fund	(108,548)	(106,206)	(2,342)
Total		<u>(108,558)</u>	<u>(126,206)</u>	<u>17,648</u>
Total Cash Balance		<u><u>4,265,711</u></u>	<u><u>4,354,241</u></u>	<u><u>(88,530)</u></u>