

**AVALON CITY COUNCIL MEETING
TUESDAY, APRIL 5, 2016 - 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
410 AVALON CANYON ROAD, AVALON
A G E N D A**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the City Council. Such records shall be available at City Hall located at 410 Avalon Canyon Rd.

CALL TO ORDER / ROLL CALL

PLEDGE OF ALLEGIANCE / INVOCATION

ANNOUNCEMENTS / WRITTEN COMMUNICATIONS

PRESENTATION

1. "DMV/Donate Life California Month" Proclamation

CITY MANAGER REPORT / CITY ATTORNEY REPORT

COUNCILMEMBER REPORTS / MAYOR REPORT

ORAL COMMUNICATION

Members of the public may address the City Council at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

CONSENT CALENDAR

1. Actions
Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.
Recommended Action
Approve actions from the February 16, 2016 and March 15, 2016 regular City Council meetings and the March 15, 2016 and March 24, 2016 Special City Council meetings.
2. Revised Construction and Demolition Debris Ordinance
This ordinance was introduced and all further readings waived at the March 15, 2016 City Council Meeting. The ordinance amends Section 6-2.403 of the Avalon Municipal Code ("AMC") Regarding Construction and Demolition Debris.

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Recommended Action

Adopt Ordinance of the City of Avalon Amending Section 6-2.403 of the Avalon Municipal Code Regarding Construction and Demolition Debris.

3. Replace Storm Drain Gates

The salt water intrusion problem downtown has created hardships and problems for the Treatment Plant operations. This unwanted water adversely affects the processing of sewage and makes it very difficult to extract the salinity. The continued infiltration of salt water through our old storm drain gates, at each Low Flow Diversion Structure location, causes increased costs for our purification processes and creates complications due to the high levels of salt entering our sewage system. Staff believes that the best product available for the replacement of the existing gates is called "Tideflex Check Valves".

Recommended Action

Authorize the City Manager to execute an agreement to purchase replacement storm drain gates at four locations, where the old deteriorated gates are in place. All materials will be purchased from Crump & Company, Inc., and other small vendors, for a not to exceed price of \$50,000.00.

4. Accommodations Expenditure - USC Band

The City of Avalon is continuing to spearhead the Fourth of July Weekend festivities under one umbrella: the Parade, Fireworks, and USC Band performance logistics. The first order of business for the City is to secure accommodations for the USC Band. The total expenditure for the 27 hotel rooms for two nights, including 12% occupancy tax, is \$16,092.16. This amount has already been budgeted for this year's Fourth of July Weekend.

Recommended Action

Approve the USC Band housing expenditure of 27 hotel rooms, for two nights, for the 2016 Fourth of July Extravaganza and authorize the City Manager to continue the five year agreement with fixed pricing for this expenditure for 2016 through 2020.

5. Harbor Maintenance Vehicle – Additional Equipment

The Harbor Department received City Council approval on November 17, 2015 to purchase a 2016 Ford F-450 with a CTEC Body. The service vehicle is currently being built by National Auto Fleet Group, and our maintenance staff has requested modifications that will add a custom drop down door, a custom pull out tray for servicing the welder, additional storage drawers, and a back up camera to the vehicle for safety.

Recommended Action

Authorize the Harbor Master to increase the purchase price of the service vehicle by \$6,050.00 from the approved amount of \$61,152.07 to a total of \$67,606.65 for additional upgrades.

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6. Authorize Temporary Contract for Building Inspector Services and Authorization to Proceed with Full-Time Position Recruitment

Since 2010 Mr. Bryan Zuppiger has served as the City's contract Building Official/Inspector. After serving in this capacity for the last 6 years, Bryan has elected to terminate the contract for his services. Upon Bryan's departure, the City will have no one on staff that is qualified to conduct building inspections. Given on-going and anticipated future construction activity within the City, it is imperative that the City secure a replacement for Mr. Zuppiger as soon as possible. City Staff feels that the City's building and safety needs can best be met in moving forward by hiring a permanent full time in-house Building Inspector and contracting temporary on-call Building Inspector Services contract for the remainder of the fiscal year.

Recommended Action

1.) Approve an agreement with J Lee Engineering, Inc. to provide contract building inspection services on an as-needed basis. 2.) Authorize creation of and recruitment for a new full time Building Official/Inspector position starting with the FY 16/17 Budget.

GENERAL BUSINESS

7. Consideration to award the Avalon Transit Contract to Transportation Concepts

In May 2015, the City Council directed Staff to proceed with a formal Request for Proposal (RFP) process for the fixed route, Dial-a-Ride and Paratransit service. After careful review of the proposals by Staff and transportation consultant Roy Glauthier, it was determined that the proposal received by Transportation Concepts addressed all of the service goals outlined in the RFP and invited Transportation Concepts to interview on March 21, 2016. Due to the fact that Transportation Concepts was the only firm to deliver a compliant proposal (meeting all the criteria and service goals outlined in the RFP), the City finds itself in a "Single Bid" situation, and the analysis confirms that adequate competition existed and furthermore, that the compliant proposal cost is below the Independent Cost Estimate and therefore fair and reasonable.

Recommended Action

Authorize the Interim City Manger to execute a contract with Transportation Concepts for a thirty-four month contract for the following amounts: Base period one (10 months) \$483,156.00; base period two (12 months) \$588,724.00; base period three (12 months) \$606,407.00.

8. Transportation Permit Application for Catalina Outdoor Adventures

On January 26, 2016 Scott Rohlfesen, dba Catalina Outdoor Adventures, applied for and was granted an Interior Commercial Vehicle Permit by the Vehicle Hearing Officer in the hope of providing multi entertainment opportunities throughout the interior. These opportunities include biking, hiking, camping and beach/water activities. Mr. Rohlfesen intends to purchase a seven passenger vehicle to transport customers from Avalon to interior locations to begin activities. His main base of operation will be the Little Harbor area.

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Recommended Action

Approve application and provide limits on vehicle use, operation and pick-up/drop-off locations in Avalon.

9. Letter to Attorney General Kamala Harris regarding Freight Lines
Councilmember Joseph Sampson has asked that this item be placed on the agenda to consider sending a letter to Kamala Harris asking for a directive on what the City of Avalon needs to do to have multiple freight carriers servicing the City of Avalon at the Pebbly Beach Road location. Currently, while three freight carriers have California Public Utilities Certificates to deliver freight service to the City, only one will have access to the Santa Catalina Island Company's Pebbly Beach landing and warehouse site after April 1, 2016.

Recommended Action

Consider request of Councilman Joseph Sampson and provide direction to City staff on sending a letter to Kamala Harris, California Attorney General.

10. Proposed Rate Changes to Sewer and Salt Water Assessments Beginning July 1, 2016
Staff is recommending the City establish rates for the Sewer and Salt Water assessments sufficient to fund the operations and crucial infrastructure improvements for the next five years. The FY16-17 projected cost of service for Sewer and Salt Water exceeds the current assessment revenue by 40% and 10% respectively. Staff will present various scenarios to achieve the needed revenue.

Recommended Action

Discuss and provide direction to Staff regarding the rates for the Sewer and Salt Water assessments to cover the cost of service for the next five years. These property-related assessments can only be increased by a four-fifths vote of the City Council.

**Next General Business Item on the agenda is the City Council acting as the Avalon Housing Authority.

11. Notice of Funding Availability for Affordable Housing Project
On March 31, 2015, the Exclusive Negotiation Agreement ("ENA"), as amended on January 20, 2015, between the Housing Authority and Hamilton Pacific, LLC, expired. The ENA contemplated financial assistance from the Housing Authority totaling \$3.8 million. With the expiration of the ENA, the Housing Authority may solicit interest from other qualified developers for an affordable housing project in the City. A common tool for soliciting interest is a Notice of Funding Availability ("NOFA") notifying developers that financial assistance is available for a proposed project.

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Recommended Action

Authorize the Executive Director and General Counsel to: (1) Publish and circulate the Notice of Funding Availability ("NOFA") and solicit proposals from qualified housing developers for an eligible affordable housing project; (2) Select a qualified developer and negotiate business points for an Exclusive Negotiation Agreement to be considered by the Housing Authority.

NOTICE OF POSTING

I, Denise Radde, declare that the City Council Agenda April 5, 2016 was posted on Friday, April 1, 2016, on the City's website www.cityofavalon.com and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall and on the City website.



Denise A. Radde, City Clerk / Interim City Manager

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016 **AGENDA ITEM:** _____
ORIGINATING DEP: City Clerk **CITY MANAGER:** _____
PREPARED BY: Denise Radde, City Clerk
SUBJECT: City Council Actions

RECOMMENDED ACTION(S): Approve actions from the February 16, 2016 and March 15, 2016 regular City Council meetings and the March 15, 2016 and March 24, 2016 Special City Council meetings.

REPORT SUMMARY: Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

FISCAL IMPACTS: N/A

GOAL ALIGNMENT: Not aligned,

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: N/A

FOLLOW UP ACTION: File Actions in the City Clerk's office.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: City Council Actions.

**AVALON CITY COUNCIL MEETING
TUESDAY, FEBRUARY 16, 2016
ACTIONS**

CALL TO ORDER 5:03 p.m.

ROLL CALL - Mayor Anni Marshall, Mayor Pro Tem Oley Olsen, Councilmembers Cinde Cassidy, Richard Hernandez, and Joe Sampson. Also present Interim City Manager/City Clerk Denise Radde and City Attorney Scott Campbell.

CLOSED SESSION

Following the appropriate announcement of the Closed Session items the City Council went into Closed Session to discuss the following:

1. PUBLIC EMPLOYEE APPOINTMENT
Title: City Manager

Following Closed Session the City Attorney reported that there were no reportable actions.

PLEDGE OF ALLEGIANCE / INVOCATION

ANNOUNCEMENTS / WRITTEN COMMUNICATIONS

PRESENTATIONS

1. Update was given by Southern California Edison on Phase II Water Rationing.
2. Information from the Los Angeles Regional Interoperable Communications System was received.

PUBLIC HEARING

The Metropolitan Transit Authority (MTA) gave their required presentation in a public hearing on the community's unmet public transit needs in accordance with the Transportation Development Act (TDA) Article 8. The Public Hearing was opened and no comments were received. Closed the Public Hearing.

CONSENT CALENDAR

There were six items on the Consent Calendar. Item #6 was removed. Councilmember Sampson pulled Item 4 for clarification. Motion to approve Items 1-3 and 5 by Oley Olsen, seconded by Joe Sampson. (All Ayes)

1. Actions
Approved actions from the January 19, 2016, January 25, 2016 and February 2, 2016 meetings.

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2. Expenditures Submitted for Approval
 - Warrants in the amount of \$1,192,446.29
 - Electronic Fund Transfers in the amount of \$206,151.97
 - Two Payrolls in the amount of \$394,096.52Approved the total expenditure amount of \$1,792,694.78.

3. Adopt the Leaves Policy (Policy P-2)
Adopted Resolution 16-07 that implements the City employee Leaves Policy (P-2).

5. Amendment of Avalon Municipal Code Chapter 6-6 and Section 8-5.05 Relating to Public and Private Salt Water Systems
Adopted Ordinance 1147-16 amending Title 6, Chapter 6, Section 8-5.05 of the Avalon Municipal Code relating to public and private salt water systems.

Pulled Item:

4. Waterside Permit Application – Calm C's and Company
Councilmember Sampson inquired about the cleaning products and methods used to clean the boats. Councilmember Cassidy inquired if any conditions apply to the overnight guest staying on the boat. It was stated that if discharging materials into our sewer system a discharge permit would be required of the applicant. Motion to approve by Oley Olsen, seconded by Joe Sampson. (All Ayes)
City Council made the affirmative finding that conditions set forth in the Avalon Municipal Code had been met and granted the Waterside Project Application to Calm C's and Company, with the following conditions:
 1. In accordance with the Best Management Practices for wash down activities in Avalon Bay, the wash down of boats in Avalon Bay will only be allowed at the pump out dock in a designated wash-down area using water that is supplied by the vessel's water maker, not the local fresh water provider. Prior to wash down of boat decks, dry cleaning of bird droppings and other waste will occur and be disposed of in a trash receptacle.
 2. When Calm C's and Company has any overnight guests while in Avalon waters, those accommodations are to be subject to 12% Transient Occupancy Tax.

GENERAL BUSINESS

7. Request for Proposals for Shoreboat Services
A letter was received from the audience from Island Navigation. Council discussed options in the RFP, (length of time of the contract, procedures in the bid process, fees, hours and days of operation, etc.) Comments were received from the audience. Staff was directed to release the RFP for the shoreboat services, a bid process time of 6-8 weeks, a 10 year contract with a 5 year extension, and issue the RPF with two pricing options. Council also directed Staff too conduct a survey from the boaters that use the harbor. Motion by Oley Olsen, seconded by Richard Hernandez. (All Ayes)

**CITY COUNCIL ACTIONS
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8. Item of Discussion- Options for E-Bus Parking

Staff provided nine different locations for parking the E-buses. Only options 1,3, 5, and 9 were on City property. Councilmembers Hernandez and Cassidy recused themselves due to a potential financial conflict of interest on options 2, 4, 6, 7, and 8. Council gave their own opinions of the locations and directed Staff to talk to the Island Company and inquire about any potentials spots on their land. Staff will notify Council of the final outcome of where the location will be.

CLOSED SESSION 9:15 p.m.–10:23 p.m.

Following the appropriate announcement of the Closed Session items the City Council went into Closed Session to discuss the following:

1. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Property: One City leased property – Casino Dock Cafe
Agency Negotiators: City Council, Interim City Manager Denise Radde and City Attorney Scott Campbell
Under Negotiation: Price and terms of payment
2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Title: Facility Operations Consultant
3. **CONFERENCE WITH LABOR NEGOTIATORS**
Agency designated representatives: Interim City Manager Denise Radde, City Attorney Scott Campbell, and Finance Director Robert Mescher.
Employee organization: Management, Exempt and other Unrepresented Employees

Following Closed Session the City Attorney reported that there were no reportable actions.

ADJOURN

Mayor Marshall adjourned the City Council meeting at 10:25 p.m.

I, Denise Radde, City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the City Council Meeting on February 16, 2016 is the official record of that Council Meeting and is on file and maintained in City Hall.



Denise A. Radde, City Clerk / Interim City Manager

**CITY OF AVALON CITY COUNCIL
TUESDAY, MARCH 15, 2016
ACTIONS**

CITY COUNCIL CALL TO ORDER 6:03 p.m.

ROLL CALL - Mayor Anni Marshall, Mayor Pro Tem Oley Olsen, Councilmembers Cinde Cassidy, Richard Hernandez, and Joe Sampson. Also present Interim City Manager/City Clerk Denise Radde and City Attorney Scott Campbell.

PRESENTATION

1. Update was provided by Southern California Edison on Phase II Water Rationing. Compliance Manager Mike May answered questions that were submitted by Councilmember Cassidy.

CONSENT CALENDAR

There were 11 Items on the Consent Calendar. Councilmember Sampson removed Item 9 for questions, Councilmember Cassidy removed Items 6 and 11 for comments and questions, and Councilmember Hernandez removed Item 7 for questions. Motion to approve Items 1-5, 8 and 10 by Oley Olsen, seconded by Joe Sampson. (All Ayes)

1. Actions
Actions were amended by removing actions from the February 16, 2016 meeting. Approve actions from the March 1, 2016 City Council meeting.
2. Expenditures Submitted for Approval
 - Warrants in the amount of \$1,536,833.62
 - Electronic Fund Transfers in the amount of \$161,784.41
 - Two Payrolls in the amount of \$393,596.09Approved the total expenditure amount of \$2,092,214.12.
3. Yellow Jacket Control Contract Extension – Catalina Honey
Approved an additional year extension on the Yellow Jacket Control Contract with Catalina Honey and authorized the Interim City Manager to execute the amendment document.
4. Restroom Cleaning Contract Extension - Siria's Cleaning Service
Approved a one year extension on the City's restroom cleaning contract with Siria's Cleaning Service and authorized the Interim City Manager to execute the amendment document.
5. Declare Excess Old Equipment and Vehicles as Surplus
Adopted Resolution 16-08 declaring equipment listed in resolution as surplus property and authorized the Interim City Manager to dispose of it properly by selling it or trading it into a dealership for credit towards equipment sufficient for City needs.

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8. Compensation and Benefits for Management, Exempt and Other Unrepresented Employees

Adopted Resolution 16-09 "Compensation and Benefits Resolution for Management, Exempt and Other Unrepresented Employees" for the City of Avalon, covering the period for January 1, 2010 through December 31, 2016.

10. Adopt the Vehicle Use Policy P-3, and Resolution

Adopted Resolution 16-10 that implements the new Vehicle Use Policy.

Pulled Items:

6. Waterside Permit Modification Application – Parasail Catalina

Kevin Kramer of Parasail Catalina addressed concerns of the City Council. Motion by Anni Marshall to approve Staff's recommendation, seconded by Richard Hernandez. (4 Ayes- Marshall, Hernandez, Olsen and Cassidy, 1 No- Sampson)

1. City Council made the affirmative finding that conditions set forth in the Avalon Municipal Code had been met and granted the Waterside Project Application modification of adding a third boat to Parasail Catalina's permit.
2. Required Parasail Catalina to not interfere with Cross Channel Carrier or Cruise Ship Tendering operations.
3. Required Parasail Catalina to communicate their vessel movements and intentions with other users of the Cabrillo Mole floats on VHF radio Channel 13.

7. Contract Extension - Catalina Transportation Services

Councilmember Hernandez had a question on the old retired Trolleys. Motion to approve by Joe Sampson, seconded by Cinde Cassidy. (All Ayes)

Authorized Staff to extend the contract with Catalina Transportation Services (CTS) an additional 60 days, with a new contract end date of May 31, 2016 to ensure a continuation of public transit services, and authorized the Interim City Manager to execute the amendment on behalf of the City.

9. Mooring Exchange

Harbor Master Brian Bray explained in detail the intent of the report. Several clarifications were made. Motion by Joe Sampson to approve with Staff recommendations, seconded by Cinde Cassidy. (All Ayes)

1. Authorized the Interim City Manager to trade a 40' mooring, #167, and a 30' mooring, #A for a 50' City owned lease mooring
2. If the Interim City Manager is unable to negotiate the 40' and 30' mooring trade for the City owned 50' mooring, authorized the City Manager to trade a 40' city leased mooring being held to relocate the lessee of #201 for mooring #167.

11. Employ the Services of Geotechnical Services – Fuel Dock Project

Councilmember Cassidy requested an update from the Interim Public Works Director on this project. Motion to approve by Cinde Cassidy, seconded by Oley Olsen. (All Ayes) Authorized the Interim City Manager to execute an Agreement with Associated Soils Engineering, Inc., to perform the requisite services on an as-needed basis for the

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Public Works/Capital Improvements Department, during the ongoing construction of the new Fuel Dock Project. Additionally, authorized the Interim City Manager to execute a one year contract for as-needed consultation if other City projects require such service.

GENERAL BUSINESS

12. FY15-16 Mid-Year Financial Results Comparison
Finance Director Robert Mescher provided Council with a presentation on the Mid-Year Financial results for FY 15-16. Mr. Mescher noted that no amendments were being proposed at this time. Motion to receive the report of the FY15-16 Mid-Year Financial Results Comparison by Oley Olsen, seconded by Cinde Cassidy. (All Ayes)

13. Fourth of July Barge Expenditure
Authorized the Interim City Manager to enter into an agreement for barge service used for the Fourth of July fireworks display with Avalon Freight Service in the amount of \$7,500. Motion to approve by Cinde Cassidy, seconded by Richard Hernandez. (All Ayes) It was noted that the City will be splitting the cost with the Santa Catalina Island Company. (Total cost of barge is \$15,000, divided by two parties, and the contract approved was only between the City and Avalon Freight Service.)

14. Revised Construction and Demolition Debris Ordinance
Introduced and waived all further readings of an Ordinance of the City of Avalon Amending Section 6-2.403 of the Avalon Municipal Code Regarding Construction and Demolition Debris. This Ordinance will modify the City's regulations for disposing of construction and demolition debris to require that residents (1) self-sort C&D Debris or (2) directly transport C&D Debris to the mainland for disposal. Motion by Oley Olsen, seconded by Richard Hernandez. (All Ayes)

15. Cabrillo Mole Revitalization Plan Expanded Scope of Services
A short presentation was heard from Kendall Flint of RGS. Motion to authorize the amendment to the agreement with Kendall Flint of Regional Government Services for the expanded scope of services to the Cabrillo Mole Revitalization Plan for \$5,500.00 by Oley Olsen, seconded by Joe Sampson. (All Ayes)

16. Process in the Event of a Tie Vote at the April 12, 2016 Avalon Municipal Election
Council concluded that if a Tie Vote happens at the April 12, 2016 election the Tie Vote will be determined by lot. Additionally, this will only apply for this election. Motion by Oley Olsen, seconded by Anni Marshall. (All Ayes)

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ADJOURN

Mayor Marshall adjourned the City Council meeting at 8:46 p.m.

I, Denise Radde, City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the City Council Meeting on March 15, 2016, is the official record of that Council Meeting and is on file and maintained in City Hall.

A handwritten signature in black ink, appearing to read "Denise A. Radde", is written over a horizontal line.

Denise A. Radde, City Clerk / Interim City Manager

**SPECIAL MEETING OF THE
CITY OF AVALON CITY COUNCIL
TUESDAY, MARCH 15, 2016
ACTIONS**

CITY COUNCIL CALL TO ORDER 8:46 p.m.

ROLL CALL – Mayor Anni Marshall, Mayor Pro Tem Oley Olsen, Councilmembers Cinde Cassidy, Richard Hernandez, and Joe Sampson. Also present Interim City Manager/City Clerk Denise Radde and City Attorney Scott Campbell.

CONSENT CALENDAR – None

GENERAL BUSINESS

1. Item of Discussion- Consideration of a letter to the State Lands Commission regarding the ramp located at Pebbly Beach freight lines facility – Councilmember Cassidy and Hernandez recused themselves due to a potential financial conflict of interest. Councilmember Sampson stated he wanted another letter written to the State Lands Commission supporting the sublease for the ramp be issued to those freight carriers that were issued a CPUC permit.

Comments were heard from the audience and after a short discussion amongst the Council, Councilmember Sampson made the motion to have the City Attorney write the letter, seconded by Anni Marshall. (2 Ayes- Marshall and Sampson, 1 No- Olsen, 2 Abstain- Cassidy and Hernandez)

ADJOURN

Mayor Marshall adjourned the City Council meeting at 9:00 p.m.

I, Denise Radde, City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the City Council Meeting on March 15, 2016, is the official record of that Council Meeting and is on file and maintained in City Hall.



Denise A. Radde, City Clerk / Interim City Manager

**SPECIAL MEETING OF THE
CITY OF AVALON CITY COUNCIL
THURSDAY, MARCH 24, 2016
ACTIONS**

CITY COUNCIL CALL TO ORDER 5:34 p.m.

ROLL CALL – Mayor Anni Marshall, Mayor Pro Tem Oley Olsen, Councilmembers Cinde Cassidy, Richard Hernandez, and Joe Sampson. Also present Interim City Manager/City Clerk Denise Radde and Geoff Sheldon, Legal Counsel was present via teleconference in Closed Session.

CONSENT CALENDAR – None

GENERAL BUSINESS - None

CLOSED SESSION

Following the appropriate announcement of the Closed Session items the City Council went into Closed Session to discuss the following:

1. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Significant Exposure to Litigation pursuant to subdivision (d) (2) of Section 54956.9
Number of cases: Two cases
2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

Following Closed Session the City Clerk reported that there were no reportable actions.

ADJOURN

Mayor Marshall adjourned the City Council meeting at 6:18 p.m.

I, Denise Radde, City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the Special City Council Meeting on March 24, 2016, is the official record of that Council Meeting and is on file and maintained in City Hall.



Denise A. Radde, City Clerk / Interim City Manager

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016

AGENDA ITEM: 2

ORIGINATING DEP: City Manager

CITY MANAGER: RR

PREPARED BY: Denise Radde, Interim City Manager

SUBJECT: Revised Construction and Demolition Debris Ordinance

RECOMMENDED ACTION(S): Adopt Ordinance of the City of Avalon Amending Section 6-2.403 of the Avalon Municipal Code Regarding Construction and Demolition Debris.

REPORT SUMMARY: This ordinance was introduced and all further readings waived at the March 15, 2016 City Council Meeting. The ordinance amends Section 6-2.403 of the Avalon Municipal Code Regarding Construction and Demolition Debris and will modify the City's regulations for disposing of construction and demolition debris to require that residents (1) self-sort C&D Debris or (2) directly transport C&D Debris to the mainland for disposal.

The City's solid waste franchisee, CR&R Incorporated through Avalon Environmental Services, has requested that the City modify its current C&D Debris regulations. Currently, the City requires residents to (1) self-sort C&D Debris before depositing it at the landfill, (2) bring C&D Debris unsorted to the landfill for AES to sort or (3) directly transport C&D Debris to the mainland for disposal. The California Department of Resources Recycling and Recovery has placed an emphasis on C&D Debris disposal given its potential for reuse, and AES believes that requiring self-sorting (or disposal) will ensure that CalRecycle approves of City disposal practices.

City Staff reviewed AES's request. While it does not appear that this ordinance amendment is legally required, City Staff agrees that it is consistent with best practices in solid waste management and would ensure that the City's C&D Debris disposal requirements meet State mandates. Accordingly, Staff supports AES's proposal and respectfully requests that the City Council adopt the proposed ordinance.

GOAL ALIGNMENT: City Infrastructure.

FISCAL IMPACTS: None.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: CalRecycle may request that the City modify its C&D Debris regulations and practices in the future.

FOLLOW UP ACTION: Publish ordinance in paper.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Ordinance

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF AVALON,
CALIFORNIA AMENDING SECTION 6-2.403 OF THE
AVALON MUNICIPAL CODE REGARDING
CONSTRUCTION AND DEMOLITION DEBRIS**

WHEREAS, the California Integrated Waste Management Act of 1989, commonly referred to as Assembly Bill 939, codified in substantial part at Public Resources Code § 40000 et seq., authorizes cities to regulate most aspects of solid waste collection and disposal within their jurisdictions; and

WHEREAS, one aspect of solid waste disposal, construction and demolition debris ("C&D Debris"), has been an area of focus by the California Department of Resources Recycling and Recovery; and

WHEREAS, the City's licensed solid waste franchisee has requested that the City modify its current C&D Debris regulations to require that residents (1) self-sort C&D Debris or (2) directly transport C&D Debris to the mainland for disposal; and

WHEREAS, the City is willing to modify its C&D Debris regulations as set forth below.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF AVALON DOES
ORDAIN AS FOLLOWS:**

Section 1. The recitals set forth above are incorporated herein.

Section 2. Section 6-2.403 of the Avalon Municipal Code is hereby amended to read in full as follows:

"Sec. 6-2.403 Collection and Hauling of C&D Materials

All C&D materials generated in the City shall be either (1) separated for reuse in accordance with the standards adopted by the City's authorized waste collector, taken to the landfill site for transporting for disposal at an approved and certified mainland disposal site by the City's authorized waste collector, the charge for which shall be set by resolution of the City Council and collected by the City's authorized waste collector, or (2) directly transported by the generator, owner or contractor for disposal at an approved and certified mainland disposal site at the sole expense of the generator, owner or contractor."

Section 3. Severability. If any section, subsection, subdivision, sentence, clause, or phrase of this Ordinance, or any part thereof is for any reason held to be unconstitutional, such decisions shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or

phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional.

Section 4. Certification and Effective Date. The City Clerk of the City of Avalon shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law. This Ordinance shall take effect thirty days from its adoption.

INTRODUCED at a regular meeting of the City Council of the City of Avalon on the 15th day of March, 2016, by the following vote:

Ayes: Mayor Marshall, Councilmembers Olsen, Cassidy, Hernandez and Sampson

Noes: None

Absent: None

Abstain: None

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Avalon on this 5th day of April, 2016, by the following vote:

Ann H. Marshall, Mayor

ATTEST:

Denise A. Radde, City Clerk

APPROVED AS TO FORM:

Scott Campbell, City Attorney
Best Best & Krieger, LLP

Sec. 6-2.403 Collection and Hauling of C&D Materials

All C&D materials generated in the City shall be either (1) separated for reuse in accordance with the standards adopted by the City's authorized waste collector, taken to the landfill site for transporting for disposal at an approved and certified mainland disposal site by the City's authorized waste collector, the charge for which shall be set by resolution of the City Council and collected by the City's authorized waste collector, or (2) directly transported for disposal at an approved and certified mainland disposal site at the sole expense of the generator, owner or contractor.

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016 AGENDA ITEM: 3
ORIGINATING DEP: Public Works /Capital Improvements CITY MANAGER: DR
PREPARED BY: Dennis Jaich, Interim Director of Public Works
SUBJECT: Replace Storm Drain Gates

RECOMMENDED ACTION(S): Authorize the City Manager to execute an agreement to purchase replacement storm drain gates at four locations where the old deteriorated gates are in place. If approved, all required materials will be purchased from Crump & Company, Inc., and other small vendors, for a not to exceed price of \$50,000.00.

REPORT SUMMARY: As has been reported several times in the past, the salt water intrusion problem downtown has created hardships and problems for our Treatment Plant operations as this unwanted water adversely affects the processing of sewage and makes it very difficult to extract the salinity. The continued infiltration of salt water through our old storm drain gates at each Low Flow Diversion Structure location causes increased costs for our purification processes and creates complications due to the high levels of salt entering our sewage system.

In 2015 we conducted an informal test that revealed approximately 200,000 gallons of salt water is entering into our sewage system continually on a daily basis, and especially during high tides or surges. This is caused by the poor condition of the existing flap gates that are old, deteriorated, and not functioning properly.

Staff believes that the best product available for the replacement of the existing gates is called "Tideflex Check Valves". These highly advanced specialized rubber valves are used in sea, dam, and channel locations throughout the United States, and they have proven to be very effective to reduce and limit unwanted intrusion of any reverse-flow liquids.

GOAL ALIGNMENT: Sewer – Storm Drain Infrastructure.

FISCAL IMPACTS: Funding is available for the storm gates in the Storm Drain Replacement FY15-16 Budget in account 124-25-6552.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: The old storm drain gates will continue to allow substantial amounts of sea water to infiltrate our sewage system, which will then have to be processed along with our other required wastewaters.

FOLLOW UP ACTION: If approved, the City Manager, or their designee, will execute an agreement with Crump & Company for a cost of \$42,000.00, and also authorize various expenses of \$8,000.00 for other miscellaneous items as may be necessary, for a NTE total cost of \$50,000.00.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS:

Attached are quotes from Crump & Company, plus a quote from Sunrise Equipment for the same products, with Crump being lowest.

Crump & Co., Inc.

Manufactures Representative

P.O. Box 94836, Pasadena, Ca. 91109
Phone (626) 794-1685 / Fax (626) 577-4488
Cell (626) 893-7207
Email: crumpco@pacbell.net

Water and Wastewater Equip.

“QUOTATION”

To: Christopherhill Development
Attn: Mike Flynn
Subj: Avalon

Date: 2/16/16

Quantity	Size	Unit Price
2	16"	\$3,820.00 ea.
1	24"	\$4,983.00 ea.
2	30"	\$14,194.00 ea.

Description

TF-2 SLIP ON, TIDEFLEX CHECK VALVE

Sleeve Material: EPDM

Complete with 316 Stainless Steel Mounting Clamps

Please advise Maximum Working Pressure and Back Pressure

Confirm Exact Pipe O.D. at Time of Order

Please Advise if Approval Drawings are Required

Lead Time: 6-8 Weeks A.R.A.D.

Payment Terms: 100% Net 30, No Retainage

Shipping Terms: Prepaid and Add

F.O.B. Terms: Gastonia, NC

Sincerely,
Stephen A. Crump

CC: Red Valve

3820. ⁰⁰	X	2	=	7640
4983. ⁰⁰	X	1	=	4983
14,194. ⁰⁰	X	2	=	28388

TOTAL	41,011
TAX	- 3896
INCIDENTALS	- 3400
Shipping	1200
TOTAL	\$ 49,507

Sunrise Equipment Company

PO Box 5733

Huntington Beach, Ca. 92615

Phn: 714/963-9134

Fax: 714/968-8994

2/15/16

"QUOTATION"

To: Christopher Development

Attn: Mike Flynn

2-16", model # TF-2, 316 SS mounting clamps, EPDM material @ \$4,295.00 ea.

1-24", model #TF-2, 316 SS mounting clamps, EPDM material @ \$5,463.00 ea.

2-30", model # TF-2, 316 SS mounting clamps, EPDM material @ \$16,000.00 ea.

- 1) Lead Time: 8-10 weeks
- 2) Shipping Terms: Prepaid and Add (freight not included)
- 3) Sales taxes not included.

Quoted By:
Wayne Hamilton

2	x	4295	/	8590	/
1	x	5463	/	5463	/
2	x	16,000	/	32,000	/
				<hr/>	
				46,053	/

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016

ADENDA ITEM: 4

ORIGINATING DEP: Recreation

CITY MANAGER: DR

PREPARED BY: David Hart, Interim Recreation Coordinator

SUBJECT: Accommodations Expenditure - USC Band

RECOMMENDED ACTION(S): Approve the USC Band housing expenditure of 27 hotel rooms, for two nights, for the 2016 Fourth of July Extravaganza and authorize the City Manager to continue the five year agreement with fixed pricing for this expenditure for 2016 through 2020.

REPORT SUMMARY: The City of Avalon is continuing to spearhead the Fourth of July Weekend festivities under one umbrella: the Parade, Fireworks, and USC Band performance logistics. Other organizations' events will be planned independently but with support from the City and Chamber, which will help with the cohesiveness of the holiday weekend as it did in 2015.

The first order of business for the City is to secure accommodations for the USC Band. The band has traditionally stayed at the Hotel Atwater, and this is their preference due to the location. Staff has met with the Santa Catalina Island Company, who provided a quote at a discount, which is also consistent with previous years' expenditures for this event.

The total expenditure for the 27 hotel rooms for two nights, including 12% occupancy tax, is \$16,092.16. This amount has already been budgeted for this year's Fourth of July Weekend.

GOAL ALIGNMENT: Not aligned.

FISCAL IMPACTS: \$16,092.16. Funding is budgeted within the Fiscal Year 2016/2017 Community Promotions (Account Code 102-60-5633).

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: Accommodations will not be held for the USC Band for 2016.

FOLLOW UP ACTION: Execute the contract for 2016 accommodations.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Santa Catalina Island Company Group Rooms Contract - USC Marching Band Room Block



**SANTA CATALINA
ISLAND COMPANY**

Santa Catalina Island Resort Services®

PO Box 737, 150 Metropole Avenue, Avalon, CA 90704

GROUP SALES CONTRACT

Today's Date: March 23, 2016

This Contract between **USC Marching Band** ("Group") and **Santa Catalina Island Resort Services, Inc.** ("Resort" or "SCIRS" or "SCICO"), is intended to describe the arrangements for your upcoming event. Please review, sign and return this Contract by February 23, 2016 along with deposit in order to confirm and accept these arrangements on a definite basis. If Resort does not receive Group's signed Contract by the above mentioned date, Resort will have the right to release all held space.

ACCOUNT: City of Avalon P.O Box 707
 POST AS: USC Marching Band
 CONTACT: David Hart
 ADDRESS: P.O Box 707
 Avalon, CA 90704
 EMAIL: dhart@cityofavalon.com
 PHONE: 310-510-0220 x231

GROUP DATES

Arrival / Check in: Saturday, July 2, 2016
 Departure / Check out: Tuesday, July 5, 2016

Once you have signed this Contract, we will remove from our inventory and consider sold to your Group, all of the following guest room accommodations:

HOTEL ATWATER

ROOM TYPE	SAT 7/2/16	SUN 7/3/16	MON 7/4/16	TUE 7/5/16	TOTAL
Economy Queen	-	2	2	C/O	4
Economy King	-	5	5	C/O	10
Standard Two Queens	-	6	6	C/O	12
Upgrade One Queen	1	1	1	C/O	3
Upgrade Two Queens	-	13	13	C/O	26
Total Rooms per Night	1	27	27		

*A minimum of 10 rooms on peak is required to receive a discounted group rate. A two night minimum stay is required on weekends.

GUEST ROOM RATES

HOTEL ATWATER ROOMS	SINGLE / DOUBLE OCCUPANCY RATE
Economy	\$180.00
Standard Two Queens	\$209.00
Upgrade Two Queens	\$250.00

Hotel Atwater rate includes Complimentary Morning Coffee and Tea in the Lobby and Wireless High Speed Internet.

Rates are net, non-commissionable and subject to applicable city and hotel taxes, currently at 12% per night. These taxes can change without notice. Group rates will be offered to your guests two (2) days prior and two (2) days after the dates indicated above, based on availability and room type at the time of reservation. Additional guests above double occupancy will NOT be charged \$25 per person, per night. There is a maximum of four guests per room.

Rooms will be available for check in at 3:00pm. Check out time is 11:00am. Guests requesting late check outs will be charged \$25.00 per additional hour, based on availability. The Resort will make every effort to accommodate early check in, as rooms become vacant and clean. Resort does not guarantee specific room or bed type. Requests will be accommodated based on availability. We reserve the right to substitute comparable or better room types where a particular room type is unavailable.

ROOM DELIVERIES:

- There will be a charge of \$3.00 per item plus tax for guestroom deliveries.

ATTRITION

The Resort is relying on the Group's use of the guest Room Night Commitment. The Group agrees that a loss will be incurred by the Resort if the Group's actual usage is less than **90%** of the Total Room Night Commitment, or **50 room nights**. If the Group's actual usage is less than **90%** of the Room Night Commitment, the Group agrees to pay, as liquidated damages and not as a penalty, the difference between **90%** of the Room Night Commitment and Group's actual usage, multiplied by the average group room rate, plus applicable taxes. In the event of attrition, the Hotel will do everything possible to resell the unsold room nights and will not hold Group financially responsible for the unsold room revenue, should the hotel reach 100% occupancy for any given night.

RESERVATION METHOD

 Rooming List: The Group will provide a rooming list for reservations. Please include each attendee's full name with arrival and departure dates, along with any room type or special requests. We must receive the rooming list on or before the Cut-off Date. All reservations need to be guaranteed to either a master account or a credit card.

CUT-OFF DATE

Group will provide the rooming list for room reservations by **June 20, 2016**, so that reservations can be input in a timely manner.

RESERVATION CHANGES AND CANCELLATIONS

Any changes made to group individual reservations or master rooming lists must be made through the reservations department and submitted in writing 72 hours prior to arrival. We will do our best to accommodate change requests based on availability at the time the request is made, but cannot guarantee that requests will be accommodated.

Cancellation of individual reservations by 72 hours in advance will be refunded to the individual guest. However, the Group will remain bound by the attrition and cancellation policies in this Contract. If cancellation occurs within 72 hours, an amount equal to one night's room and tax will be charged to the individual. All no-shows will be billed even if the guest arrives at a later date.

CONCESSIONS

- *One (1) Upgraded King room for Tony Fox at the Economy rate of \$170.00 per night.

BILLING AND PAYMENT ARRANGEMENTS

 Group Pays Room and Tax Only

Group shall accept responsibility for room and tax charges in the group. These charges will be billed to the Master Account and settled to the credit card required on file. Individuals shall be responsible for any charges they incur, which are not authorized to be billed to the Master Account. The Group appoints _____ (Name) _____ to review and approve all charges billed to the Master Account.

The Group is responsible for providing a valid credit card upon signature of Contract. By completing the attached Credit Card Authorization Form, the Group is authorizing the Resort to charge the credit card for any balance left on the Group Master Account and for any attrition payment due after departure under the terms of this agreement.

PRE-PAYMENT/DEPOSITS

Group is responsible for an advance deposit of **\$4,000.00** upon signature of Contract. This deposit may be in the form of a company check, cashier's check, wire transfer, or credit card payment.

Full prepayment is due **thirty (30) days** in advance of your event. No personal checks will be accepted for the final payment.

The deposits and payments outlined in the table below are due as indicated. The deposits and payments will be applied to your Master Account in the form of credits:

Deposit Type	Amount Due	Date Due
Initial Deposit	\$4,000.00	At contract signing
2 nd Deposit	\$4,000.00	March 30, 2016
3 rd Deposit	\$4,000.00	April 29, 2016
Final Pre-payment	Remaining estimated amount due	June 3, 2016

Please make deposit payments payable to SCICO and mail to:

SCICO
Attn: Shannon Cook
PO Box 811
150 Metropole Avenue
Avalon, CA 90704

ANTICIPATED REVENUE FIGURES

Based on the provisions of this contract, Resort anticipates this group will generate \$12,038.00 in revenue. This figure shall be referred to herein as the "Anticipated Revenue Figure". All revenue figures are net and not inclusive of taxes or commissions.

CANCELLATION

Resort has offered favorable pricing with the expectation that it will receive all anticipated guestroom revenue booked under this contract. The failure to honor guestroom commitment under this contract will cause Resort to suffer damages both from probable loss of revenue and from the cost of attempting to generate replacement business. Such damages are likely to increase the nearer to the arrival date that cancellation occurs, as replacement business either cannot be obtained or obtained only at lower revenues that called for by this contract. The parties agree that it is impracticable to fix or determine the actual amount of damages which Resort would incur, and that the liquidated damages set forth below is a reasonable estimation of Resort's damages and not a penalty:

IF CANCELLATION OCCURS:	THE LIQUIDATED DAMAGES AMOUNT IS:
0 – 5 days prior to arrival	100% of Guestroom Revenue

The applicable liquidated damages amount, less deposits on hand, is payable by Group within 14 days after receipt of Resort's invoice.

MISCELLANEOUS ITEMS

Logo: The Group shall not use the name, trademark or logo or any other proprietary designation of the resort in any advertising or promotional material without the prior written permission of the Resort. Group shall comply with the terms and conditions required by the Resort for such use.

Signage: Signs and banners with Group name are not allowed in any of the Resort's public areas. In regard to the Group's meeting space, all signs must be professionally printed and their placement and posting be pre-approved by the Resort. Nothing shall be posted, nailed, screwed or otherwise attached to walls, floors, or other parts of the building or furniture. Distribution of gummed stickers or labels is strictly prohibited.

FORCE MAJEURE

Notwithstanding any other provision herein to the contrary, neither party shall be liable for its failure to perform its obligations hereunder if such failure to perform is caused by events or circumstances beyond its reasonable control including, but not limited to: acts of God, war, riot, government act or restriction, fire, flood or casualty, [or inability to reach the Island due to commercial carriers not operating]. In the event that a party reasonably anticipates that it will not be able to perform its obligation hereunder due to force majeure, it shall give prompt written notice to the other party.

NON-LIABILITY AND INDEMNITY

Neither SCIRS nor SCICO shall be liable for any loss, damage or injury of any kind or character to any person or property, arising out of any breach of any provision hereof by Applicant or arising from any use or condition of the Event Location, or the property on which the Event Location is located, or any part thereof, or caused by or arising from any other cause whatsoever. Applicant hereby waives all claims and demands against SCIRS and SCICO, and their respective shareholders, directors, officers, agents and employees ("Indemnitees") for any and all such loss, damage or injury to Applicant, and hereby indemnifies and agrees to hold the Indemnitees, and each of them entirely free and harmless from all liability for any such loss, damage or injury to third parties and from all costs and expenses relating thereto, including, but not limited to, attorneys' fees incurred by indemnitees or any of them in connection therewith. THE FOREGOING IS INTENDED TO EXCULPATE INDEMNITEES FROM LIABILITY FOR ORDINARY NEGLIGENCE, ACTIVE OR PASSIVE, BUT NOT FROM LIABILITY FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

AMERICANS WITH DISABILITIES ACT (ADA)

The Resort and Group agree to comply with the public accommodations requirements of the ADA. The Group shall notify the Resort in writing in advance of any special needs of disabled individuals requiring accommodation by the Resort and shall copy the Resort on correspondence with attendees who indicate special needs covered by ADA. The Resort shall notify the Group of requests for accommodation that it may receive from individuals to facilitate identification by the Group of its own accommodation obligations or

needs as required by ADA. Any extraordinary costs for special auxiliary aids requested by the Group shall be borne by the Group provided the Resort notifies the Group of such cost in writing.

PROVISIONS

This contract is made and to be performed in Los Angeles County, California and shall be governed by and construed in accordance with California law. This contract is the entire agreement between the parties, superseding all prior proposals both oral and written, negotiations, representations, commitments and other communications between the parties, and may only be supplemented or changed in writing, signed by an authorized representative of Sponsor and Resort. No representative of Resort has been or is authorized to make any representation which varies from the express terms and conditions of this contract. No assignment of Sponsor's rights or benefits under this Agreement shall be made without Resort's written consent. Subject to the preceding sentence, this contract binds and inures to the benefit of the parties and their successors and assigns. In no event shall either party be liable for any incidental, special, exemplary or consequential damages (collectively "consequential damages"), but such waiver shall not apply to the liquidated damages provision or to any claimed indemnity for such consequential damages. In the event of litigation arising from or associated with this contract, the parties agree that the prevailing party therein shall recover its reasonable attorneys' fees and all litigation expenses, charges and costs incurred. Any legal action in connection with this agreement shall be brought or maintained only in the courts of the State of California, and only in Los Angeles County.

AUTHORITY

The persons signing the agreement on behalf of Resort and Group each warrant that they are authorized to make agreements and to bind their principals to this agreement.

ACCEPTANCE

This contract shall be deemed accepted only after it has been signed by a representative of the Group and thereafter signed by a representative of the Resort. Acceptance may be made by facsimile transmission or electronic scan and this contract may be executed in one or more counterparts, each of which when fully executed, shall be deemed to be an original, and all of which shall be deemed to be the same agreement. This contract supersedes any written or oral guarantees you may have understood.

By **USC Marching Band** authorized representative:

Signature: _____ Date: _____
Name: David Hart
Company: City of Avalon Recreation Department

By the Authorized Representative of SCICO:

Signature: _____ Date: _____
Shannon Cook
Catering Sales Manager
Santa Catalina Island Company

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016

AGENDA ITEM: 5

ORIGINATING DEP: Harbor

CITY MANAGER: BR

PREPARED BY: Brian Bray, Harbor Master

SUBJECT: Harbor Maintenance Vehicle – Additional Equipment

RECOMMENDED ACTION(S): Authorize the Harbor Master to increase the purchase price of the service vehicle by \$6,050.00 from the approved amount of \$61,152.07 to a total of \$67,606.65 for additional upgrades.

REPORT SUMMARY: The Harbor Department received City Council approval on November 17, 2015 to purchase a 2016 Ford F-450 with a CTEC Body. The service vehicle is currently being built by National Auto Fleet Group, and our maintenance staff have requested modifications that will add a custom drop down door, a custom pull out tray for servicing the welder, additional storage drawers, and a back up camera to the vehicle for safety.

With the desired additional equipment, this truck is still under the approved budgeted amount of \$70,000 in the FY 15-16 budget.

GOAL ALIGNMENT: Not aligned

FISCAL IMPACTS: This \$6,050.00 upgrade to the budgeted service vehicle will be purchased with funds in the Vehicle Replacement and Maintenance Fund 138-25-6689.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: The service truck will not receive the custom drop down door, custom pull out tray for servicing the welder, additional storage drawers and the safety back up camera desired by the maintenance staff.

FOLLOW UP ACTION: Notify National Auto Fleet Group of City Council decision.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Quote for additional equipment



CALIFORNIA TRUCK EQUIPMENT CO.

QUOTE

12351 Bellflower Blvd, Downey CA 90242

PH - 562-803-4466 F - 562-803-8795

Quote Date	Quote #
3/23/2016	8083

Sold To:	Ship To	ctec-truckbody.com	
National Auto Fleet Group	City of Avalon JJ Poindexter	Terms	Net 10
		FOB	N/A
		Rep	MB

Model Cab	Fuel	Truck Available	Rear wheel	Bed width	Compartment depth	CA
N/A	N/A	yes	N/A	N/A		N/A

Description	Qty	Total
Modifications to Mechanic's body CTEC Work order 4174		
Custom door drop down - per drawing	1	
Custom pull out tray - per drawing	1	
Pull out tray - 23" x 24" Compartment	1	
Drawer 6 inches tall - 23" x 24" mounted under work bench	3	
Spray-on Protective Coating-Black 104-series - bed - and inside of tailgate	1	
Provide and install LED work light - round - 1200 lumen - stud swivel	3	
1 c/s over roll up door, 1 each side rear end panel @ top		
Provide and Install 7" Reflective Rear View Mirror Monitor Camera System with flush mount camera feet - wide angle lens and night vision for high performance in low light conditions	1	

Order accepted by: _____ Date _____	Subtotal	\$6,050.00
Print Name _____ PO # _____	Sales Tax (0.0%)	\$0.00
ANY AND ALL WARRANTY WORK WILL BE DONE BY CTEC AT 12351 BELLFLOWER BLVD - CTEC IS NOT RESPONSABLE FOR ANY WORK DONE BY 3RD PARTIES	Total	\$6,050.00

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016

AGENDA ITEM: 6

ORIGINATING DEP: Planning

CITY MANAGER: RR

PREPARED BY: Al Warot, Planning Consultant

SUBJECT: Authorize Temporary Contract for Building Inspector Services and Authorization to Proceed with Full-Time Position Recruitment

RECOMMENDED ACTION(S): 1.) Approve an agreement with J Lee Engineering, Inc. to provide contract building inspection services on an as-needed basis. 2.) Authorize creation of and recruitment for a new full time Building Official/Inspector position starting with the FY 16/17 Budget.

REPORT SUMMARY: Since 2010 Mr. Bryan Zuppiger has served as the City's contract Building Official/Inspector. After serving in this capacity for the last 6 years, Bryan has elected to terminate the contract for his services. Upon Bryan's departure, the City will have no one on staff that is qualified to conduct building inspections. Given on-going and anticipated future construction activity within the city, it is imperative that the City secure a replacement for Mr. Zuppiger as soon as possible.

City Staff feels that the City's building and safety needs can best be met in moving forward by hiring a permanent full time in-house Building Inspector and is requesting authorization to establish and conduct recruitment for this new position. Recognizing that this recruitment could take 3-4 months and possibly longer to conduct, Staff is recommending the start time for the position take place at the beginning of the 2016/2017 fiscal year and is also requesting authorization to contract for temporary building inspection services until the recruitment can be completed.

With regard to the temporary building and safety services that are needed immediately, City staff contacted seven firms that are recognized for the building and safety services that they currently provide to cities in the Los Angeles area to determine their interest in providing temporary assistance to the City of Avalon. Three firms indicated that they could not currently provide the services being sought by the City and one firm responded too late to be considered. The three firms that did express interest in providing the requested services include Interest Consulting Group, J Lee Engineering, and Transect. After interviewing the candidates being offered by each of these firms, staff felt that Mr. Dan Freleaux of J Lee Engineering, Inc. best met the City's needs in terms of experience, availability, cost, and geographic location.

Mr. Freleaux, who resides in Long Beach, has many years of experience in the construction industry, is an ICC certified reinforced concrete, building, and plumbing inspector, and has served as Senior Building Inspector and Regional Building and Safety Office Manager for the County of Los Angeles. He would be available to conduct inspections 2-3 days per week, depending upon demand, on a month-to-month basis until the new in-house Building Inspector position is filled. His services would be provided on an hourly basis at a rate of \$90 per hour, plus expenses.

GOAL ALIGNMENT: City Policy – Organizational and Staff Development

FISCAL IMPACTS: The City will need to adjust the annual budget to account for any additional costs associated with contracting for temporary building inspection services. Hiring and related costs may occur in 2016-17 fiscal year, given the time required to conduct the necessary recruitment, and currently budgeted funds remaining for Bryan Zuppiger's services will be applied to new temporary building inspection services agreement (102 55 5128).

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: City will be unable to inspect and approve construction activity for compliance with applicable building codes.

FOLLOW UP ACTION: Execute month-to-month agreement for building inspection services with J Lee Engineering, Inc. Conduct recruitment for hiring of new in-house Building Inspector.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Résumé for Dan Freleaux



Resume for Sr. Inspector/Building Official

Dan Freleaux

PROFILE

My objective after over fifty years of practice in the construction industry, advancing through satisfying, challenging roles and responsibilities, is to remain active and of service within the industry for another fifty years to provide supervising building inspection services or on-site combination inspections for major projects.

WORK EXPERIENCE

County of Los Angeles Building & Safety

District Engineering Associate & Regional Trainer

2008 – Retirement 2015

- Managed daily operation of East LA County Building and Safety office
- Coordinated inspections and developed policies
- Supervised construction inspections for high profile projects
- Supervised inspectors

County of Los Angeles Building & Safety

Sr. Building Inspector & Building Inspector

1989 – 2008

- Inspected multi-family residential, concrete tilt-up constructions & commercial buildings
- Investigated construction site for illegal practices and hazardous conditions
- Organized and scheduled the work of building inspectors

Urban Reinforcing Management

General Manager

1986 – 1989

Fuller Construction

Project Manager

1984 – 1986

Construction Supervisor

1981 – 1984

Carpenter Foreman

1973 – 1975

Carpenter's Helper

Part-time Construction Laborer

1963 – 1973

List of Projects Inspected:

- Projects on Catalina Island – As substitute inspector for County of Los Angeles Building and Safety's Lomita District Offices' Inspector-of –Record serving projects on Boy Scout Camp facilities and Catalina Conservancy building
- L.A. County Fourth District Office, City of Hawaiian Gardens – Construction of new, reinforced masonry, city hall
- Walt Disney Concert Hall - \$110 million, six level underground parking structure and its interim, above grade, aesthetic, fully functional, completed while the Concert Hall negotiations went on, parking garage build-out.
- Universal Studio, CityWalk Expansion – Concurrent construction of twenty-six new stores and restaurants, and an IMAX theater, all while I maintained regular Universal Studios, Building and Safety Office business such as accepting submittals, issuing permits for and inspecting various tenant improvements and new construction projects on the Universal campuses, along with consulting Universal Studio managers and designers regarding existing and proposed Universal rides and features.
- La Puente District Office, City of Industry – A variety of structures, types of construction and occupancies. New structures, alterations and additions to existing work including tilt-up, structural masonry, steel-moment-frame, reinforced (including post-tensioned) concrete, wood and steel framed structures for warehouses (including refrigerated warehousing), manufacturing, stand alone and strip center retail, and shopping mall retail, office, assembly, and residential uses.
- L.A. County Fourth District Office, Cities of Artesia, Cerritos, Lakewood –New shopping center in Artesia, five new buildings, Type V construction, about 40 tenancies including a dozen restaurants and a supermarket. Numerous strip center and shopping mall tenant improvements in both Lakewood and Cerritos.

CERTIFICATIONS

ICC Certified: Reinforced Concrete Inspector

Commercial Building Inspector

Commercial Plumbing Inspector

EDUCATION

UCLA	Los Angeles, CA
<i>Engineering Construction Management</i>	1984
Orange Coast College	Costa Mesa, CA
<i>Musical Instrument Repair</i>	1976
Long Beach City College	Long Beach, CA
<i>Construction Cost Estimating</i>	1974
Long Beach City College & College of Redwoods	CA
<i>General Education</i>	1968 & 1971 -1972

*Above courses were completed for knowledge, not degree

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016

AGENDA ITEM: 7

ORIGINATING DEP: Planning

CITY MANAGER: AR

PREPARED BY: Audra McDonald, Administrative Analyst

SUBJECT: Consideration to award the Avalon Transit Contract to Transportation Concepts

RECOMMENDED ACTION(S): Authorize the Interim City Manger to execute a contract with Transportation Concepts for a thirty-four month contract for the following amounts: Base period one (10 months) \$483,156.00; base period two (12 months) \$588,724.00; base period three (12 months) \$606,407.00.

REPORT SUMMARY: The current transit operating contract has been performed by Catalina Transportation Services for approximately 20 years. It is comprised of Dial-a-Ride, fixed route (commonly referred to as the Trolley), and a taxi voucher program. In May 2015, the City Council directed Staff to proceed with a formal Request for Proposal (RFP) process for the fixed route, Dial-a-Ride and Paratransit service. The purpose of commencing with the RFP was multi-layered. It is customary to review long-standing contracts and to periodically publicly bid contracted services to ensure the City is receiving the best value and service. Additionally, the timing of the RFP is aligned with the acceptance of new, all electric transit buses paid for primarily from a grant funded through the Los Angeles County Metropolitan Transportation Authority. Lastly, during multiple study sessions to develop City wide goals, the City Council expressed the need for a more flexible fixed-route bus system that addressed the needs of not only the visitors, but residents as well.

Following the direction provided by the City Council, Staff began the RFP process with technical assistance provided by Roy Glauthier, AMMA Transit Planning. The first RFP was issued October 7, 2015, with a proposal due date of November 20, 2015. One "alternate" proposal was received by the incumbent and excluded operation of the fixed route as outlined in the RFP. On January 19, 2016, Staff came back to Council with options regarding the RFP and the operations of the transit program. At that meeting direction was given to re-issue the RFP with modifications based on feedback received from potential bidders. The RFP was re-issued with modifications (the most notable revision committed the City to purchase, maintain, store and fuel the Dial-a-Ride/Paratransit vehicles) on January 20, 2016. Two proposals were received on the due date, March 4, 2016. One complete proposal, addressing the requirements outlined in the RFP was received from Transportation Concepts. Catalina Transportation Services submitted an "Alternate Proposal" which proposed operating the fixed-route on the same schedule as the existing Trolley and did not provide a cost proposal for the amended fixed-route schedule.

After careful review of the proposals by Staff and Roy Glauthier, it was determined that the proposal received by Transportation Concepts addressed all of the service goals outlined in the RFP and invited Transportation Concepts to interview on March 21, 2016. The interview panel consisted of Denise Radde, Audra McDonald, George Sparks (Pomona Valley Transit) and Roy Glauthier. Transportation Concepts Staff in attendance were Rich Rogers, COO, Brett Baum, Regional Manager and Ernesto Lizarraga, Proposed Project Manager.

Based upon Transportation Concepts proposal and interview, Staff is confident Transportation Concepts will provide quality transit service to the City of Avalon at a competitive price. Roy Glauthier provided Council and Staff with an Independent Cost Estimate to operate the service based on similar transit services for a gross estimated cost of \$512,680.00, taking into account the initial service period being reduced from 12 months to 10 months and the changes in Dial-a-Ride vehicles. Transportation Concepts proposal cost for period one is \$483,157.00 which is \$29,523.00 under the Independent Cost Estimate.

Due to the fact that Transportation Concepts was the only firm to deliver a compliant proposal (meeting all the criteria and service goals outlined in the RFP), the City finds itself in a "Single Bid" situation. In order to be certain the City has followed Best Practices, a Single Proposal Analysis has been performed by Roy Glauthier and is an attachment to this Staff Report. The main goal of the analysis is to determine if there was adequate competition and to confirm that fact. The analysis does indeed confirm that adequate competition existed and furthermore, that the compliant proposal cost is below the Independent Cost Estimate and therefore fair and reasonable.

GOAL ALIGNMENT: Goal 6 – Comprehensive Transportation Review

FISCAL IMPACTS: The transit service contract is included in the FY 15/16 Budget, Fund 122-30-5099 and 122-30-5100.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: The City's transit program would not have a contractor beginning June 1, 2016.

FOLLOW UP ACTION: Execute the contract with Transportation Concepts.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Single Proposal Analysis



393 TWO TREES ROAD
RIVERSIDE, CA 92507
PH: 951-784-1333
FX: 951-784-1212
www.AmmaTransitPlanning.com

MEMO

March 24, 2016

TO: Audra McDonald, Administrative Analyst
City of Avalon

FROM: Roy Glauthier, Senior Associate
AMMA Transit Planning

SUBJECT: Single Proposal Price Analysis

Overview

On October 7, 2015, the City of Avalon released a Request for Proposals for Management and Operation of Avalon Transit. Proposals were due on November 20, 2015, and the City received no compliant proposals in response to this RFP.

After significant review and analysis, the City modified the requirements and issued a new RFP for Management and Operation of the Avalon Transit System on January 20, 2016. Proposals were due in response to this RFP on March 4 and the City received one compliant proposal and one Alternate Proposal.

Pursuant to the Federal Transit Administration's Best Practices Procurement Manual, the City of Avalon finds itself in a "Single Bid" situation with regard to the management and operation of the Avalon Transit system. The Manual specifies that:

"When only one bid is received in response to a solicitation that was issued to multiple sources, you will first have to determine if there was adequate competition."¹

Adequate competition has been confirmed by contacting three firms that had either attended the Pre-Proposal conference on January 28, or had been identified as prospective proposers and eliciting their reasons for not submitting proposals in response to the City's RFP. These contacts determined that the decisions not to propose were for reasons unrelated to the specifications and/or the solicitation terms. The findings of this analysis have been submitted to the City in a memo dated March 15, 2016, titled "Follow-Up Calls to Firms Who Did Not Submit Proposals for Management and Operation of Avalon Transit System."

¹ Federal Transit Administration, Best Practices Procurement Manual, Section 4.4.3.

Memo to A. McDonald
Page Two

Again, pursuant to the Manual,

*"If the competition is deemed to be adequate, then a price analysis must be performed to determine the reasonableness of the bid price. If, on the basis of a price analysis, you are able to document your determination that the price is fair and reasonable, and if the bid is responsive and the bidder responsible, you may proceed with award."*²

Price Analysis

The purpose of the Price Analysis is to determine the reasonableness of the bid price. To this end, the Independent Cost Estimate ("ICE") that was prepared prior to the initial Avalon Transit procurement provides a basis for determining the reasonableness of the price submitted by the single bidder.

At the Avalon City Council meeting of September 15, 2015, Council was provided with a projected Avalon Transit budget based on the actual bid prices for contract operation of similar transit services by the City of Rosemead which was awarded on August 11, 2015. The projected Avalon Transit budget was as follows:

	<u>Gross Cost</u>	<u>Cost Net of Fares</u>
ACT Community Bus	\$318,808	\$174,480
Avalon Dial-A-Ride	<u>\$340,864</u>	<u>\$287,984</u>
Total Cost	\$659,672	\$462,464

At Council's direction, the number of Dial-A-Ride vehicles to be purchased and operated was reduced from 3 to 2, with only 1 vehicle in service during most weekday hours. These changes, plus revision of the initial service period from 12 to 10 months [June 1, 2016 through March 31, 2017] resulted in the following estimated Period 1 costs for operation of Avalon Transit:

	<u>Gross Cost</u>	<u>Cost Net of Fares</u>
ACT Community Bus	\$265,160	\$142,050
Avalon Dial-A-Ride	<u>\$247,520</u>	<u>\$203,320</u>
Total Cost	\$512,680	\$345,370

The single compliant proposal, submitted by Transportation Concepts, proposes a total Period 1 cost of **\$483,157**, or \$29,523 below the Independent Cost Estimate for these services. On this basis, the proposed price is determined to be fair and reasonable for the services to be operated.

² Also Section 4.4.3.



CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016 AGENDA ITEM: 8
ORIGINATING DEP: Administration CITY MANAGER: BR
PREPARED BY: Dudley Morand, Administrative Assistant
SUBJECT: Transportation Permit Application for Catalina Outdoor Adventures

RECOMMENDED ACTION(S): Approve application and provide limits on vehicle use, operation and pick-up/drop-off locations in Avalon.

REPORT SUMMARY:

On January 26, 2016 Scott Rohlfesen, dba Catalina Outdoor Adventures, applied for and was granted an Interior Commercial Vehicle Permit by the Vehicle Hearing Officer in the hope of providing multi entertainment opportunities throughout the interior that will including biking, hiking, camping and beach/water activities.

Mr. Rohlfesen intends to purchase a seven passenger vehicle to transport customers from Avalon to interior locations to begin activities. His main base of operation will be the Little Harbor area. En-route his plans are to give educational information about the island.

Below are the ordinances governing Transportation Permits in the Avalon Municipal Code:

Sec. 5-14.02 Permit Required.

No person shall operate or cause to be operated within the City any vehicle for the purpose of providing public transportation without first obtaining a public transportation permit. All vehicles used under and pursuant to such permit shall be otherwise qualified for permitting in accordance with the requirements of Article 17 of Title 4, Chapter 4 of this Code. Transportation permits shall be valid for a period of three (3) years only and may be renewed for an subsequent three (3) year period only if all of the findings set forth in Section 4-14.1703(b)(1) and (2).

(b) The Council may grant a permit upon the proposed terms or upon terms other than those proposed. The Council shall make the initial permit grant, and the Vehicle Clerk may thereafter renew a permit if he is able to make affirmative findings based on the criteria set forth below. If the Vehicle Clerk is unable to make the affirmative findings, he shall so advise the permit holder and set a hearing date before the Vehicle Hearing Officer, whose decision on the renewal shall be appealable to the City Council in accordance with the procedures set forth in Title 1, Chapter 4.:

(1) *The applicant has presented facts demonstrating a necessity for the requested vehicle(s).*

(2) *The requested vehicle(s) is appropriate for the intended use and necessary, for the proper functioning of the applicant's enterprise;*

(3) *The requested vehicle(s) will not have a deleterious impact on traffic congestion, traffic safety, noise or air pollution;*

(4) *In view of the size and nature of the streets of the City and the character of the City itself, the requested vehicle(s) will not have a deleterious impact on the public health, safety, and welfare;*

(5) *There is no more suitable alternative vehicle than the vehicle(s) requested by the applicant that can satisfy its requirements.*

(6) *In the case of renewal only, the requested vehicle has been used and continues to be used in accordance with the terms and conditions of the permit. (§1, Ord. 628, eff. April 6, 1977, as amended by §2, Ord. 697, eff. May 4, 1981; §1, Ord. 1077-08, eff. November 6, 2008)*

Attached is an in-depth business plan of the operation provided by the applicant.

GOAL ALIGNMENT: Not Aligned

FISCAL IMPACTS: Possible additional revenue to the City (admissions taxes, business license fees)

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: No permit will be issued.

FOLLOW UP ACTION: Provide any limits to operation and secure all business license and insurance proof required for permit.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS:

Transportation Permit Application
General Business Plan
Vehicle Hearing Decision
Conservancy Letter

City of Avalon
Application
For
Transportation Permit

Date of Application 1/26/16

Application Fee \$ 217.⁰⁰ per

Name of Applicant Scott Rohlfen

Address PO Box 2391

Phone/Email 310 251-2905 scottrohrfse@gmail.com

If Corporation:

Name of Corporation _____

Date of Incorporation _____

Place of Incorporation _____

Address of Business _____

Corporate Officers:

<u>Name</u>	<u>Address</u>	<u>Age</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. Trade Name of Operation Catalina Outdoor Adventures

6. Nature of Business, (Explain extent, character and manner in which proposed operation is to be conducted):

Guided and self-guided interior bike tours.
Most tours will begin at the airport in
the sky. Guided bike and snorkel tours
at Little Harbor. Beach activity Rentals

Scott Rohlfen

7.

Vehicles to be Used:

Year	Model	Body Type	License #	Capacity
		SUV		

8.

Assignment:

Applicant agrees not to assign permit, (if granted), in any manner whatsoever, in whole or in part, without prior written permission of the Avalon City Council. Any attempted assignment in violation of this Section 8 shall be deemed void with no force or effect.

Initial SR

Date 1/26/16

9.

Proposed Dates/Hours of Operation:

Dates: 1/1 to 12/31 Hours: 7:30a to 5:30p

10.

Routes:

Describe routes (attach map if necessary) ~~Avalon to Airport. Occasionally~~
~~middle sand rd.~~ Avalon to Little Harbor.
Isthmus Road to Two Harbors

11.

Stops/Starts:

Proposed routes, points of discharge and pick-up of passengers.

From: Avalon to Airport

From: Avalon to Little Harbor

12. If my Permit is Granted;

I agree to provide liability insurance naming the City of Avalon as co-insured in the amounts specified in the Avalon Municipal Code and keep such policy in force and effect during the entire term of the permit. Such policies of insurance shall contain provisions which prohibit modification, cancellation or lapse without thirty (30) days prior written notice to the City of Avalon.

Initial SR Date 1/26/16

13. I agree to hold harmless, indemnify and defend the City of Avalon, its officers and employees from and against any and all claims, actions, damages, liabilities, expenses and judgments (including reasonable attorney's fees) arising out of or relating to the business or activities which I conduct pursuant to this permit.

Applicant Scott Rohlfson Date 1/26/16

Date Received 1/26/16

Council Action _____

Permit Application Fee Paid pl ~~(\$194.00)~~
217.

Insurance _____

City Mgr: _____
Ben Harvey

Catalina Outdoor Adventures General Business Plan

3/7/2016

Executive Summary

Catalina Outdoor Adventures will be offering guided bicycle tours throughout the entire island along with many other fun outdoor activities. Other activities include: snorkeling, fishing, disc golf at Two Harbors, boogie boarding, and camping.

Catalina Outdoor Adventures is based at the Airport in the Sky. Customers will meet in Avalon, and then get driven up to the Airport in the Sky. During the drive up, customers will get an in depth ecological tour of the island. Depending on the time of day, they will have the option of having breakfast or lunch at the airport before the outdoor adventures begin.

General Company Description

Customers will have an array of fun activities to choose from with Catalina Outdoor Adventures. The primary activity will be guided bike tours to different parts of the island that many travelers never get to see. Since all tours are guided, customers receive an intimate and educational experience during the tour. We like to promote sustainability and emphasize the importance of leaving little to no footprint during tours. Customers will be encouraged to clean up any trash they come across during the bike rides or when they are at any of the beaches, even if the trash is not their own.

Only top of the line equipment will be used for all tours (e.g. hydraulic brakes). Safety of the customers is the primary concern. Adequate first –aid will be on hand at all times during tours. All guides for Catalina Outdoor Adventures must have current CPR certifications along with being Naturalist trained. Scotty has been through the Naturalist 1 & 2 training multiple times and would like to continue the training.

Products and Services

Catalina Outdoor Adventures will offer guided bicycle tours throughout the island's interior. We will run half-day tours that end up at Shark Harbor, full-day tours that go all the way to Two Harbors and beyond (depending on how far the customers are willing to go), and even multi-day trips in which customers will bike and camp across the island. A comfortable and dependable vehicle is available to transport riders, as well as a trailer or similar conveyance for the bikes. Everyone will have plenty of food, water, sunscreen at no additional charge.

For tours involving significant beach time, we offer snorkeling, boogie boarding, surfing, spearfishing (and fishing licenses), and camping gear. Disc golf discs are provided for full-day adventures that go to Two Harbors. Guests also have the option of renting Go Pro cameras if they want to document their outdoor adventures.

We realize that some bike rides throughout the island's interior can be more difficult than others. We will customize the tours to accommodate guests of varying comfort levels.

Catalina Outdoor Adventures will also offer bike repair for locals, along with bicycle tour classes that teach safe and eco friendly cross-island cycling and camping.

Marketing Plan

Catalina Outdoor Adventures will be taking the marketing very seriously. Joining the chamber of commerce will be the first step. Since we are a new business, we are putting a lot of money into advertizing right away so we can build customer relationships. We plan to do a lot of online marketing, and we'll keep all the hotels and Catalina Express terminals stocked with brochures. We will also do lots of cross-marketing with other outdoor businesses in Avalon such as Catalina Scuba Luv. We are very interested in working with the Conservancy on cross promotions, volunteer beach cleanups, etc.

Target Customers

Since all the tours are a minimum of 4 hours, we'd really like to target families. We'd like to put together family packages with the hotels. Catalina Outdoor Adventures accepts people of all fitness levels. For more experienced riders, we will offer more difficult tours.

Operational Plan (Location, Personnel)

Catalina Outdoor Adventures will begin in Avalon. The customers will be picked up at a location that is most convenient for them (hotel, restaurant, etc). From there, customers will be driven up to the Airport in the Sky. The transportation vehicle will be kept in an off street parking space provided by a local land owner. The vehicle will be a seven passenger SUV. All of the bicycles and Outdoor Adventure equipment will be kept in a trailer that is parked at the Airport. Since the tours are guided, most of our tours will take two employees to operate, one person to drive the vehicle, and one to ride with the guests.

Since Catalina Outdoor Adventures will be working closely with the Catalina Island Conservancy, all of our guests will be encouraged to become Conservancy members, and also donate money.

Scotty Rohlfesen will be the owner operator of Catalina Outdoor Adventures. Scotty has Bachelor of Science degree in Environmental Studies from the University of Iowa. He has a wealth of Island knowledge to provide his customers. As a former General Manager of two hotels on Catalina Island, Scotty is familiar with the seasonality of Catalina, and has a great understanding of what markets to approach based on the time of year. He also currently works for Scuba Luv. Scotty has worked closely with the conservancy doing Volunteer Eco Tours for hotel guests. The tour would involve an in depth, 4



City of Avalon

Santa Catalina Island

KATHERINE J. HAMILTON
Vehicle Hearing Officer

DECISION GRANTING APPLICATION FOR NEW INTERIOR COMMERCIAL VEHICLE PERMIT

APPLICANT:

Catalina Outdoor Adventures
P.O. Box 2391
Avalon, California 90704

FINDINGS OF FACT

1. On January 26, 2016, Catalina Outdoor Adventures, the Applicant herein, applied for a new interior commercial vehicle permit pursuant to Section 4-4.1703.5(b) of the Avalon Municipal Code.

2. The Hearing Officer considered the application at a duly noticed hearing on February 9, 2016, at which time both written and oral evidence was received. Scott Rohlfson, owner-operator of Catalina Outdoor Adventures, appeared on behalf of the Applicant. Dudley Morand, Administrative Assistant for the City of Avalon, was also present and participated in the hearing, as did Vehicle Hearing Assistant Mark Tasca.

3. Applicant is start-up business that will provide the only guided bike tours into the interior of the Island. Mr. Rohlfson reported that he originally intended to purchase Bike Catalina from owner Randy Lewis, but Mr. Lewis is still being permitted to operate. Mr. Rohlfson will instead start up his own business and has obtained permission from the Island Conservancy to provide bike tours of the interior. Applicant plans to operate out of a trailer at the Airport in the Sky where the bikes will be stored. Customers will be transported from town to the airport where the tours will commence.

4. Applicant is working with the Island Company to obtain off street parking in town. Applicant hopes to obtain a Toyota Highlander which will transport up to seven passengers at a time and can be parked at the airport overnight.

5. Applicant plans to provide a basic half-day bicycle tour and in future will have full day tours available which include water sports, and multi-day tours with camping at Two Harbors. All stages of these tours will take place in the interior.

*Administration/
Public Works*
P.O. Box 707
Avalon, CA 90704
310 510-0220
Fax 310 510-0901

Finance
P.O. Box 707
Avalon, CA 90704
310 510-0220
Fax 310 510-0765

Harbor Department
P.O. Box 1085
Avalon, CA 90704
310 510-0535
Fax 310 510-2640

Fire Department
P.O. Box 707
Avalon, CA 90704
310 510-0203
Fax 310 510-0104

*Recreation
Department*
P.O. Box 707
Avalon, CA 90704
310 510-0220
Fax 310 510-9528

*Planning/Building
Capital Improvements*
P.O. Box 707
Avalon, CA 90704
310 510-0220
Fax 310 510-2608

CONCLUSIONS OF LAW

1. Applicant meets the requirements of Section 4-4.1703.5(b)(3)(i) of the Avalon Municipal Code.
 - a. No evidence was produced that Applicant is enrolled on the waiting list for an Interior Commercial Vehicle Permit. Applicant must therefore satisfy the requirements of subparagraph (i) of Section 4-4.1703.5(b)(3) of the Avalon Municipal Code in order to obtain the requested permit.
 - b. The equipment and all real and personal property used by Applicant will be physically located at the Airport, which is more than four miles outside the city limits of Avalon.
 - c. The sole source of income for Applicant is from this business located more than four miles outside of the City's jurisdictional limits. The vehicle is necessary to the functioning of the business because it is the only way to transport customers from Avalon to the location where the tours commence.
2. The Applicant either has or will obtain off street parking and will not be parked on a public right-of-way between 7:00 p.m. and 6:00 a.m.
3. The Applicant is entitled to a new interior commercial vehicle permit for a one year period pursuant to Section 4-4.1703.5(b)(3)(i) of the Avalon Municipal Code.

DECISION

The Hearing Officer hereby grants the application for a new interior commercial vehicle permit for a one year period.

The issuance of the interior commercial vehicle permit is subject to the following conditions:

1. That before the Vehicle Clerk may issue the permit, Applicant presents written evidence of a lease between itself and the Airport in the Sky allowing Applicant to operate its business out of a trailer parked at the Airport;
2. That before the Vehicle Clerk may issue the permit, Applicant presents amended permission from the Island Conservancy to operate his own business (rather than operating a business purchased from Randy Lewis) providing bicycle and camping tours of the Interior;
3. That the permit must be displayed and visible when the vehicle is within the City limits;

4. That the permit shall not be transferred or assigned except as permitted by City law;
5. That the vehicle shall be provided with overnight off-street parking and shall not be parked on any public street or right-of-way between the hours of 7:00 p.m. and 6:00 a.m. unless the commercial vehicle is otherwise authorized to be so parked pursuant to the Avalon Municipal Code.

NOTE: VIOLATION OF ANY OF THESE CONDITIONS OF APPROVAL OR ANY PROVISION OF THE AVALON MUNICIPAL CODE MAY BE GROUNDS FOR THE REVOCATION OR SUSPENSION OF THIS PERMIT PURSUANT TO AVALON MUNICIPAL CODE SECTION 4-4.1708.

The Applicant is advised to take this Decision, along with the appropriate title documents, promptly to the City Vehicle Clerk to have said permit issued to the appropriate vehicle. The Applicant is further advised to carefully note the expiration date for such permit.

IT IS THE RESPONSIBILITY OF THE PERMIT HOLDER TO SUBMIT A RENEWAL APPLICATION FOR THE INTERIOR COMMERCIAL PERMIT GRANTED PURSUANT TO THIS DECISION PRIOR TO ITS EXPIRATION.

Dated: February 19, 2016



KATHERINE J. HAMILTON
Vehicle Hearing Officer

PROOF OF SERVICE

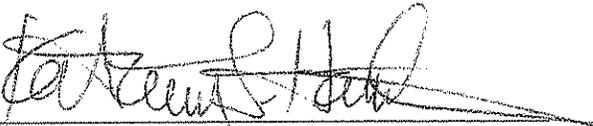
I am a resident of the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My address is 5552 Peabody Street, Long Beach, California 90808.

I served the foregoing document described as DECISION, etc., by depositing a true copy thereof in the United States Mails in Long Beach , State of California, on February 19, 2016, enclosed in a sealed envelope, with the postage fully prepaid, addressed as follows:

Catalina Outdoor Adventures
P.O. Box 2391
Avalon, California 90704

Dudley Morand, Admin. Asst.
City of Avalon
P.O. Box 707
Avalon, California 90704

I declare under penalty of perjury that the foregoing is true and correct. Executed on February 19, 2016, at Long Beach, California.


Katherine J. Hamilton



CATALINA ISLAND CONSERVANCY

A responsible steward of its lands through a balance of conservation, education and recreation.

March 22, 2016

To whom it may concern,

The Catalina Island Conservancy will be granting a Revocable Guided Bike Tour and other Outdoor activities to Scotty Rohlfen dba Catalina Outdoor Adventures. The Conservancy will sign the attached permits as soon as insurance & vehicle are provided. The business will be based out of Little Harbor. Please don't hesitate to contact me with any questions.

Best regards,

Christie Collins
Director of Leases

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016

AGENDA ITEM: 9

ORIGINATING DEP: City Attorney

CITY MANAGER: RR

PREPARED BY: City Attorney Scott Campbell

SUBJECT: Letter to Attorney General Kamala Harris regarding Freight Lines

RECOMMENDED ACTION(S): Consider request of Councilman Joseph Sampson and provide direction to City staff on sending a letter to Kamala Harris, California Attorney General.

REPORT SUMMARY: Councilmember Joseph Sampson has asked that this item be placed on the agenda to consider sending a letter to Kamala Harris asking for a directive on what the City of Avalon needs to do to have multiple freight carriers servicing the City of Avalon at the Pebbly Beach Road location. Currently, while three freight carriers have California Public Utilities Certificates to deliver freight service to the City, only one will have access to the Santa Catalina Island Company's Pebbly Beach landing and warehouse site after April 1. The California Public Utilities Commission has encouraged all parties to work together on the access issues.

Access to the Pebbly Beach site is over State Lands, but the current lease between the Island Company and State Lands Commission does not require that access be provided to all freight carriers.

The letter requested by Councilperson Sampson would ask the Attorney General to open a formal investigation into the Santa Catalina Island Company's control over the Pebbly Beach Freight facility and landing ramp and so that all qualified freight carriers can deliver freight to the residents of the City. This would greatly benefit the community of Avalon.

GOAL ALIGNMENT: Not aligned.

FISCAL IMPACTS: The cost of preparing the letter.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: No letter would be sent to the Attorney General and no direction received.

FOLLOW UP ACTION: Draft and send the letter if directed.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: None.

CITY OF AVALON CITY COUNCIL

MEETING DATE: April 5, 2016

AGENDA ITEM: 10

ORIGINATING DEP: Finance Department

CITY MANAGER: ARR

PREPARED BY: Robert Mescher, Finance Director

SUBJECT: Proposed Rate Changes to the Sewer and Salt Water Service Fees
Beginning July 1, 2016

REVISION SUMMARY: This Staff Report has been revised to change Staff's proposal to adopt rates for only the next fiscal year and to clarify the following:

1. The term "assessments" has been replaced with "service fees" to be aligned with the terminology used in Proposition 218;
2. A cost of service and rate study will be proposed to be completed by a consultant before the end of the calendar year;
3. Attachment 1 lists rates from each scenario; and
4. Attachments 2 and 3 apply a 2% inflation factor only for certain operating expenses.

RECOMMENDED ACTION(S): Discuss the Sewer and Salt Water revenue requirements for the next five years and provide direction to Staff regarding the service fee rates for the next fiscal year. These property-related fees can only be increased by a four-fifths vote of the City Council.

REPORT SUMMARY: Staff is recommending the City establish rates for the Sewer and Salt Water service fees sufficient to fund the operations and crucial infrastructure improvements. The FY16-17 projected cost of service for Sewer and Salt Water exceeds the current service fee revenue by \$719,000 and \$55,000 respectively. Staff will present various scenarios to achieve the needed revenue. Attachment 1 lists the current Sewer and Salt Water rates and the rates from the various scenarios.

Sewer

In 2012, the California Regional Water Quality Board issued a Cease and Desist Order ("CDO") requiring the City to bring its sewer program into compliance with State and Federal water quality regulations. The CDO requires the City to accomplish many tasks and projects within a designated time frame. If the City fails to comply it be fined up to \$25,000 per day and the State may take control of the sewer system.

The most significant requirements of the CDO include:

- Implement and fund a capital improvement program for our collection system

- Perform regular and annual maintenance
- Perform and continue private lateral inspections
- Develop and annually update a 10-year financial plan
- Develop a system evaluation and capacity assurance plan
- Ensure that total maximum daily loads are not exceeded

Currently, the City is in compliance with these requirements, but the mandated improvements to the City's sewer infrastructure are estimated to be \$670,000 annually for at least the next fifteen years based on the capital improvement plan.

The Sewer Fund cash balance as of the end of FY14-15 was \$966,000 and is projected to be \$150,000 by the end of FY15-16. If the Sewer service fee rates are unchanged for next year, the expenditures are projected to exceed the revenue by \$719,000 or 41% of the total revenue.

Attachment 2 includes three Sewer revenue scenarios.

- Scenario A assumes no change in rates and projects a \$719,000 deficit in FY16-17;
- Scenario B assumes an increase in FY16-17 sufficient to cover the cost of service; and
- Scenario C assumes a partial increase on FY16-17 to reduce the deficit to \$365,000.

Staff recommends rate changes to generate the revenue as proposed in Scenario C.

Salt Water

Salt Water rate increases are necessary to fund the operations and crucial infrastructure improvements of the Salt Water system. Last year the Salt Water gate project was suspended, but the necessary funding from the Salt Water reserves was approved in the amended FY15-16 Budget. According to the ten-year capital improvement plan, the essential improvements will cost about \$100,000 to \$125,000 per year starting next year.

The Salt Water Fund cash balance as of the end of FY14-15 was \$538,000 and is projected to be \$35,000 by the end of FY15-16. If the Sewer fee rates are unchanged for next year, the expenditures are projected to exceed the revenue by \$55,000 or 10% of the total revenue.

Attachment 3 includes two Salt water revenue scenarios.

- Scenario D assumes no change in rates and projects a \$55,000 deficits; and
- Scenario E assumes a rate increase sufficient to cover the cost of service.

Staff recommends rate changes to generate the revenue as proposed in Scenario E.

Proposition 218 and the Next Steps

The Sewer and Salt Water Funds are enterprise funds for which a fee is charged in exchange for the cost of service. These funds are intended to support themselves by collecting sufficient revenues to cover the cost of service. The process of increasing rates of the City's Salt Water and Sewer service fees is subject to the 1996 constitutional amendment known as "Proposition 218, Right to Vote on Taxes Act." Sewer and Salt Water service fees may be adopted five years in advance.

The main requirements of Proposition 218 are:

- Rates must be based on the actual cost of service;
- The City must mail a notice to all affected property owners of the proposed change in rates and public hearing;
- The City must hold a public hearing at least 45 days after the mailing of the notices;
- Proposed change in rates is considered rejected if written protests are received from a majority of the affected property owners; or
- Rates can become effective 30 days after the public hearing and adoption of an ordinance.

The next steps:

- April 5, 2016 – (Tonight) Select the service fee rates for next year;
- April 23, 2016 – On or before this date, mail notices to all property owners;
- June 7, 2016 – Public hearing and first reading of the ordinance;
- June 21, 2016 – Second reading of the ordinance;
- July 15, 2016 – Submit FY16-17 rates to Los Angeles County to be included in the 2016-2017 property tax bills;
- September 30, 2016 – On or before this date contract a consultant to perform a cost of service and rate study.
- December 31, 2016 – On or before this date, complete a cost of service and rate study; and
- Annually review Sewer and Salt Water cost of service and revenue requirements.

GOAL ALIGNMENT: Achieve a balanced budget.

FISCAL IMPACTS: Staff recommends the rates to generate the revenues as proposed in scenarios C and E to fund the operations and crucial infrastructure improvements of the Sewer and Salt water systems.

The proposed FY16-17 Sewer revenue increases \$354,000 in Scenario C.

The proposed FY16-17 Salt Water revenue increases \$56,000 in Scenario E.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: The Sewer and Salt Water enterprise funds will have insufficient funds to complete essential capital improvements to ensure the reliability of the systems and to comply with the CDO. Failure to comply with the CDO may result in daily fines up to \$25,000, litigation, and loss of City control over its own resources. Failure of the systems could be disastrous and require more expensive emergency repairs.

FOLLOW UP ACTION:

- April 23, 2016 – On or before this date, mail notices to all property owners;
- June 7, 2016 – Public hearing and first reading of the ordinance;
- June 21, 2016 – Second reading of the ordinance;
- July 15, 2016 – Submit FY16-17 rates to Los Angeles County;
- September 30, 2016 – On or before this date contract a consultant to perform a cost of service and rate study.
- December 31, 2016 – On or before this date, complete a cost of service and rate study; and
- Annually review adopted Sewer and Salt Water rates and cost of service.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS:

1. Current Rates and Scenario Example Rates
2. Sewer Revenue Scenarios
3. Salt Water Rate Scenarios

City of Avalon
Current Service Fee Rates and Scenarios
April 5, 2016

Sewer	A N N U A L			M O N T H L Y				
	Current	A	B	C	Current	A	B	C
Public Shower (per shower)	181.69	181.69	254.37	218.03	15.14	15.14	21.20	18.17
Hotels (per room)	274.84	274.84	384.78	329.81	22.90	22.90	32.06	27.48
Laundries (per wash unit)	369.63	369.63	517.48	443.56	30.80	30.80	43.12	36.96
Residential (per dwelling unit)	547.38	547.38	766.33	656.86	45.62	45.62	63.86	54.74
Shops/Offices	547.38	547.38	766.33	656.86	45.62	45.62	63.86	54.74
Take-Out Restaurant	830.92	830.92	1,163.29	997.10	69.24	69.24	96.94	83.09
Churches	1,106.60	1,106.60	1,549.24	1,327.92	92.22	92.22	129.10	110.66
Bar/Restaurant (less than 100 seats)	1,645.88	1,645.88	2,304.23	1,975.06	137.16	137.16	192.02	164.59
Bar/Restaurant (more than 100 seats)	2,461.03	2,461.03	3,445.44	2,953.24	205.09	205.09	287.12	246.10

Salt Water	A N N U A L			M O N T H L Y		
	Current	E	F	Current	E	F
Hotel (per room)	128.52	128.52	141.37	10.71	10.71	11.78
Commercial (per toilet)	128.52	128.52	141.37	10.71	10.71	11.78
Residential (per unit)	192.60	192.60	211.86	16.05	16.05	17.66

City of Avalon

No Change in Revenue

Sewer Revenue Scenario A

	FY13-14 Actual	FY14-15 Actual	FY15-16 Budget	FY16-17 Projected*	FY17-18 Projected*	FY18-19 Projected*	FY19-20 Projected*	FY20-21 Projected*
Operating Revenues	\$ 1,554,000	\$ 1,559,000	\$ 1,770,000	\$ 1,770,000	\$ 1,770,000	\$ 1,770,000	\$ 1,770,000	\$ 1,770,000
Operating Expenses								
Labor Costs*	\$ (526,000)	\$ (398,000)	\$ (394,000)	\$ (402,000)	\$ (410,000)	\$ (418,000)	\$ (426,000)	\$ (435,000)
Contract Services*	(1,130,000)	(894,000)	(1,139,000)	(1,162,000)	(1,185,000)	(1,209,000)	(1,233,000)	(1,258,000)
Utilities and Rent**	(148,000)	(143,000)	(143,000)	(146,000)	(149,000)	(152,000)	(155,000)	(158,000)
Repairs and Maintenance*	(61,000)	(97,000)	(83,000)	(85,000)	(87,000)	(89,000)	(91,000)	(93,000)
Operating Supplies	(6,000)	(2,000)	-	-	-	-	-	-
Other Services	(35,000)	(41,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Depreciation	(448,000)	(443,000)	(445,000)	(445,000)	(445,000)	(445,000)	(445,000)	(445,000)
Total Operating Expenses	\$ (2,354,000)	\$ (2,018,000)	\$ (2,228,000)	\$ (2,264,000)	\$ (2,300,000)	\$ (2,337,000)	\$ (2,374,000)	\$ (2,413,000)
Operating Loss	\$ (800,000)	\$ (459,000)	\$ (458,000)	\$ (494,000)	\$ (530,000)	\$ (567,000)	\$ (604,000)	\$ (643,000)
Less capital expenditures	(371,000)	(55,000)	(803,000)	(670,000)	(670,000)	(670,000)	(670,000)	(670,000)
Add back depreciation	448,000	443,000	445,000	445,000	445,000	445,000	445,000	445,000
Other changes in assets and liabilities	189,000	(6,000)	-	-	-	-	-	-
Change in Fund Balance	\$ (534,000)	\$ (77,000)	\$ (816,000)	\$ (719,000)	\$ (755,000)	\$ (792,000)	\$ (829,000)	\$ (868,000)
				-41%	-43%	-45%	-47%	-49%
Cumulative Excess (Deficit)			\$ (719,000)	\$ (1,474,000)	\$ (2,266,000)	\$ (3,095,000)	\$ (3,963,000)	
Proposed Residential Annual Rate		\$ 547.38	\$ 547.38					
Proposed Residential Monthly Rate		\$ 45.62	\$ 45.62					
Annual Rate Change		\$ -	\$ -					
Monthly Rate Change		\$ -	\$ -					

*Projections assume 2% Inflation in certain operating expenses

Sewer Revenue Scenario B

City of Avalon

40% Increase in First Year
Slight Increases Thereafter

	FY13-14 Actual	FY14-15 Actual	FY15-16 Budget	FY16-17 Projected*	FY17-18 Projected*	FY18-19 Projected*	FY19-20 Projected*	FY20-21 Projected*
Operating Revenues	\$ 1,554,000	\$ 1,559,000	\$ 1,770,000	\$ 2,478,000	\$ 2,528,000	\$ 2,579,000	\$ 2,605,000	\$ 2,631,000
Operating Expenses								
Labor Costs*	\$ (526,000)	\$ (398,000)	\$ (394,000)	\$ (402,000)	\$ (410,000)	\$ (418,000)	\$ (426,000)	\$ (435,000)
Contract Services*	(1,130,000)	(894,000)	(1,139,000)	(1,162,000)	(1,185,000)	(1,209,000)	(1,233,000)	(1,258,000)
Utilities and Rent*	(148,000)	(143,000)	(143,000)	(146,000)	(149,000)	(152,000)	(155,000)	(158,000)
Repairs and Maintenance*	(61,000)	(97,000)	(83,000)	(85,000)	(87,000)	(89,000)	(91,000)	(93,000)
Operating Supplies	(6,000)	(2,000)	-	-	-	-	-	-
Other Services	(35,000)	(41,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Depreciation	(448,000)	(443,000)	(445,000)	(445,000)	(445,000)	(445,000)	(445,000)	(445,000)
Total Operating Expenses	\$ (2,354,000)	\$ (2,018,000)	\$ (2,228,000)	\$ (2,264,000)	\$ (2,300,000)	\$ (2,337,000)	\$ (2,374,000)	\$ (2,413,000)
Operating Loss	\$ (800,000)	\$ (459,000)	\$ (458,000)	\$ 214,000	\$ 228,000	\$ 242,000	\$ 231,000	\$ 218,000
Less capital expenditures	(371,000)	(55,000)	(803,000)	(670,000)	(670,000)	(670,000)	(670,000)	(670,000)
Add back depreciation	448,000	443,000	445,000	445,000	445,000	445,000	445,000	445,000
Other changes in assets and liabilities	189,000	(6,000)	-	-	-	-	-	-
Change in Fund Balance	\$ (534,000)	\$ (77,000)	\$ (816,000)	\$ (11,000)	\$ 3,000	\$ 17,000	\$ 6,000	\$ (7,000)
				0%	0%	1%	0%	0%
Cumulative Excess (Deficit)			\$ (8,000)	\$ (11,000)	\$ (8,000)	\$ 9,000	\$ 15,000	\$ 8,000
Proposed Residential Annual Rate		\$ 547.38	\$ 766.33					
Proposed Residential Monthly Rate		\$ 45.62	\$ 63.86					
Annual Rate Change		\$ 218.95						
Monthly Rate Change		\$ 18.25						

*Projections assume 2% inflation in certain operating expenses

City of Avalon Sewer Revenue Scenario C

20% Annual Increase for Two Years
5% in Third Year and Inflationary Increases Thereafter

	FY13-14 Actual	FY14-15 Actual	FY15-16 Budget	FY16-17 Projected*	FY17-18 Projected*	FY18-19 Projected*	FY19-20 Projected*	FY20-21 Projected*
Operating Revenues	\$ 1,554,000	\$ 1,559,000	\$ 1,770,000	\$ 2,124,000	\$ 2,549,000	\$ 2,676,000	\$ 2,730,000	\$ 2,757,000
Operating Expenses								
Labor Costs*	\$ (526,000)	\$ (398,000)	\$ (394,000)	\$ (402,000)	\$ (410,000)	\$ (418,000)	\$ (426,000)	\$ (435,000)
Contract Services*	(1,130,000)	(894,000)	(1,139,000)	(1,162,000)	(1,185,000)	(1,209,000)	(1,233,000)	(1,258,000)
Utilities and Rent*	(148,000)	(143,000)	(143,000)	(146,000)	(149,000)	(152,000)	(155,000)	(158,000)
Repairs and Maintenance*	(61,000)	(97,000)	(83,000)	(85,000)	(87,000)	(89,000)	(91,000)	(93,000)
Operating Supplies	(6,000)	(2,000)	-	-	-	-	-	-
Other Services	(35,000)	(41,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Depreciation	(448,000)	(443,000)	(445,000)	(445,000)	(445,000)	(445,000)	(445,000)	(445,000)
Total Operating Expenses	\$ (2,354,000)	\$ (2,018,000)	\$ (2,228,000)	\$ (2,264,000)	\$ (2,300,000)	\$ (2,337,000)	\$ (2,374,000)	\$ (2,413,000)
Operating Loss	\$ (800,000)	\$ (459,000)	\$ (458,000)	\$ (140,000)	\$ 249,000	\$ 339,000	\$ 356,000	\$ 344,000
Less capital expenditures	(371,000)	(55,000)	(803,000)	(670,000)	(670,000)	(670,000)	(670,000)	(670,000)
Add back depreciation	448,000	443,000	445,000	445,000	445,000	445,000	445,000	445,000
Other changes in assets and liabilities	189,000	(6,000)	-	-	-	-	-	-
Change in Fund Balance	\$ (534,000)	\$ (77,000)	\$ (816,000)	\$ (365,000)	\$ 24,000	\$ 114,000	\$ 131,000	\$ 119,000
				-17%	1%	4%	5%	4%
Cumulative Excess (Deficit)				\$ (365,000)	\$ (341,000)	\$ (227,000)	\$ (96,000)	\$ 23,000
Proposed Residential Annual Rate		\$ 547.38	\$ 656.86					
Proposed Residential Monthly Rate		\$ 45.62	\$ 54.74					
Annual Rate Change		\$ 109.48						
Monthly Rate Change		\$ 9.12						

*Projections assume 2% Inflation in certain operating expenses

City of Avalon

No Rate Change

Salt Water Revenue Scenario D

	FY13-15 Actual	FY14-15 Actual	FY15-16 Budget	FY16-17 Projected*	FY17-18 Projected*	FY18-19 Projected*	FY19-20 Projected*	FY20-21 Projected*
Operating Revenues	\$ 423,000	\$ 436,000	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000
Operating Expenses								
Labor Costs*	\$ (195,000)	\$ (152,000)	\$ (194,000)	\$ (198,000)	\$ (202,000)	\$ (206,000)	\$ (210,000)	\$ (214,000)
Contract Services*	(209,000)	(250,000)	(291,000)	(297,000)	(303,000)	(309,000)	(315,000)	(321,000)
Utilities and Rent	-	(34,000)	(20,000)	-	(20,000)	(20,000)	-	-
Repairs and Maintenance	(97,000)	(1,000)	-	(20,000)	-	-	(20,000)	(20,000)
Operating Supplies	-	(33,000)	-	-	-	-	-	-
Other Services	-	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)
Depreciation	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)
Total Operating Expenses	\$ (584,000)	\$ (553,000)	\$ (588,000)	\$ (598,000)	\$ (608,000)	\$ (618,000)	\$ (628,000)	\$ (638,000)
Operating Loss	\$ (161,000)	\$ (117,000)	\$ (28,000)	\$ (38,000)	\$ (48,000)	\$ (58,000)	\$ (68,000)	\$ (78,000)
Less capital expenditures	(18,000)	(28,000)	(58,000)	(100,000)	(100,000)	(125,000)	(125,000)	(125,000)
Add back depreciation	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Other changes in assets and liabilities	42,000	6,000	-	-	-	-	-	-
Change in Fund Balance	\$ (54,000)	\$ (56,000)	\$ (503,000)	\$ (55,000)	\$ (65,000)	\$ (100,000)	\$ (110,000)	\$ (120,000)
				-10%	-12%	-18%	-20%	-21%

Cumulative Deficit			\$ (55,000)	\$ (120,000)	\$ (220,000)	\$ (330,000)	\$ (450,000)
Proposed Residential Annual Rate	\$ 192.60	\$ 192.60					
Proposed Residential Monthly Rate	\$ 16.05	\$ 16.05					
Annual Rate Change	\$ -	\$ -					
Monthly Rate Change	\$ -	\$ -					

*Projections assume 2% Inflation in certain operating expenses

City of Avalon Salt Water Revenue Scenario E

10% Increase in First Year
3% Annual Increase Thereafter

	FY13-14 Actual	FY14-15 Actual	FY15-16 Budget	FY16-17 Projected*	FY17-18 Projected*	FY18-19 Projected*	FY19-20 Projected*	FY20-21 Projected*
Operating Revenues	\$ 423,000	\$ 436,000	\$ 560,000	\$ 616,000	\$ 634,000	\$ 653,000	\$ 673,000	\$ 693,000
Operating Expenses								
Labor Costs	\$ (195,000)	\$ (152,000)	\$ (194,000)	\$ (198,000)	\$ (202,000)	\$ (206,000)	\$ (210,000)	\$ (214,000)
Contract Services	(209,000)	(250,000)	(291,000)	(297,000)	(303,000)	(309,000)	(315,000)	(321,000)
Utilities and Rent	-	(34,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Repairs and Maintenance	-	(1,000)	-	-	-	-	-	-
Operating Supplies	-	(33,000)	-	-	-	-	-	-
Other Services	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)	(83,000)
Depreciation	(584,000)	(553,000)	(588,000)	(598,000)	(608,000)	(618,000)	(628,000)	(638,000)
Total Operating Expenses	\$ (1,611,000)	\$ (1,177,000)	\$ (28,000)	\$ 18,000	\$ 26,000	\$ 35,000	\$ 45,000	\$ 55,000
Operating Loss								
Less capital expenditures	(18,000)	(28,000)	(558,000)	(100,000)	(100,000)	(125,000)	(125,000)	(125,000)
Add back depreciation	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Other changes in assets and liabilities	42,000	6,000	-	-	-	-	-	-
Change in Fund Balance	\$ (54,000)	\$ (56,000)	\$ (503,000)	\$ 1,000	\$ 9,000	\$ (7,000)	\$ 3,000	\$ 13,000
				0%	1%	-1%	0%	2%
Cumulative Excess			\$	\$ 1,000	\$ 10,000	\$ 3,000	\$ 6,000	\$ 19,000
Proposed Residential Annual Rate		\$ 192.60	\$ 211.86					
Proposed Residential Monthly Rate		\$ 16.05	\$ 17.66					
Annual Rate Change		\$ 19.26						
Monthly Rate Change		\$ 1.61						

HOUSING AUTHORITY OF THE CITY OF AVALON

MEETING DATE: April 5, 2016

AGENDA ITEM: 11

ORIGINATING DEP: Housing Authority

CITY MANAGER: RR

PREPARED BY: Elizabeth Hull, General Counsel

SUBJECT: Notice of Funding Availability for Affordable Housing Project

RECOMMENDED ACTION(S): Authorize the Executive Director and General Counsel to: (1) Publish and circulate the Notice of Funding Availability ("NOFA") and solicit proposals from qualified housing developers for an eligible affordable housing project; (2) Select a qualified developer and negotiate business points for an Exclusive Negotiation Agreement to be considered by the Housing Authority.

REPORT SUMMARY: On March 31, 2015, the Exclusive Negotiation Agreement ("ENA"), as amended on January 20, 2015, between the Housing Authority and Hamilton Pacific, LLC, expired. The ENA contemplated financial assistance from the Housing Authority totaling \$3.8 million. With the expiration of the ENA, the Housing Authority may solicit interest from other qualified developers for an affordable housing project in the City. A common tool for soliciting interest is a Notice of Funding Availability ("NOFA") notifying developers that financial assistance is available for a proposed project.

General Counsel has prepared a draft NOFA (attached) for review by the Housing Authority. The draft NOFA describes the funds available, provides background about City and its housing needs, outlines the City's goals for a project, describes submittal requirements and the the Housing Authority's selection criteria, and outlines the developer selection process and schedule.

The draft NOFA identifies more than \$5 million in funding available for the acquisition, development, rehabilitation, or preservation of housing affordable to lower income households. Of that amount, approximately \$4.1 million are taxable housing bond proceeds transferred to the Housing Authority from the former Avalon Community Improvement Agency ("ACIA"). The NOFA identifies an additional \$1.3 million in funding available to the Housing Authority in the form of loan receivables and deferred revenue payments. Additional funding beyond that could be made available if the Housing Authority disposes of some or all of its property. However, all additional funding beyond the taxable housing bond proceeds are subject to stringent expenditure requirements under SB 341 (Chapter 796, Statutes of 2013) over the course of a five-year reporting/accounting period.

Also attached for reference is a preliminary developer distribution list for the NOFA. Broader circulation of the NOFA beyond the distribution list will also be pursued.

GOAL ALIGNMENT: The NOFA is aligned with the City Council's Goal for the Avalon 2030 Vision, through the facilitation of an affordable housing project that implements and is consistent with the City's adopted Housing Element of the General Plan.

FISCAL IMPACTS: Approval would make available up to \$5+ million in Housing Authority for a project.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: Staff would be required to rely on unsolicited proposals for affordable housing projects and/or expend additional time and resources to directly contact housing developers to solicit proposals.

FOLLOW UP ACTION: The NOFA will be released on Friday, April 8, 2016 with a deadline of June 1 for proposal submittals.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

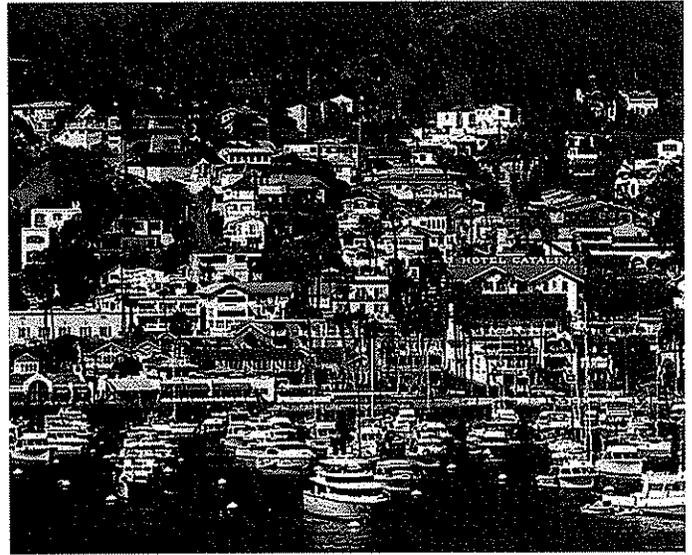
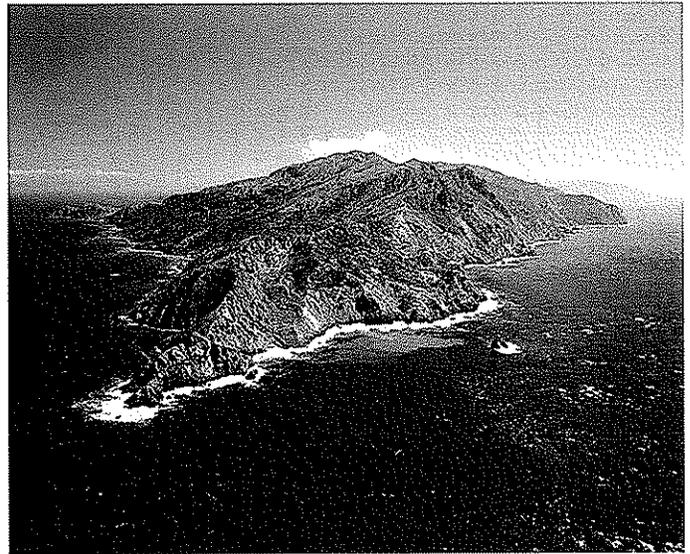
ATTACHMENTS: (1) Draft NOFA; and (2) Developer distribution list.

Developer	Address	Telephone
Abode Communities	701 E. Third St., Suite 400; Los Angeles, CA 90013	(213) 629-2702
Affirmed Housing Group, Inc.	13520 Evening Creek Dr North, Ste 160, San Diego, CA 92121	(858) 679-2828
Affordable Housing Services	270 Parke St, Pasadena, CA 91101	(626) 744-9033
Amcal Multi-Housing	30141 Agoura Road, Suite 100; Agoura Hills, CA 91301	(818) 706-0694
Bridge Housing	555 W 5th St, Los Angeles, CA 90013	(213) 996-8415
Bridge Housing Corporation	600 California St., Suite 900; San Francisco, CA 94108	(415) 989-1111
C.H.S. Component Housing Systems	8685 Bowers Ave, South Gate, CA 90280	(310) 327-7100
C&C Development	14211 Yorba St., Suite 200; Tustin, CA 92781	(714) 288-7600
Carmelitos Housing Project	1000 E Via Wanda, Long Beach, CA 90805	(562) 423-0280
Chelsea Investment Corp.	5993 Avenida Encinas, Suite 101; Carlsbad, CA 92008	(760) 456-6000
Community Development Commission of the County of Los Angeles	700 W Main St., Los Angeles, CA 90059	(626) 262-4511
Community HousingWorks	2815 Camino Del Rio South, Ste 350, San Diego, CA 92108	(619) 450-8709
Corporation for Better Housing	15303 Ventura Blvd, Ste 1100, Sherman Oaks, CA 91403	(818) 905-2430
Deep Green Housing & Community Development	400 West 9th St, Ste 100, Los Angeles, CA 90015	(213) 251-2111
EAH Housing	2169 E. Francisco Blvd, Suite B, San Rafael, CA 94901	(415) 258-1800
East LA Community Corporation	530 S Boyle Ave., Los Angeles, CA 90059	(323) 269-4214
Eden Housing	22645 Grand St.; Hayward, CA 94541	(510) 582-1460
Enhanced Affordable	4221 Wilshire Blvd Ste 260, Los Angeles, CA 90010	(323) 634-0561
Enterprise Community Partners	600 Wilshire Blvd #600, Los Angeles, CA 90059	(213) 833-7988
Five Star Housing	1010 W 85th St, Los Angeles, CA 90044	(323) 752-0020
Grant Housing and Economic Development Corp	1147 E 105th St, Los Angeles, CA 90002	(323) 564-7885
Hollywood Community Housing Corporation	5020 Santa Monica Blvd, Los Angeles, CA 90029	(323) 469-0710
Housing Authority of LA	701 E 88th Pl, Los Angeles, CA 90002	(323) 565-2650
Housing Authority of The City of L A Independent Square	9800 Grape St, Los Angeles, CA 90002	(323) 357-6785
Housing Authority of The City of L A Management Offices Public Housing Developments	1519 E 114th St, Los Angeles, CA 90059	(323) 357-6777
Housing Development Service	3460 S Broadway, Los Angeles, CA 90007	(323) 231-1104
Integrity Housing	4 Ventura, Ste 295, Irvine, CA 92618	(949) 727-3656
Jamboree Housing Corp.	17701 Cowan Ave., Suite 200; Irvine, CA 92614	(949) 263-8676
KDF Communities, LLC	230 Newport Center Dr, Suite 210, Newport Beach, CA 92660	(949) 719-1888
L A Family Housing Corp	207 N Breed St, Los Angeles, CA 90033	(323) 262-3698
La Housing Authority Work Center	19610 S Hamilton Ave, Gardena, CA 90247	(310) 523-9520
LINC Housing Corporation	555 E Ocean Blvd, Suite 900, Long Beach, CA 90802	(562) 684-1100
Los Angeles County Housing Authority	12721 S Central Ave, Los Angeles, CA 90059	(323) 357-3157
McCormack Baron Salazar, Inc.	801 S Grand Av, Ste 780, LA, CA 90017	(213) 236-2660
Mercy Housing California	1500 S Grand Ave Apt 100, Los Angeles, CA 90015	(213) 743-5820
Meta Housing Corporation	1640 S Sepulveda Blvd # 425, Los Angeles, CA 90059	(310) 966-5077
Meta Housing Corporation	1640 S Sepulveda Blvd, # 425, Los Angeles, CA 90025	(310) 575-3543
Montebello Housing Development	1619 Paramount Blvd, Montebello, CA 90640	(323) 722-3955
Moore Affordable Housing Inc.	11210 S Central Ave, Los Angeles, CA 90059	(323) 357-9125
National Community Renaissance	9421 Haven Ave.; Rancho Cucamonga, CA 91730	(909) 483-2444
Orange County Housing & Community Development	1770 N Broadway, Los Angeles, CA 90059	(714) 480-2900
Orange Housing Development Corporation	414 E Chapman Av, Orange, CA 92866	(714) 771-1439
Palm Communities	15635 Alton Parkway, Ste 375, Irvine, CA 92618	(760) 568-1048
Related Development Company of California	18201 Von Karman Av, Ste 900, Irvine, CA 92612	(949) 660-7272
Resources for Community Development	2220 Oxford St.; Berkeley, CA 94704	(510) 841-4410
Retirement Housing Foundation	911 N. Studebaker Road; Long Beach, CA 90815	(562) 257-5100
Roem Corp.	1650 Lafayette St.; Santa Clara, CA 95050	(408) 984-5600
Satellite Affordable Housing Associates	1521 University Ave.; Berkeley, CA 94703	(510) 809-2761
Senior Citizens Housing Development Corporation of Bell	4324 Florence Ave, Bell, CA 90201	(323) 771-3377
Southern California Association of NonProfit Housing	501 Shatto Pl #403, Los Angeles, CA 90059	(213) 480-1249
St. Antoni Partners	1801 I St.; Sacramento, CA 95811	(916) 444-9897
Telacu Senior Housing Inc	13000 Doty Ave, Hawthorne, CA 90250	(310) 675-8288
The John Stewart Company	888 S Figueroa St #700., Los Angeles, CA 90059	(213) 787-2700
Thomas Safran & Associates	11812 San Vicente Blvd., Los Angeles, CA 90049	(310) 820-4888
Urban Housing Communities	2000 E 4th St, #205, Santa Ana, CA 92705	(714) 835-3955
Wateland Housing & Development Corporation (NON-PROFIT)	1230 Columbia St, Ste 950, San Diego, CA 92101	(619) 235-2296
Westland Housing	6729 Long Beach Blvd, Long Beach, CA 90805	(310) 605-1262
Willow Partners, LLC	310 N Westlake Blvd, Ste 201, Westlake Village, CA 91362	(805) 379-8555

Proposals Due: June 1, 2016

NOTICE OF FUNDING AVAILABILITY

FOR AFFORDABLE
HOUSING DEVELOPMENT



City of Avalon Housing Authority



More than \$5 million available for affordable housing projects

The Avalon Housing Authority ("Authority") is pleased to announce the availability of funding to develop one or more affordable housing projects in the City of Avalon ("City"). This Notice of Funding Availability ("NOFA") is being released and circulated to solicit proposals from qualified nonprofit and/or for-profit developers who desire to partner with the Authority to carry out the City's community development, land use, and housing goals. More than \$5 million may be available for one or more projects that meet the Authority's goals and selection criteria outlined in this NOFA, subject to formal approval of the Authority. A description of the funding sources is provided in later sections of this NOFA.

Through this NOFA, the Authority is seeking to engage prospective community partners and assess their development qualifications based on selected criteria, including, but not limited to:

- Expertise and experience of the development entity and team in designing and constructing high quality affordable housing projects;
- Vision and design for a Class "A," market-feasible affordable housing project that implements the City's vision for the community and promotes the community character of Avalon, including the community's tourism-based service population;
- Economic viability and financial strength of the proposed project, including marketability and feasibility;
- Experience and ability to creatively negotiate an affordable housing agreement, or other appropriate development agreement, that provides the greatest return on investment to the City; and
- Financial and organizational capacity of the team to successfully complete the project, including the ability to secure financing and leverage other funding sources to build the highest quality housing project.

Contents

Page 3	Background
Page 8	Selection Criteria
Page 9	Submittal Requirements
Page 10	Selection Process & Schedule

Proposals

All proposals shall be submitted by no later than 3:00 PM on June 1, 2016. Late proposals will not be accepted. The Authority reserves the right to waive any irregularity, informality, or technicality in the proposals if determined to be in the Authority's best interest. The issuance of and response to this NOFA is not a guarantee of funding for any proposal. The Authority reserves the right to cancel this NOFA or to reject any proposal received, any time before a contract is approved by the Authority Board and executed by the Authority and the successful proposer. The Authority does not reimburse for costs associated with responding to this NOFA.

Please see Page 9 of this NOFA for a more detailed overview of the submittal requirements.

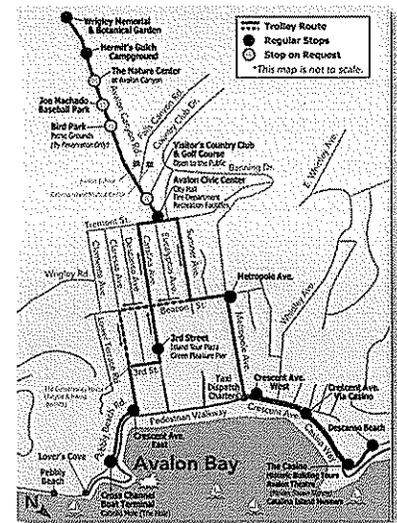
BACKGROUND

About Avalon

Located on the easterly portion of Santa Catalina Island ("Island") in Los Angeles County, the City of Avalon encompasses approximately 2.81 square miles or 1,798 acres of land. As of January 1, 2015, the City's population is estimated at 3,840 with a housing stock of 2,291 units. A more detailed historical overview of Avalon's population and housing profile is provided further below. With an annual visitor count of about one million, the City's primary industry is tourism which generates significant demand for safe and clean housing that is affordable to employees in the industry. In the absence of affordable housing on the Island, many employees are forced to travel to and from the Island by ferry to and from the mainland (e.g., Long Beach, San Pedro). Affordable housing on the Island supports tourism and, therefore, the City's economic development goals while addressing overcrowding and other community issues.

Avalon is well-known for its residents' quality of life, ease of transportation, low crime, and close-knit community. Goods and services in Avalon include a 20,000 square-foot Vons supermarket, a major hospital (Catalina Island Medical Center), a number of medical/dental offices, several places of worship, post office box mail service, high speed internet, and a variety of retail offerings throughout the town. Avalon is located in the Long Beach Unified School District and has a K-12 school serving the entire community (<http://lbavalon.schoolloop.com/>).

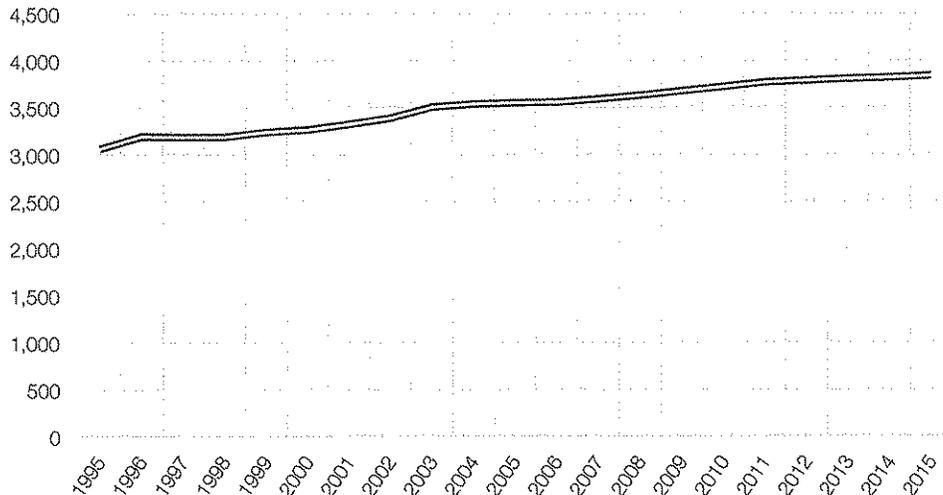
While the most popular forms of vehicular transportation in the City are gas golf carts, bicycles, and mopeds/motorcycles, there are also several public transit options available, including: Avalon Community Transit (ACT), a fixed route bus/trolley service; Paratransit/Dial-A-Ride services available to disabled persons and persons aged 60 and over; and Avalon Rapid Transit (ART), a demand response service provided to full-time City residents.



Over the last 20 years, Avalon's population grew by more than 25 percent, from 3,066 residents in 1995 to 3,840 residents as of January 1, 2015. See Exhibit A below.

CITY OF AVALON
POPULATION 1995-2015

Exhibit A

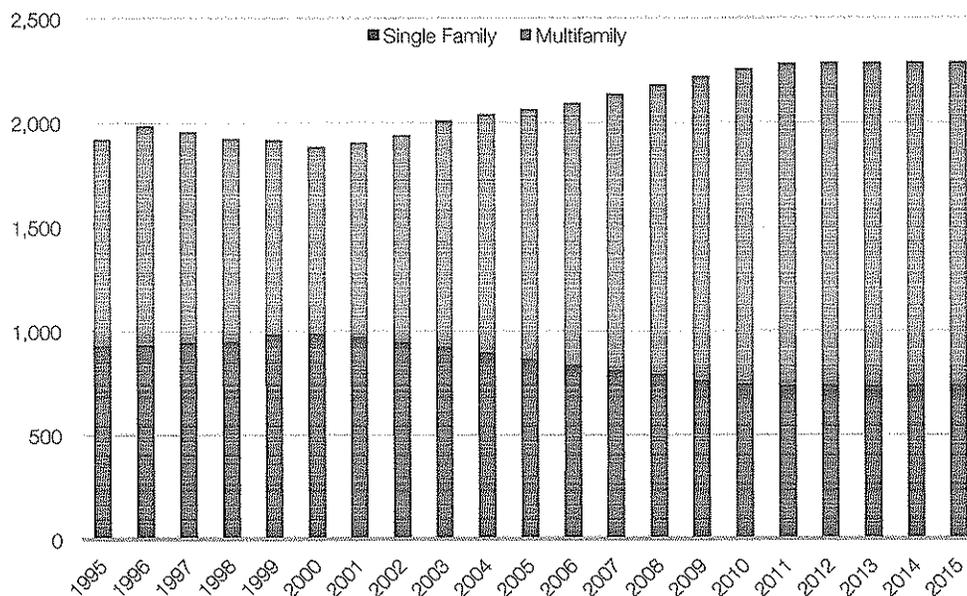


Source: California Department of Finance

As shown in Exhibit B below, during the same 20-year period, Avalon's housing stock grew proportionally from 1,921 units in 1995 to 2,291 units by January 1, 2015, a 19 percent increase. The mix of housing types, however, shifted from 48 percent single family and 52% multifamily in 1995 to 32% single family and 68% multifamily in 2015. The vacancy rate has remained generally steady around 35 percent (typical for a vacation town) with an average household size of 2.57 in 2015.

CITY OF AVALON
HOUSING STOCK 1995-2015

Exhibit B



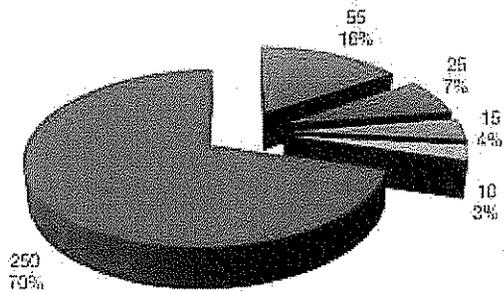
Source: California Department of Finance

About the Community's Housing Needs

The City's Housing Element Update for the 2014-2021 planning period was adopted on July 16, 2013 and is in compliance with state law. The Housing Element provides a comprehensive demographic community profile of the City, including population, age, race/ethnicity, income, housing tenure, employment, and special needs. Exhibit C shows the City's household income distribution by tenure, based on the 2008-2012 American Community Survey and U.S. Department of Housing and Urban Development's ("HUD") Comprehensive Housing Affordability Strategy ("CHAS"). Income categories are based on percentage of the HUD Area Median Family Income ("HAMFI") for Los Angeles County. For more detailed statistical information about the community's demographic profile and housing needs, download a copy of the City's 2013 General Plan Update at http://www.cityofavalon.com/filestorage/3182/3213/2030_General_Plan_Adopted.pdf. See Page V-1 for the City's Housing Element and Appendix C for the Housing Element Technical Appendix.

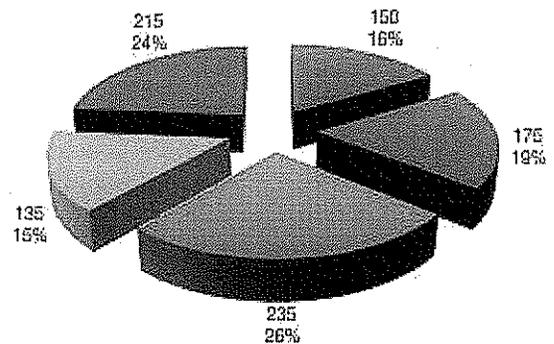
Exhibit C

Household Income Distribution - Owner



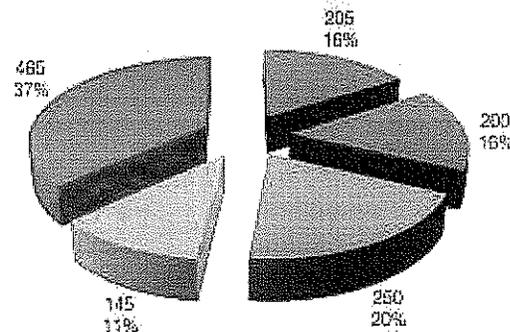
0-30% HAMFI 31-50% HAMFI 51-80% HAMFI 81-100% HAMFI >100% HAMFI

Household Income Distribution - Renter



0-30% HAMFI 31-50% HAMFI 51-80% HAMFI 81-100% HAMFI >100% HAMFI

Household Income Distribution - All



0-30% HAMFI 31-50% HAMFI 51-80% HAMFI 81-100% HAMFI >100% HAMFI

The City’s Regional Housing Needs Assessment (“RHNA”) allocations determined by the Southern California Association of Governments (“SCAG”) for the 5th RHNA cycle and 2014-2021 planning period include a total of 80 units (see table on right). RHNA allocations are based on Area Median Income for Los Angeles County as established by HCD.

City of Avalon – RHNA Allocations
(2014-2021)

Income Group	% of County AMI	Units Allocated	% of Total Allocation
Very Low ¹	0-50%	20	25%
Low	51-80%	12	15%
Moderate	81-120%	14	18%
Above Moderate	>120%	34	43%
Total		80	100%

¹ State law allows local jurisdictions to use 50% of the very low income category to represent households of extremely low-income (<30% of AMI).

Of the City’s existing 127 affordable units, 50 very low and low income units are at-risk. The units are located in the Tremont Street Apartments and have a Section 8 contract that is scheduled to expire in August 2016. The project includes 10 one-bedroom units, 37 two-bedroom units, and 15 three-bedroom units.

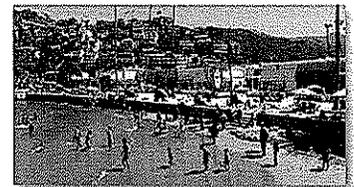
About the Funds

The Authority is seeking to make more than \$5 million in funding available for the acquisition, development, rehabilitation, or preservation of housing affordable to lower income households. Approximately \$4.1 million of those funds are taxable housing bond proceeds transferred to the Authority following the dissolution of the former Avalon Community Improvement Agency (“ACIA”). Almost \$1.3 million is also available to the Authority in the form of loan receivables and deferred revenue (e.g., Supplemental Educational Revenue Augmentation Fund loan repayment, down payment assistant program loan repayments). Additional funding could become available if the Authority chooses to dispose of some or all of its real property assets, which total \$4.25 million in book value. The transfer of these housing assets by the ACIA to the Authority was approved by California Department of Finance in 2012. Consistent with state Redevelopment Dissolution Law, housing bond proceeds are not subject to the expenditure requirements and limitations imposed by SB 341 (Chapter 796, Statutes of 2013). Receivables and housing assets in the Authority’s Low and Moderate Income Housing Asset Fund, however, are subject to the statutory requirements of SB 341.

About the City’s Community Development Goals

In addition to meeting the City’s RHNA targets and spending the funds in accordance with local and state requirements, the City’s community development goals for this NOFA include:

- Housing Choices for Growing Market Segments:** Expanding housing choices for not only different income groups, but also for existing and future individuals and households in different life stages and market segments of the community seeking high quality housing in neighborhoods with access to goods and services.
- Supporting Tourism:** For obvious reasons, a jobs-housing balance is more important on the Island than in any other California community. Providing quality housing affordable to Avalon’s tourism workforce and related service industries advances the City’s economic development goals and creates a healthier, balanced community.
- Maintaining and Enhancing Community Character:** The 2030 General Plan emphasizes the City’s priority to maintain “the community qualities that make Avalon a healthy, small town island community that is characterized as a quaint, unique, and ecologically sensitive tourist destination.



Developing on the Island

Developing on the Island is unique, not only because of the requirement to transport building materials to the Island, but also because of land ownership on the Island. Much of the land in Avalon is owned by the Santa Catalina Island Company ("Island Company"). Please refer to Appendix C of the 2030 General Plan for an initial inventory of properties that may be suitable for housing development in Avalon. However, close coordination with the City/Authority and Island Company will be necessary to identify and evaluate candidate sites for any project assisted through this NOFA. Through this NOFA, the Authority is seeking to select a qualified development team who can collaboratively partner with the City/Authority and Island Company to develop a Class A affordable housing project.

SELECTION CRITERIA

Development Team Qualifications

Qualified development teams should possess relevant expertise and project experience, including project funding and financing, predevelopment activities, entitlement processing, development and construction management, and, if applicable, property management. Qualified development teams should also possess a working understanding of state laws governing the dissolution of redevelopment agencies, including legislation affecting the expenditure of housing funds and disposition of former redevelopment agency properties.

Financial Capacity & Capability

Qualified development teams should demonstrate an ability to secure and leverage equity, lending, tax credits, and/or other public and private funding sources for predevelopment and development of a high quality project.

Alignment with Community Goals

Qualified development teams should have a clear grasp of the City's vision, goals, and policies for housing and economic development, and possess the ability to execute the development of a project that is aligned with the vision, goals, and policies, including, but not limited to, the 2030 General Plan, 2014-2021 Housing Element. Visit the City's web site for more information at www.cityofavalon.com.

Project Design, Compatibility, and Sustainability

The proposed project should be located, site planned, and designed to be compatible with the existing scale and character of the community. The project should incorporate green building design elements, particularly water conservation technology, above and beyond Title 24 CALGreen standards.

Project Readiness & Economic Viability

Qualified development team should demonstrate the financial and organizational capacity to carry out predevelopment and development activities within reasonable timeframes of a performance schedule. A firm understanding of the unique development process and requirements on the Island indicates project readiness and is desirable. Proposed project proposals should demonstrate market viability and economic feasibility, and provide a sound financing plan for securing and leveraging various public and private funding sources to finance the project.

Project Eligibility & Affordability

Qualified project proposals, including affordability levels, should be consistent with local and state requirements for the expenditure of the Low and Moderate Income Housing Asset Fund monies, if such funds are required for the project. Projects should be at least 50 units in size, although a high quality project of less than 50 units may be considered. Mixed use and mixed income projects are eligible, but only the affordable housing portion of the project is eligible for financial assistance through this NOFA. Affordability covenants of 45 years for for-sale units and 55 years for rental units are expected.

Community Benefit

Qualified project proposals should include onsite and/or offsite improvements with features that offer additional community benefits and amenities, such as community centers, playgrounds, parks, public gathering spaces, connectivity to walking/biking trails, etc.

SUBMITTAL REQUIREMENTS

Transmittal Instructions

Five (5) hardcopy sets of submittals should be submitted to the Authority by no later than **3:00 p.m. on Wednesday, June 1, 2016**. One electronic copy should also be provided on a portable storage device or via electronic transmittal (e.g., e-mail, Dropbox).

Submittals should be mailed or delivered to:

City of Avalon
ATTN: Denise Radde, Interim City Manager
410 Avalon Canyon Road
P.O. Box 707
Avalon, CA 90704

Submittal Contents

Cover Letter

A cover letter introducing the development team, identifying the project manager, describing the project proposal, and a primary contact person for the development team, including name, title, address, e-mail, and phone.

Statement of Qualifications

A statement of qualifications containing a detailed profile of the development team, including, but not limited to: (1) overview of development entity; (2) identification/description of equity partners; (3) biographies of team members, including roles/assignments; (4) profiles of recent relevant projects (e.g., scope, location, construction value, price/rent ranges, development team), with public agency references and staff contact information; and (5) documentation of the team's financial capacity and ability to undertake the proposed project.

Conceptual Project Proposal

A conceptual project proposal, including, but not limited to: (1) a project description with a narrative summary of the project proposal, including location (site control is not required) and project elements/amenities; (2) a summary of the team's design concept, including preliminary site plans, elevations, and renderings, if available; and (3) a description of how the project will meet the community's housing needs and the City's community development goals.

Market Review, Gap Analysis, and Financing Plan

A review of the market demand, gap analysis, and financing plan for the conceptual project proposal containing: (1) a preliminary review of the market viability of the conceptual project proposal; (2) a financial pro forma analysis and gap analysis identifying the level of financial assistance needed from the Authority, including assumptions used in the analysis; and (3) an identification of proposed funding sources for the project (e.g., private equity, Authority housing funds, tax credits, grants, financing). The submittal should describe how the Authority housing funds would be used (e.g., property acquisition, predevelopment, development).

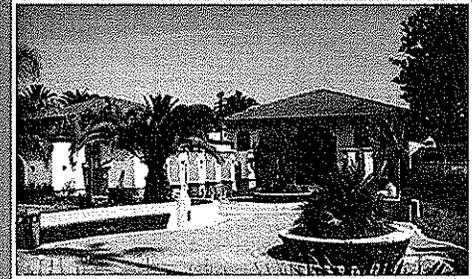
Schedule

A preliminary schedule of predevelopment and development activities, including due diligence, acquisition, project design and entitlement, CEQA, permitting, construction, and project completion.

SELECTION PROCESS & SCHEDULE

Selection Process

Submittals will be reviewed and evaluated by Authority staff and consultant representatives based on the selection criteria described in this NOFA. During the evaluation process, Authority staff and/or consultants may contact the development team to request additional information or documents pertinent to the selection criteria and submittal requirements. Based on the evaluations, Authority staff and/or consultants may request interviews with one or more development teams. Upon selection of one or more development teams, Authority staff and/or consultants will begin preparation of the appropriate agreements.



Catalina Island is a national treasure. Its interior and waters provide a unique and interesting natural environment. The Catalina Island Conservancy is the primary steward of these resources.

Schedule

The tentative schedule for this NOFA process is provided below. The City will be hosting an informational conference call to provide an overview of this NOFA and answer clarifying questions from prospective development teams. To participate in the conference call, please send an e-mail to Elizabeth.Hull@bbkllaw.com with contact information (name, title, company, phone number, e-mail address) for representatives from your organization that will participate on the call. An e-mail with the date, time, and dial-in instructions for the conference call will be sent to participants in advance. For procedural or administrative questions about the NOFA process and schedule, please call (949) 263-2608. For more substantive, technical questions about the information contained in this NOFA, please plan on participating on the informational conference call.

Milestone	Tentative Dates
NOFA Release	Friday, April 8, 2016
Informational Conference Call	To be announced
Submittal Deadline	Wednesday, June 1, 2016 at 3 p.m.
Development Team Evaluation and Selection	Thursday, June 2, 2016 – Friday, June 24, 2016