



111 E. COMMERCIAL STREET
WILLITS, CALIFORNIA 95490
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WILLITS CITY COUNCIL
AGENDA – SPECIAL MEETING
FEBRUARY 9, 2012 ♦ 6:00 P.M. ♦ COUNCIL CHAMBERS

1. **Opening Matters** – a) Call to Order; b) Roll Call
2. Discussion and Possible Action Regarding Franchise Agreement Between Solid Waste of Willits, Inc., and the City of Willits
3. Discussion and Possible Action Regarding Preparation of Carryout Bag Ordinance and Related Environmental Impact Report
4. Discussion and Possible Action to Approve Railroad Avenue Rehabilitation Project Construction Contract Change Orders No. 5 thru 8, with Mendocino Construction Services, in the Net Amount of \$34,225.73
5. Discussion and Possible Action to Adopt Resolution Accepting the Construction Completion of the Railroad Avenue Bridge Rehabilitation Project, Contract No. 2010-03 and Authorizing the Filing of the Notice of Completion
6. Discussion and Possible Action to Adopt Resolution Electing to Become the Successor Agency to the Community Development Agency of the City of Willits Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code
7. Discussion and Possible Action to Authorize Advertisement of Request for Proposal for Private Airport Management Services at Willits Municipal Airport (Ells Field)
8. Discussion and Possible Action to Nominate Two Willits City Council Members to the Indian Gaming Local Community Benefit Committee (CBC)
9. **Closed Session**
 - a. Conference with Legal Counsel Pursuant to Government Code §54956.9 – Existing Litigation: People of the State of California and the City of Willits v. Remco Hydraulics, Inc., et al. (United States District Court – Northern District of California, Case No. C-96-6283 SI 12/22/2000)
 - b. Conference with Legal Counsel Pursuant to Government Code §54956.9 – Existing Litigation: Brooktrails Township Community Services District, a Public Agency vs. City of Willits, a General Law City; and DOES 1 through 100, Inclusive; Case No. SCUJ CVG-1056037
10. **Adjournment**

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Willits City Hall, located at 111 East Commercial Street, Willits, California, not less than 24 hours prior to the meeting set forth on this agenda.

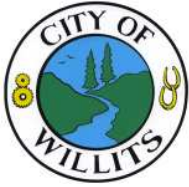
*Dated this 3rd day of February, 2012.
Adrienne Moore, City Clerk*

AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE

The meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and need disability-related modifications or accommodations to participate in this meeting, please contact Adrienne Moore at (707) 459-7120 or Fax (707) 459-1562. Requests for such modifications or accommodations must be made at least two full business days prior to the meeting.

ADDITIONAL MEETING INFORMATION FOR INTERESTED PARTIES

Materials related to an item on this Agenda submitted to the Willits City Council, Planning Commission, or Community Development Agency after distribution of the agenda packet are available for public inspection at City Clerk's office at 111 E. Commercial Street, Willits, during normal business hours.



Item No. 2

Meeting Date: February 9, 2012

AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Paul Cayler, City Manager

Agenda Title: DISCUSSION AND POSSIBLE ACTION REGARDING FRANCHISE AGREEMENT BETWEEN SOLID WASTE OF WILLITS, INC., AND THE CITY OF WILLITS

Type: Presentation Consent Special Meeting Public Hearing Urgent Time: 20 min.

Summary of Request: Please find attached a Memorandum to the Willits City Council wherein the solid waste franchise agreement between Solid Waste of Willits, Inc. (SWOW) and the City of Willits is discussed in detail. The purpose of this report is to present information to the City Council on its options for future of this franchise agreement. SWOW is a long time partner to the City of Willits. SWOW has been an innovative leader in recycling and source reduction. The City receives few complaints about the service provided by SWOW. There are a couple of important deadlines approaching in the next two years for which the City Council must make decisions. The attached report sets forth the City's alternatives for action.

Recommended Action: The City Manager recommends that the City Council adopt Alternative No. 3, wherein the City Council directs: 1) Send a questionnaire to residents and businesses in the water bill asking about trash and recycling service; 2) Appoint an ad-hoc committee of the Council to prepare a list of changes that the City would seek in a new contract, and bring to Council for discussion; 3) Authorize the City Manager to negotiate a proposed new contract based on the City Council's objectives; and 4) Bring proposed new contract to City Council for consideration.

Alternative(s): 1) Do nothing and permit franchise to automatically extend 10 years; or 2) Engage in a process to obtain competitive proposals.

Fiscal Impact: The exact impact of renegotiation of the solid waste franchise is unknown, however solid waste and recycling services in Willits is a considerable expense that impacts all economic sectors and the City's general environmental health and well being.

Personnel Impact: This is a major new project for which the City Manager and City Council will be deeply engaged. The City Manager will be looking to ongoing assistance and advice from MSWMA through this process.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____



Memorandum

To: Honorable Mayor and Council Members
From: Paul Cayler, City Manager
Date: January 27, 2012
Subject: Report on Solid Waste of Willits, Inc. (SWOW) Franchise Agreement

The purpose of this memorandum is to set forth the background of the City's Solid Waste Franchise Agreement with Solid Waste of Willits, and to further discuss the Council's options for the future of the agreement. As presented in the report, the City faces a number of important decisions in the next 22 months.

The most recent franchise contract with Solid Wastes of Willits, Inc. (SWOW) took effect on November 1, 2000, and will expire on October 31, 2015. Unless the City gives written notice between October 31, 2012 and October 31, 2014, the contract will automatically renew for an additional 10 years.

It is prudent for both the franchised hauler and the City to examine the contract well in advance of its expiration date. This is the usual practice for municipal waste franchise contracts. An early start to the process gives the City the best opportunity to obtain any desirable changes and weigh all options.

There are three general alternative approaches available to the City:

Alternative 1: Do nothing and allow contract to automatically extend for 10 years

This alternative would bind SWOW to the existing rates and services, without any increases beyond the annual rate adjustment mechanism. The City would lose its role as a contracting party with the County and Fort Bragg for use of the Willits Transfer Station, since the existing Willits Transfer Station contract expires in 2015, unless SWOW agreed to grant the City the same option to extend that it has given the County of Mendocino and the City of Fort Bragg. The City may not absolutely need to remain a party to the Willits Transfer Station contract, since the franchise contract and City use permit together give the City protection concerning rates and operational issues.

The disadvantage of doing nothing is that the City would be unable to secure any improvements in rates or services that might otherwise be available.

Alternative 2: Obtain competitive proposals

Putting a franchise contract out for competitive procurement is the best way to determine the market price for the service. While competitive procurement for franchise contracts is rare in Mendocino County. It was used by the City of Fort Bragg in 2007 and the County of Mendocino in 2006 for the South Coast franchise area. The City of Willits franchise agreement hasn't been competitively procured in the past 25 years.

The usefulness of competitive procurement depends on the availability of qualified proposers to compete. SWOW obviously has major advantages as the incumbent solid waste hauler with an operations base and numerous other solid waste franchise agreements in Mendocino County. However, competition still exists in the solid waste industry. Eel River

Disposal has recently contacted Mendocino County officials seeking information on franchise agreements it could bid on. C&S Waste Solutions of Ukiah, while a business partner with SWOW in certain activities, has also been a competitor to SWOW in some competitive procurements. C&S has a nearby operations base in Ukiah and could expand to Willits with little difficulty. It is noteworthy that until the 1990's, the same company provided waste collection services to both Ukiah and Willits.

Another potential bidder is USA Waste of California, dba Empire Waste Management, which holds the franchise contracts for Fort Bragg and County Franchise Area No. 2.

Alternative 3: Negotiate a new contract with SWOW

It is customary for a municipality to first conduct negotiations with its existing hauler, if there is a general satisfaction with the rates, service, and working relationship. SWOW has performed remarkably in growing from a very small trash collector into a diversified full-service solid waste management company during the past 20 years, and Willits has clearly benefited. The City's legal and financial obligations extend only to its ratepayers, not to SWOW. A negotiation for a franchise agreement extension should be based on a clear set of objectives regarding rates and services.

A. Rates

The actual cost of providing collection services is not perfectly known to local governments without testing the marketplace through competitive procurement. There are methods of rate examination through a negotiated process that compare and benchmark rate in order to determine that rates are "fair". There are large and inexplicable variations in rates between jurisdictions, and within a jurisdiction's own rate schedule, which can only be explained by historical circumstances and past rate setting philosophies. The fundamental factors which determine rates include:

1. The size and density of the collection area. (More customers per square mile and more customers in total).
2. The proportion of commercial customers to residential customers. (Generally residential rates are subsidized by commercial revenue, and often residential service is provided at a loss).
3. The amount of the franchise fee imposed by the local government.
4. The proximity to disposal and processing facilities and their tipping fees.

Therefore rates in Ukiah, with its dense residential population of 15,000 and large commercial sector, are naturally the lowest in the County, even though Ukiah's franchise fee of 18% of revenue is among the highest.

A comparison of Willits' rates to surrounding jurisdictions appears in the table below:

Selected trash rates per month for weekly service, effective 1/1/12

	Willits Includes 12% franchise fee	Ukiah Includes 18% franchise fee	Brooktrails Includes 7% franchise fee	Fort Bragg Includes 21% franchise fee
20 gallon cart, residential	\$12.23	\$9.92	\$24.08	\$18.89
35 gallon cart, residential	\$21.63	\$17.82	\$30.02	\$29.80
65 gallon cart, Residential	\$46.63	\$42.10	\$45.84	\$59.59
1 cubic yard, commercial	\$186.72	\$117.91	\$203.49	\$172.12
2 cubic yard, commercial	\$208.15	\$185.79	\$257.47	\$297.87
4 cubic yard, commercial	\$437.07	\$371.58	n/a	\$544.87

In its financial reports to the City, SWOW states a positive operative income (profit) equal to 12.3% of revenue in 2010 and 12.2% in 2009. By industry standards, this is a satisfactory operating ratio.

SWOW has obtained annual rate adjustments as follows:

Effective date	Rate adjustment	Reason
January 1, 2008	3.13%	CPI & Pass-through of disposal cost increase at Willits TS
October 1, 2008	1.66%	Pass-through of disposal cost increase due to fuel costs at Willits TS
January 1, 2009	5.4%	CPI & Pass-through of disposal cost increase at Willits TS
January 1, 2009	2.0%	Special 1-year fuel cost increase allowed by contract amendment
January 1, 2010	-2.79%	Expiration of temporary fuel cost increase; negative pass-through of Willits TS rate decrease
January 1, 2011	1.70%	CPI & Pass-through of disposal cost increase at Willits TS
January 1, 2012	4.08%	CPI & Pass-through of disposal cost increase at Willits TS

The cumulative increase from 1/1/2008 to 1/1/2012 is **16.0%**. This compares to an increase in the San Francisco Bay Area consumer price index (CPI) of **7.5%** over the same period. This indicates that there may be a fundamental bias in the rate adjustment method, since both the franchise contract and Willits Transfer Station rates are supposed to be tied directly to the consumer price index. This should be examined. In SWOW's new County franchise contracts in 2010, the rate mechanism was revised to break the rate into three components and adjust each separately according to relevant indexes or actual pass-through costs.

B. Service

The City doesn't receive any significant number of complaints concerning SWOW's quality of service or billing practices.

A survey of City residents and businesses could be made to identify any problems that need correction or desirable new services. This could be done by inserting a questionnaire in the water bill.

C. Waste diversion

Willits is barely compliant with the state's 50% waste diversion mandate, according to the most recent calculations of the Mendocino Solid Waste Management Authority. The state recently adopted a new law setting a policy goal of 75% diversion by 2020. Continued effort to increase diversion is advisable to comply with the state's goals, to control the city's waste management costs, and to promote environmental quality.

The most important recyclable material which isn't currently accepted in Willits is food waste. Depending on the community, food waste is estimated at between 10 and 20 percent of solid waste. Progress in diversion of food waste is being made all over California, with most Bay Area cities now providing a program. In Mendocino County, residents can put food waste in their curbside green waste bins in Fort Bragg and the unincorporated area served by Empire Waste Management. The mixed food waste and yard waste is hauled to Cold Creek Compost, which obtained a modification of its permit in 2009 to allow it to receive residential food waste. On December 12, 2011, Cold Creek Compost sent the City a written offer to accept yard waste, food waste, soiled paper, source separate construction and demolition waste, sheetrock and organic liquid wastes for a \$16 per ton, under a contract of any length that the City desired.

Willits' current franchise contract defines and lists "Recyclable materials" and states that the list shall include "any other item(s) which City shall from time to time designate." Accordingly, the City could direct SWOW to add food waste as a recyclable to be collected curbside. This should be a topic for negotiation with SWOW, however, because SWOW is a partner in a small composting site southeast of Ukiah which isn't permitted to accept food waste.

Other recyclables should be considered, such as shrink wrap plastic. The status of SWOW's recycling program for commercial customers and particularly the more difficult sector, multifamily apartment complexes, should be reviewed.

On December 7, 2011, an MSWMA representative surveyed the disposal and recycling arrangements at 21 Willits businesses, and found adequate recycling bins or carts at 18.

Recommended action

If the Council would like to pursue "Alternative 3" as described in this report (negotiation for new contract with SWOW), the following steps are recommended:

1. Send a questionnaire to residents and businesses in the water bill asking about trash and recycling service.
2. Appoint an ad-hoc committee of the Council to prepare a list of changes that the City would seek in a new contract, and bring to Council for discussion.
3. Authorize the City Manager to negotiate a proposed new contract based on the City Council's objectives.
4. Bring proposed new contract to City Council for consideration.

(The City Manager recognizes the assistance and advice of Mike Sweeney, General Manager, Mendocino Solid Waste Management Authority, in the preparation of this report.)

February 1, 2012

Paul Cayler
City Manager
City of Willits
111 E. Commercial St.
Willits, CA 95490

Re: Response to Memo Dated January 27, 2012

Dear Paul,

In response to your Memo to the Willits City Council regarding a report on Solid Wastes of Willits, Inc. (SWOW) franchise agreement, I have provided below questions and comments.

1. **Comment. Alternative 2: Obtain competitive proposals.** "Putting a franchise contract out for competitive procurement is the best way to determine the market price for the service. It was used by the City of Fort Bragg in 2007 and the County of Mendocino in 2006 for the South Coast franchise area." The competitive procurement for the City of Fort Bragg brought forward only two bidders-SWOW and the then current contractor Waste Management. Waste Management actually did not submit a bid as directed by the Request for Proposal process and claimed as contractor for the City they did not have to abide by those procedures. SWOW's bid was 14% lower than a letter bid by WMI but the City chose to remain with WMI with higher rates. The competitive procurement for the County of Mendocino for the South Coast franchise area in 2006, SWOW was the only company to provide a bid.
2. **Comment. A Rates.** The franchise fee for the City of Ukiah is 15% with 3% fee for billing, not 18%.
3. **Comment. A Rates.** The cumulative increase in collection rates from 1-1-2008 to 1-1-2012 is 13.18% not 16%, as the 2% fuel charge January 1, 2009 expired and the rates were decreased by 2% the next year. The contract uses the cost-of-living adjustment (COLA) of US City Averages and not the San Francisco Bay Area. The cumulative increase to collections rates from 1-1-2008 to 1-1-2012 from COLA was 11.52% not 7.5%. The 11.52% is compared to overall increase of 13.18%.
 - 2008 – 2.43% COLA
 - 2009 – 4.86% COLA
 - 2010 – 0.00% COLA
 - 2011 – 0.99% COLA
 - 2012 – 3.24% COLA

ONE-STOP RECYCLING & DISPOSAL TOO!

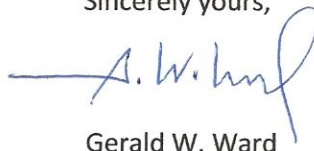
4. **Comment. C Waste diversion.** SWOW is to provide food waste diversion within the unincorporated area surrounding Willits by January 1, 2013 under its new franchise with the County of Mendocino. SWOW will be providing the City a similar plan for food waste diversion before this year end. This will show our continued efforts to divert recyclable materials, to meet new policy goals of 75% by 2020 and continue the viable operation of SWOW's permitted composting facility that has composted Willits green waste for the past 15 years. In addition, last year SWOW hired two additional employees to screen and remove recyclable material from the solid waste transfer station tipping floor that can be processed in SWOW's recyclable material processing facility. Substantial material has been removed from the floor that would otherwise been disposed of at the landfill.
5. **Question. C Waste diversion.** Can you please provide the name and location of the three Willits businesses that did not have recycling carts or bins so we can provide a follow up?

Paragraph 2 – Renewal of Contract states the Contract shall be automatically extended for an additional ten (10) year term, unless the City provides Contractor with not more than three (3) years or less than one (1) year written notice prior to the expiration date (October 31, 2015). As of the date of this letter, we are 8 months away from the beginning of the three year expiration date and two additional years for the City to provide written notice. SWOW does not understand the urgency in beginning negotiations when we are months away from at least the three year notice period. We request negotiations be postponed to at least October 1, 2012. Based on fairly recent contract negotiations with Contractors with the County of Mendocino, City of Fort Bragg and the very recent City of Ukiah franchise, using these agreements as a guide, negotiations, should the City Council wish to pursue negotiations, will provide ample time to provide a contract based on the City's objective. The additional time will allow the City to survey Willits businesses and residents on the desired solid waste and recycling services or any problems. If the Council wishes to obtain competitive proposal, we are certainly too early at this time to begin this process.

Thank you for allowing us to respond. I look forward to working with the City of Willits and providing the quality services that the City residents and businesses have come to expect.

If you have any questions or need any additional information please contact me at your earliest convenience.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "A. W. Ward", written over a horizontal line.

Gerald W. Ward

GWW/jw



Item No. 3

Meeting Date: February 9, 2012

AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Paul Cayler, City Manager

Agenda Title: DISCUSSION AND POSSIBLE ACTION REGARDING PREPARATION OF A CARRYOUT SHOPPING BAG ORDINANCE AND RELATED ENVIRONMENTAL IMPACT REPORT

Type: Presentation Consent Special Meeting Public Hearing Urgent Time: 20 min.

Summary of Request: At the City Council meeting of January 25, 2012, Councilmember Hanson asked that a potential Carryout Shopping Bag Ordinance be placed on the City Council's agenda for review and consideration to direct further work. Please find attached an email from Mike Sweeney, General Manager, Mendocino Solid Waste Management Authority (MSWMA), wherein he writes about the status of Carry Out Shopping Bag Ordinances in the State of California and Mendocino County. The email outlines key points of said ordinances and presents options for ordinance development. Also attached is the draft ordinance under consideration by the City of Fort Bragg. An Environmental Impact Report (EIR) is recommended for ordinance adoption. Mr. Sweeney has offered to prepare the EIR for Willits if the ordinance is pursued.

Recommended Action: The City Manager recommends that the City Council discuss this issue and seek community input.

Alternative(s): 1) Direct City staff to work with MSWMA to develop a Carryout Shopping Bag Ordinance according to the model used in Fort Bragg or some variation thereof; 2) Refer the matter to committee for more study; or 3) Disregard proposed ordinance.

Fiscal Impact: Unknown.

Personnel Impact: The proposed ordinance calls for the City Manager, or his designee, to be authorized to take any action to enforce the ordinance as an infraction.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____

From: Mike Sweeney [sweeney@pacific.net]
Sent: Thursday, January 19, 2012 12:14 PM
To: Paul Cayler
Subject: bag update
Attachments: Fort Bragg ordinance 10 24 11.doc

Paul,

Here's the overall situation on bag ordinances:

Fort Bragg has issued a draft EIR on their proposed bag ordinance and will hold a public hearing January 23. Two comments were received on the DEIR: objections from the Save the Plastic Bag Coalition (the industry-funded entity that is resisting all bag ordinances) and support from the Water Quality Control Board.

Ukiah and the County have both authorized MSWMA to prepare EIR's, which are at the administrative draft stage.

All three ordinances are very similar and the three jurisdictions have been communicating with the objective of keeping them as identical as possible. Attached is the Fort Bragg ordinance, which may have several changes before final adoption, on the points I note below.

The movement to ban the plastic carryout bag appears to be picking up momentum both in the state and nation. San Jose, Santa Clara County, and Marin County all implemented ordinances on January 1. Numerous other local

governments are moving ahead, as enumerated at www.plasticbaglaws.org/legislation/state-laws/california-2/ [other pages on this website provide lots of info]

There are a variety of motives for the bag bans. The most compelling single problem of plastic bags, in my mind, is litter. The plastic shopping bag has been described as an "urban tumbleweed" because of its tendency to be blown everywhere. If nobody littered, it wouldn't be such an issue. As light plastic, the bags break down into smaller pieces that persist in the environment and impact wildlife.

The key points of the local ordinances are:

1. Single-use plastic carryout bags (the ones issued at checkout) are banned at supermarkets, large drug and drive-up fast food effective 180 days

after ordinance adoption; and at all other retail stores 545 days after ordinance adoption. The phased implementation will take advantage of the known immediate willingness of the large corporate outlets to comply and promote the law, which will get the public into the habit of reusable bags and make the transition easier for smaller stores.

2. The stores can give out single-use PAPER bags but must charge a minimum of 10 cents each, or a lesser amount if documented by actual cost

disclosure. The purpose of the charge is to end the subsidy which is built into merchandise prices for free bags, so that people with reusable bags aren't forced to subsidize waste. The 10 cent charge merely covers the store's cost of the bag. Experience has shown that even a modest charge for the bag functions as a strong incentive to get shoppers to bring their own reusable bag, which is the ultimate goal of the ordinance.

Two points in the existing local ordinances may be subject to reconsideration:

1. The option to allow stores to charge less than 10 cents for each paper bag if they can document lower actual cost to purchase, handle and distribute the bag. This appears only in the Mendocino County and Santa Monica ordinances, nowhere else. This option was inserted as a way of emphasizing that the 10 cents isn't a government tax but only a mandatory cost-recovery by the store. The option could help establish that the 10 cent charge isn't subject to Proposition 26 as a government tax or fee. The Hilex Corporation, a leading plastic bag maker, has sued Los Angeles County's bag ordinance on Proposition 26 grounds. The local government position is that the 10 cents isn't subject to Proposition 26 because government doesn't touch the money; it is retained by the store to cover the

cost of the bag. The San Jose city attorney has written a memo making this point and providing relevant precedents. The LA County case should be heard

soon. Meanwhile, the Save the Plastic Bag Coalition has objected to the Fort Bragg ordinance with the claim that the actual cost of the paper bags would be less than 10 cents, so the effect of the charge in motivating shoppers to bring their own bag wouldn't be as great as the EIR claims. My

recommendation to Fort Bragg will be to delete the option so that it is a fixed minimum charge of 10 cents. The LA County case will settle the Proposition 26 issue, one way or another.

2. Including restaurant take-out bags in the ban. Only a few jurisdictions

have done so. The Save the Plastic Bag Coalition is fighting on this point, and has recently sued Santa Cruz County on it but says it will drop its lawsuit in exchange for removal of restaurants from the scope of the ordinance. The Coalition claims that regulation of restaurant takeout bags is preempted by the state's health & safety code's overall regulation of food service. The Coalition has explicitly threatened Fort Bragg on this point. I am dubious that there is actual state preemption, and I have suggested that the county counsel or city attorneys investigate the issue. Thus far I haven't heard anything from them. If Santa Cruz makes the deal with the Coalition, that would leave Mendocino County jurisdictions as first

in line to have to litigate this point. It is an important issue because plastic take-out bags from such drive-up restaurants as Taco Bell and Subway

are frequently found in litter.

In summary, it appears to me that Fort Bragg, Ukiah and the County will

adopt ordinances by the end of the year. I'm sure that they would enthusiastically welcome the participation of Willits in this effort, but it

isn't a critical roadblock since there are no major stores on the outskirts of Willits that would suffer a competitive disadvantage from a bag ban that didn't apply to their competitors inside the city. [This is an issue with the Raley's supermarket on the outskirts of Ukiah].

MSWMA is available at no cost to modify the Fort Bragg-Ukiah-County EIR to serve for Willits. An EIR is somewhat "CEQA overkill" on this issue, but it

is being used to prevent the kind of CEQA lawsuit that the Coalition filed against various jurisdictions that used either a categorical exemption or negative declaration. CEQA has a low threshold to require an EIR for a "project," but once an EIR is done with proper scope and procedure, it is very difficult to challenge successfully. Significantly, the Coalition hasn't sued any of the EIRs that were prepared by San Jose, Santa Monica or LA County, while it sued Manhattan Beach unsuccessfully against a negative declaration, and is currently in court against Marin County's categorical exemption.

Mike

DOCUMENT REVIEWED BY:

City Clerk _____

City Attorney _____

BEFORE THE CITY COUNCIL OF THE CITY OF FORT BRAGG

**AN ORDINANCE ADDING CHAPTER 6.26
(DISPOSABLE BAG REDUCTION) TO
TITLE 6 (HEALTH AND SANITATION) OF
THE FORT BRAGG MUNICIPAL CODE**

ORDINANCE NO. ____-2012

WHEREAS, scientific evidence has shown that the use of all single-use shopping bags (plastic, paper, biodegradable) has negative environmental impacts, including greenhouse gas (GHG) emissions, litter, harm to wildlife, ground-level ozone formation, atmospheric acidification, water consumption and solid waste generation; and

WHEREAS, there are retail establishments in the City of Fort Bragg ("City") which provide single-use, disposable carryout bags to their customers; and

WHEREAS, many of these single-use carryout bags are made from plastic or other material that does not readily decompose; and

WHEREAS, billions of single-use plastic bags are used annually in California and less than 5% of these bags are recycled; and

WHEREAS, studies have documented the prevalence of single-use plastic carryout bags littering the environment, blocking storm drains and fouling beaches; and

WHEREAS, scientific evidence has shown that plastic bags are a significant source of marine debris and are hazardous to marine animals and birds which confuse single-use plastic fragments for a source of food resulting in injury and death to birds and marine animals; and

WHEREAS, of all single-use bags, single-use plastic bags have the greatest impacts on litter and marine life; and

WHEREAS, single-use paper bags result in greenhouse gas emissions, atmospheric acidification, water consumption, and ozone production; and

WHEREAS, from an overall environmental and economic perspective, the best alternative to single-use plastic and paper carryout bags is a shift to reusable bags; and

WHEREAS, there are environmentally superior and economically feasible alternatives to single-use carryout bags readily available; and

WHEREAS, an important goal of the City is to procure and use sustainable products and services; and

WHEREAS, the City recognizes carryout bag regulation is a matter of statewide interest and concern that is best applied uniformly throughout the state; however in the absence of

statewide regulation, the City Council finds that it is in the best interest of the City and its residents to regulate carryout bags as described herein; and

WHEREAS, it is the desire of City to conserve resources, reduce the amount of waste, litter and marine pollution that are attributable to the use of single use bags, and to protect the general health and welfare of the public as well as to protect wildlife, all of which activities increase the quality of life for the Fort Bragg residents and visitors; and

WHEREAS, studies document that banning plastic bags and placing fees on paper bags will dramatically reduce the use of both types of single-use bags.

NOW, THEREFORE, the City Council ordains as follows:

Section 1. Legislative Findings. The City Council hereby finds as follows:

1. While the City Council recognizes carryout bag regulation is a matter of statewide interest and concern that is best applied uniformly throughout the state, in the absence of statewide regulation, it is in the best interests of the City and its residents for the City to regulate carryout bags as described herein.
2. The regulation of single-use carryout bags as proposed herein promotes the general health and welfare of the public by reducing the amount of waste, litter and marine pollution that are attributable to single use bags.
3. ADD CEQA FINDINGS (Pending completion of EIR process)

Section 2. Chapter 6.26 entitled DISPOSABLE BAG REDUCTION is hereby added to Title 6 of the Fort Bragg Municipal Code as follows:

“CHAPTER 6.26: DISPOSABLE BAG REDUCTION

Section

- 6.26.010 Definitions
- 6.26.020 Carryout Bag Regulations
- 6.26.030 Effective Date
- 6.26.040 Violations and Penalties

§ 6.26.010 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

CUSTOMER. Any person obtaining goods from a store.

PREPARED FOOD. Foods or beverages which are prepared on the premises by cooking, chopping, slicing, mixing, freezing, or squeezing, and which require no further preparation to be consumed. **PREPARED FOOD** does not include any raw, uncooked meat product or fruits or vegetables which are chopped, squeezed, or mixed.

PUBLIC EATING ESTABLISHMENT. A restaurant, take-out food establishment, or any other business that receives 90% or more of its revenue from the sale of **PREPARED FOOD** to be eaten on or off its premises.

POSTCONSUMER RECYCLED CONTENT. A material that would otherwise be destined for solid waste disposal, having completed its intended end use and product life cycle. **POSTCONSUMER RECYCLED CONTENT** does not include materials and byproducts generated from, and commonly reused within, an original manufacturing and fabrication process.

RECYCLED-CONTENT PAPER BAG. A paper carryout bag provided by a store to a Customer at the point of purchase that meets all of the following requirements:

A. Contains a minimum of 40 percent postconsumer recycled content, except a 350 cubic inch or smaller recycled-content paper bag shall contain a minimum of 20 percent postconsumer recycled content

B. Is accepted for recycling in the curbside program of the City.

C. Has printed on the bag the name of the manufacturer and the minimum percentage of postconsumer content.

REUSABLE GROCERY BAG. A bag with handles that is specifically designed and manufactured for multiple reuse, does not contain lead, cadmium, or any other heavy metal in toxic amounts, and is either:

A. Made of cloth or other machine washable fabric, or

B. Made of durable plastic that is at least 2.25 mils thick and is specifically designed for multiple reuse, meaning manufactured to carry a minimum of 22 pounds for at least 125 times over a distance of at least 175 feet.

SINGLE-USE CARRYOUT BAG. A bag made of plastic, paper, or other material, that is provided by a store to a Customer at the point of purchase and that is not a Reusable Grocery Bag. A Single-Use Carryout Bag does not include (1) a bag provided by a pharmacy pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Cal. Business and Professions Code to a Customer purchasing a prescription medication; (2) a bag used by Customers before the point of purchase to (a) package bulk items, such as fruit, vegetables, nuts, grains, candy or small hardware items; (b) contain or wrap frozen foods, meat, or fish, whether prepackaged or not; (c) contain or wrap flowers, potted plants, or other items where dampness may be a problem; (d) contain unwrapped prepared foods or bakery goods; or (e) separate or protect individual items prior to placing them in a carryout bag; or (3) a newspaper bag, door-hanger bag, laundry-cleaning bag, or bag sold in a multiple package of bags intended for use as garbage, pet waste, or yard waste bags.

STORE. A retail establishment that sells perishable or nonperishable goods, licensed to do business in the City.

§ 6.26.020 CARRYOUT BAG REGULATIONS.

A. A store shall not provide a Single-Use Carryout Bag to a Customer at the point of purchase, except as provided in this section.

B. Plastic Single-Use Carryout Bags are prohibited, except that Plastic Single-Use Carryout Bags may be used by Public Eating Establishments for “take-out” food and beverages.

C. A Store, except a Public Eating Establishment, shall make Reusable Grocery Bags available for purchase by a Customer.

D. A Store may provide Reusable Grocery Bags to Customers at no cost, until 18 months after the effective date of this Ordinance, only when combined with a time-limited Store promotional program to promote the use of Reusable Grocery Bags.

E. A Store may provide to a Customer a Recycled-Content Paper Bag or a Reusable Grocery Bag upon request but shall charge the Customer, except as provided in subdivision (F), not less than 10 cents per bag.

F. A Store will not be required to charge a customer for a Recycled-Content Paper Bag of less than 250 cubic inches capacity, and a Public Eating Establishment will not be required to charge for Recycled-Content Paper Bags of less than 440 cubic inches capacity which are used for Prepared Food.

G. For any Recycled-Content Paper Bag or a Reusable Grocery Bag sold to a Customer, the amount of the sale of the bag shall be separately itemized on the sales receipt. No store shall rebate or otherwise reimburse a Customer any portion of the charge required for a Recycled-Content Paper Bag.

§ 6.26.030 EFFECTIVE DATE.

This Ordinance shall be in full force and effect for different classes of Stores as follows:

A. From and after one hundred and eighty (180) days from the effective date of this Ordinance for:

1. A full-line, self-service retail Store with gross annual sales of three million dollars (\$3,000,000) or more and which sells a line of dry groceries, canned goods, nonfood items and some perishable items; and

2. A Store with over 10,000 square feet of retail space that generates sales or use tax pursuant to the Bradley-Burns Uniform Local Sales and use Tax Law (Part 1.5 commencing with Section 7200 of Division 2 of the Revenue and Tax Code) and has a pharmacy licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code.

3. A Public Eating Establishment that has a drive-up take-out window enabling Customers to make purchases without leaving their vehicles.

B. From and after five hundred and forty-five (545) days from the effective date of this Ordinance for all other Stores.

§ 6.26.040 VIOLATIONS AND PENALTIES.

A. Any action to enforce this Ordinance shall be preceded by delivery of a written warning to the Store where a violation has occurred.

B. The owner(s) of any Store which violates this Ordinance shall be guilty of an infraction. If charged as an infraction, upon conviction thereof, said owner(s) shall be punished by (1) a fine not exceeding \$100.00 for a first violation, (2) a fine not exceeding \$200.00 for a second violation within the same year, and (3) a fine not exceeding \$500.00 for each additional violation within the same year.

C. Any violation of this Chapter 6.26 may be enforced through the administrative enforcement procedures in Chapter 6.12 of this Municipal Code. The City Manager, or his or her designee is authorized to take any and all other actions reasonable and necessary to enforce this Chapter, including, but not limited to, investigating violations, imposing administrative fines in amounts as may be established from time to time by resolution of the City Council.

D. In addition to the administrative enforcement procedures described above, the City Council may authorize the City Attorney to pursue judicial enforcement of this Chapter through a civil action.

E. A violation of any provision of this Ordinance by any person, firm or corporation shall be subject to a civil action in any court of competent jurisdiction, including the small claims court, by the City to recover any damages caused by the violation and a civil penalty of \$1,000 or 10% of actual damages, whichever is higher, for every such violation. For any willful violation, the City may recover treble damages. Nothing in this subsection shall prohibit the filing of an action as authorized herein as a class action. The prevailing party in any action filed pursuant to this subsection shall be entitled to recover its reasonable attorneys' fees to be determined by the court.

Section 3. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council of the City of Fort Bragg hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases may be held invalid or unconstitutional.

Section 4. Effective Date and Publication. This ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage. Within fifteen (15) days after the passage of this Ordinance, the City Clerk shall cause a summary of said Ordinance to be published as provided in Government Code §36933, in a newspaper of general circulation published and circulated in the City of Fort Bragg, along with the names of the City Council voting for and against its passage.

The foregoing Ordinance was introduced by Councilmember _____ at a regular meeting of the City Council of the City of Fort Bragg held on _____, 2012, and adopted at a regular meeting of the City of Fort Bragg held on _____, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

**Dave Turner,
Mayor**

ATTEST:

**Cynthia M. VanWormer, CMC
City Clerk**

PUBLISH: _____, 2012.
EFFECTIVE DATE: _____, 2012.



Item No. 4

Meeting Date: February 9, 2012

AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Paul Cayler, City Manager

Agenda Title: DISCUSSION AND POSSIBLE ACTION TO APPROVE THE RAILROAD AVENUE REHABILITATION PROJECT CONSTRUCTION CONTRACT CHANGE ORDERS NO. 5 THRU 8, WITH MENDOCINO CONSTRUCTION SERVICES, IN THE NET AMOUNT OF \$34,225.73

Type: Presentation Consent Special Meeting Public Hearing Urgent Time: 15 min.

Summary of Request: On February 23, 2011, the City Council awarded Mendocino Construction Services (MCS) the construction contract for the Railroad Avenue Bridge Replacement Project, Contract No. 2010-03, in an amount not to exceed \$629,894.00. At such time, the City Council also authorized the City Manager to approve Construction Change Orders (CCO) up to 10% of the total contract price.

On May 25, 2011, the City Council approved CCO No. 1 in the amount of \$37,120.50 and on August 10, 2011, CCO No. 2, in the amount of \$42,755.00. These two change orders brought the total contract amount to \$709,769.50. Thereafter, under his authority, the City Manager approved CCOs Nos. 3 and 4. CCO No. 3 was in the amount of \$28,000.00, bringing the contact total to \$737,769.50, and CCO No. 4 was a time extension only.

The project is now complete and the final balancing CCOs require Council approval. CCO No. 5 includes compensation to MCS, in the amount of \$70,375.98, for multiple base contract items that were over run during the course of construction, as well as some additional work. CCO No. 6 offers the City a credit, in the amount of \$31,613.52, for both base contract items and prior change order items that were under run. CCO No. 7 is also a credit in the amount of \$2,536.72, for concrete curb, gutter and sidewalk that was not installed, and CCO No. 8 is a credit in the amount of \$2,000, for grinding of the bridge decking that did not occur. The net total of these change orders is \$34,225.73, bringing the grand total for construction to \$771,995.23. Upon request, a detailed spreadsheet of each of the change orders is available for Council review.

Recommended Action: Approve Construction Contract Change Orders No. 5 thru 8, with Mendocino Construction Services, in the net amount of \$34,225.73.

Alternative(s): None recommended.

Fiscal Impact: The total cost of construction after change orders is \$771,995.23. The City was awarded a grant from Caltrans, in the amount of \$638,703.00 of which \$5,812.33 has been received to date.

There are water utilities items within the \$771,995.23 that do not qualify for Caltrans reimbursement, therefore, Staff will request reimbursement from Caltrans for reimbursable items only, up to the remaining available grant amount of \$632,890.67. The water line extension portion of the project was funded by the Redevelopment Agency and the Water Fund capital improvement fees. Any remaining balance left in the project fund 208 after these transfers, will be closed out with Half-Cent sales tax fund 202. Council should also be aware that the aforementioned amount is not inclusive of Construction Management or Design Support During Construction cost.

The total of these contracts is still unknown, as the engineering firms are still working on their portion of the project closeout. Any additional engineering costs will also be closed with a transfer-in from fund 202.

Personnel Impact: Some staff time will be needed to process the change orders.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____



AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Paul Cayler, City Manager

Agenda Title: DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION ACCEPTING THE CONSTRUCTION COMPLETION OF THE RAILROAD AVENUE BRIDGE REHABILITATION PROJECT, CONTRACT NO. 2010-03 AND AUTHORIZING THE FILING OF THE NOTICE OF COMPLETION

Type: Presentation Consent Special Meeting Public Hearing Urgent Time: 5 min.

Summary of Request: On February 23, 2011, the City Council awarded a Construction Contract to Mendocino Construction Services, Inc., for the construction of the Railroad Avenue Bridge Rehabilitation Project, Contract No. 2010-03, in the amount of \$629,894.00.

The City of Willits Engineering Department has reviewed the project and determined that it has been completed in substantial compliance with the project plans and specifications. The total cost of construction under this contract after change orders is \$771,995.23.

Recommended Action: Adopt a resolution accepting construction of the Railroad Avenue Rehabilitation Project, Contract No. 2010-03, and authorize the City Manager to file the Notice of Completion.

Alternative(s): None recommended.

Fiscal Impact: The total cost of construction after change orders is \$771,995.23. The City was awarded a grant from Caltrans, in the amount of \$638,703.00 of which \$5,812.33 has been received to date.

There are water utilities items within the \$771,995.23 that do not qualify for Caltrans reimbursement, therefore, Staff will request reimbursement from Caltrans for reimbursable items only, up to the remaining available grant amount of \$632,890.67. The water line extension portion of the project was funded by the Redevelopment Agency and the Water Fund capital improvement fees. Any remaining balance left in the project fund 208 after these transfers, will be closed out with Half-Cent sales tax fund 202. Council should also be aware that the aforementioned amount is not inclusive of Construction Management or Design Support During Construction cost. The total of these contracts is still unknown, as the engineering firms are still working on their portion of the project closeout. Any additional engineering costs will also be closed with a transfer-in from fund 202.

Personnel Impact: Staff time is needed to finalize all Caltrans paperwork and submit the final reimbursement request.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____

RESOLUTION NO. 2012-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLITS ACCEPTING CONSTRUCTION OF THE RAILROAD AVENUE BRIDGE REHABILITATION PROJECT, CONTRACT NO. 2010-03, AND AUTHORIZING THE FILING NOTICE OF COMPLETION

WHEREAS, the final inspection of the Railroad Avenue Bridge Rehabilitation Project, Contract No. 2010-03, was made by the City of Willits Engineering Department; and

WHEREAS, it was determined that the work for this project has been completed in substantial compliance with the project plans and specifications.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willits does hereby accept the work performed by Mendocino Construction Services, Inc., subject to all warranties and conditions of the contract.

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to execute the Notice of Completion on behalf of the City of Willits and the City Clerk is directed to record said Notice of Completion with the Recorder of the County of Mendocino.

The above and foregoing Resolution was introduced by Councilmember _____ seconded by Councilmember _____, and passed and adopted at a special meeting of the City Council of the City of Willits, held on the 9th day of February, 2012, by the following vote:

AYES:
NOES:
ABSENT:

BRUCE BURTON, Mayor
City Council of the City of Willits

ATTEST:

ADRIENNE MOORE, City Clerk

RECORDING REQUESTED BY:

City of Willits

AND WHEN RECORDED MAIL TO:

City of Willits

(NAME)

111 E. Commercial Street

(STREET ADDRESS)

Willits, CA 95490

(CITY, STATE, ZIP)

**NO FEE FOR GOVT. AGENCY
GOVERNMENT CODE 27383**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the OWNER or agent of the interest or estate stated below.
2. The FULL NAME of the owner is: City of Willits
3. The FULL ADDRESS of the owner is: 111 E. Commercial St., Willits, CA 95490
4. The nature of the interest or estate is: In Fee. Fee Simple
(if other than Fee, Strike "In Fee" and insert, for example, "Purchaser Under Contract of Purchase" or Lessee")
5. The FULL NAMES and ADDRESSES of all CO-OWNERS, if any, who hold any title or interest with the
aforementioned owner in the property are"

NAMES

ADDRESSES

_____	_____
_____	_____

6. A work of improvement on the property hereinafter described, was completed on: 01/15/12
The work done was (describe below): Demolition of existing bridge and replacement with C.I.P reinforced concrete bridge& abutments.
(DATE)

7. The name of contractor, of any, for such work of improvement is:
Mendocino Construction Services, Inc. 02/23/11
(NAME) (DATE OF CONTRACT)

8. The street address of said property is: Intersection of Railroad Avenue & Barbara Lane

9. The property on which said work was completed is in the: Willits Mendocino
State of California, and is described as follows: (CITY OF) (COUNTY OF)

I, the undersigned, certify, under penalty of perjury under the laws of the state of California that the foregoing is true and correct.

*Signature of owner or
owner's representative as
identified in paragraph 2.*

Paul Cayler, City Manager
(TYPED NAME)

(SIGNATURE)

(DATE)



Item No. 6

Meeting Date: February 9, 2012

AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Alan Falleri, Community Development Director

Agenda Title: DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION ELECTING TO BECOME THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF WILLITS PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE

Type: Presentation Consent Special Meeting Public Hearing Urgent Time: 5 min.

Summary of Request: As a result of AB 1X 26, the City of Willits has become the Successor Agency to the Community Development Agency as of February 1, 2012. US Bank, the custodian bank of the bond reserve funds for the 2002 Tax Allocation Bonds needs a resolution from the City Council stating that the City will be the Successor Agency before these funds can be made available to the City as the Successor Agency. Previously, staff had advised the Council that the law did not require any formal action to have the City assume the role of Successor Agency and that taking no action would automatically result in the City becoming the Successor Agency on February 1, 2012. However, because the bank will not recognize the City as Successor Agency without a formal resolution, the attached resolution is offered for the Council's review and approval.

City staff recommends that the Council formally elects the City to serve as the Successor Agency to allow the City to make future payments on the 2002 Tax Allocation Bonds out of the reserve fund.

Recommended Action: Adopt a resolution electing the City of Willits to become the Successor Agency to the Community Development Agency.

Alternative(s): None recommended.

Fiscal Impact: None.

Personnel Impact: No negative personnel impacts are anticipated.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____

RESOLUTION NO. 2012-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLITS ELECTING TO BECOME THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF WILLITS PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, the City Council of the City of Willits ("City") approved and adopted the Redevelopment Plan for the Willits Redevelopment Project ("Redevelopment Plan") covering certain properties within the City (the "Project Area"); and

WHEREAS, the Community Development Agency of the City of Willits ("Agency") has been engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, et seq.) ("CRL"); and

WHEREAS, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed , companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, a Petition for Writ of Mandate was filed in the Supreme Court of the State of California on July 18, 2011 (*California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861), challenging the constitutionality of AB 1X 26 and AB 1X 27 on behalf of cities, counties and redevelopment agencies and requesting a stay of enforcement; and

WHEREAS, on August 11, 2011, and modified on August 17, 2011, the Supreme Court stayed portions of AB 1X 26, and AB 1X 27 in its entirety during the pendency of the matter; and

WHEREAS, on December 29, 2011, the Supreme Court issued its final decision in the aforesaid litigation, upholding AB 1X 26, invalidating AB 1X 27, and extending all statutory deadlines under AB 1X 26, essentially dissolving all redevelopment agencies throughout the State effective February 1, 2012; and

WHEREAS, AB 1X 26 further provides that, upon their dissolution, any property taxes that would have been allocated to redevelopment agencies will no longer be deemed tax increment, and will be allocated first to successor agencies to make payments on the existing indebtedness of the dissolved redevelopment agencies, with remaining balances allocated in accordance with applicable constitutional and statutory provisions; and

WHEREAS, AB 1X 26 provides that successor agencies be designated as successor entities to the former redevelopment agencies, and provides that, with certain exceptions, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies, under the CRL, are vested in the successor agencies; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THERFORE, BE IT RESOLVED that the City Council of the City of Willits does hereby resolve as follows:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. In accordance with Health and Safety Code Section 34173, and based on the Recitals set forth above, the City Council hereby elects and determines that the City of Willits shall become the "successor agency" to the former Community Development Agency of the City of Willits. Upon dissolution of the Agency pursuant to Part 1.85 of Division 24 of the California Health and Safety Code, and except as provided under the CRL, all authority, rights, powers, duties and obligations previously vested with the former Agency, under the CRL, shall be vested in the City as the successor agency to the Agency.

SECTION 3. The City Council hereby authorizes the City Manager to take any action and execute any documents necessary to carry out the purposes of this Resolution, including but not limited to notifying the Mendocino County Auditor-Controller, the Controller of the State of California, and the California Department of Finance providing notice of the adoption of this Resolution and the City's election to be the successor agency to the Agency, in accordance with AB 1X 26.

SECTION 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

SECTION 6. This Resolution shall become effective upon its adoption.

The above and foregoing Resolution was introduced by Councilmember _____ seconded by Councilmember _____, and passed and adopted at a special meeting of the City Council of the City of Willits, held on the 9th day of February, 2012, by the following vote:

AYES:
NOES:
ABSENT:

BRUCE BURTON, Mayor
City Council of the City of Willits

ATTEST:

ADRIENNE MOORE, City Clerk



AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Paul Cayler, City Manager

Agenda Title: DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE ADVERTISEMENT OF REQUEST FOR PROPOSAL FOR PRIVATE AIRPORT MANAGEMENT SERVICES AT WILLITS MUNICIPAL AIRPORT (ELLS FIELD)

Type: Presentation Consent Special Meeting Public Hearing Urgent Time: 20 min.

Summary of Request: The management of Willits Municipal Airport is a challenge for existing staff. Improvements at the airport have been made, such as improved electrical service system, runway crack sealing, switching to a branded fuel vendor, clearing away old caretaker trailer, and roof leak repairs. Regardless, the airport does not receive the City staff attention that meets the users' needs. It has been identified that the airport has an opportunity for growth if marketed and promoted in a professional manner. City staff first approached this issue by attempting to negotiate a sole-source agreement with Sierra Pacific Aviation. Those negotiations were ultimately unsuccessful; however, work done on the outline of an airport management agreement was productive. Staff reformed the management agreement and added a number of advantageous provisions. The reformed management agreement and request for proposal (RFP) document have been presented to the Willits Airport Commission for review and comment. City staff is now seeking the City Council's authorization to advertise the RFP. Please find attached the RFP document, which includes the Airport Management Agreement. Final timelines for the RFP have not been established and are open to City Council input. The Airport Commission recommended 90 days in order that the RFP may be advertised in regional aviation journals. City staff believes that paragraph number three on Page 1 of the RFP sums up the objective: "The ideal candidate is an individual, business or non-profit organization with an entrepreneurial spirit that is interested in marketing the airport and growing business opportunities. The ideal candidate should be able to work with airport volunteers and general aviation advocates."

Recommended Action: Authorize the advertisement of the Request For Proposals for Private Airport Management Services at the Willits Municipal Airport (Ells Field).

Alternative(s): 1) Reject the RFP; or 2) Modify the RFP.

Fiscal Impact: The Proposed Management Agreement will permit the Manager to collect and retain all revenue generated by City owned hangar rents and fuel sales. The City will be responsible for maintaining the runaway, taxiway, apron and common use ramp.

Personnel Impact: It is hoped that this agreement will relieve City staff of routine duties at the airport while improving airport user services through a public-private partnership.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____



REQUEST FOR PROPOSALS

for

Private Airport Management Services at the Willits Municipal Airport (Ells Field)

I. Requested Service

The City of Willits is seeking sealed proposals from qualified firms or individuals to provide professional management and administrative services for the Willits Municipal Airport, commonly known as Ells Field.

This project requires a full service Manager with the ability to deliver a wide range of services including, but not limited to: primary day-to-day responsibility airport facilities management, billing and collection of rents, administration of hangar agreements, seeking other airport lessees, providing temporary pilots quarters, airport marketing, daily inspection of airport facilities, maintain aviation fuel facilities, be available during regular business hours and emergencies, provide basic pilot and aircraft services, meet with airport tenants and attend Airport Commission meetings, maintain business records, and pay applicable taxes and license fees.

The ideal candidate is an individual, business or non-profit organization with an entrepreneurial spirit that is interested in marketing the airport and growing business opportunities. The ideal candidate should be able to work with airport volunteers and general aviation advocates.

This Request for Proposal (RFP) includes a description of the scope of work for the proposed services and proposal instructions. Direct all inquiries regarding this RFP to the contact person named below. Information provided by other than the below contact should be considered invalid, and proposals which are submitted in accordance with such information may be declared non-responsive.

In the event that it becomes necessary to revise any part of this RFP, a written addendum will be issued. Any addendum to this RFP is valid only if in writing and issued by the City of Willits.

All addenda for this RFP will be distributed via email to all contact persons of the firms that have requested copies of the RFP and/or via mail.

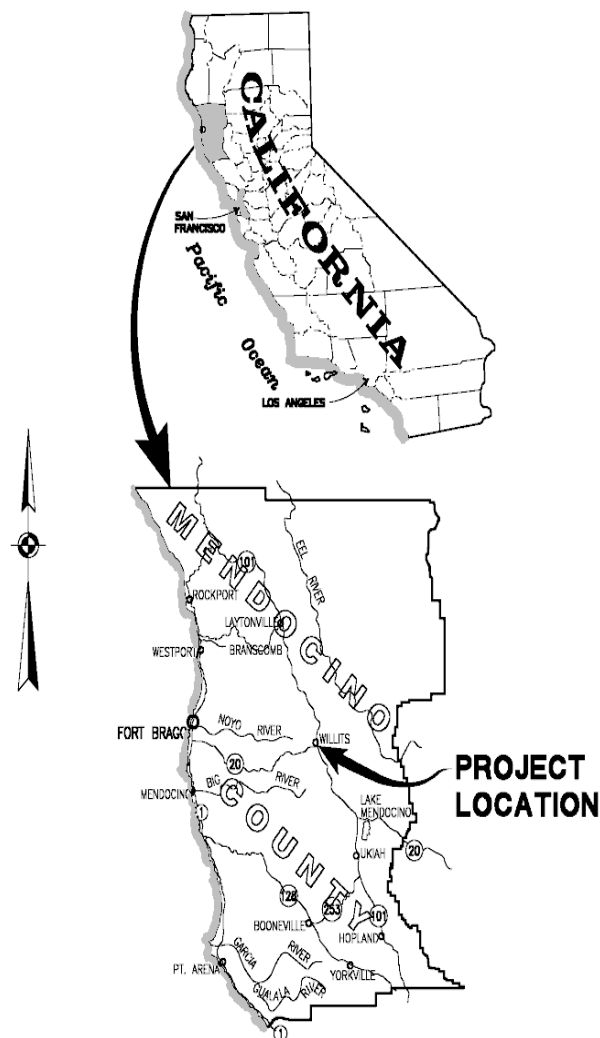
The City will respond to questions on the RFP by email through XXXXX XX, 2012. Questions should be submitted on the Proposer's Inquiry Form, as set forth in Attachment "A". Verbal communications and questions with proposers regarding the RFP will not be binding. The questions should be addressed to the contact person listed below:

John Sherman
111 E. Commercial St.
Willits, CA 95490
(707) 459-7122
jsherman@willitscity.com

The City will respond to the questions as a group via email to all contact persons of the firms that have requested copies of the RFP by XXXXXX XX, 2012.

II. Location

The City of Willits is located in the heart of Mendocino County, approximately mid-point between San Francisco and Eureka (140 miles either direction), 158 miles west of Sacramento, and 36 miles east of the Mendocino Coast. The City is centrally located on U.S. Highway 101 and on State Highway 20-West. U.S. Highway 101 traverses the State of California and is a major north/south route connecting southern and northern California. U.S. Highway 101 serves as Main Street in the City of Willits, and is currently the only continuous north/south roadway through the City.



III. Facts about Willits

The City of Willits, with a population of approximately 5,100 people, is nestled at the western edge of the Little Lake Valley at an elevation of 1,350 feet above sea level and is surrounded by forested mountains of the Coastal Range. Willits is known as the “Heart of Mendocino County – Gateway to the Redwoods,” and was incorporated in 1888. The City boundaries (City Limits) encompasses approximately two (2) square miles. The City is surrounded by unincorporated Mendocino County lands, which are primarily in agricultural or resource land use. Willits is also the eastern terminus of the world famous “Skunk Train.” Willits is also known for its annual 4th of July Frontier Days celebration event, which boasts of being the “Oldest Continuous Rodeo” in the State of California.

IV. Facts about Ells Field

Ells Field, also known as Willits Municipal Airport (FAA LID: O28), is a public general aviation airport located three miles northwest of Willits, CA. The airport covers approximately 75 acres and has one runway. The elevation is 2,063 ft above mean sea level. Runway 16/34 is 3,000 feet with lights. On-site fuel is 100 octane low lead, and is available self service with credit card 24 hours.

V. Scope of Work

The Manager will provide professional independent management and administrative services for the operation of the airport. In consideration of a mutual agreement, the City will grant to the Manager the right to occupy, manage and maintain the existing City owned airport facilities. The Manager will be responsible for maintaining the day to day operation of the airport for the use and benefit of the public, and providing commercial services as specified. The City will be the airport facility’s owner and will be responsible for grant obligations to the FAA and the California Department of Transportation, as well as maintaining the airport runways, taxiways and common use ramp. The Manager will be responsible for FAA and California Department of Transportation permits and inspections.

In compensation to the Manager, the City grants the Manager the proceeds derived from the rental or lease of City owned structures located at the airport, as well as profits derived from the sale of aircraft fuel and commercial services provided by the Manager.

In addition, the Manager will be required to provide insurance and a surety bond, and pay all state, federal and local taxes and fees.

VI. Proposed Airport Management Agreement

The City desires to execute the attached Airport Management Agreement with a qualified Manager.

VII. Proposal Contents and Submittal Requirements

Interested parties responding to this Request for Proposal are required to submit six (6) hard copies and one (1) electronic version on a CD. Please note: Electronic submission of documents shall be in the formats specified above. Scanned or photographic data may be submitted in PDF or JPG format. At a minimum the proposal shall include the following:

1. Submission of a Transmittal Letter.
2. Work Plan.

3. Description of your business background and experience, with emphasis on related work.
4. Description of related work on similar projects completed in the last three (3) years.
5. If this is a joint venture, explain in detail the responsibilities of each party.
6. Organizational Chart
7. Identify the key personnel and describe their responsibilities.
8. State the approach you will use on this project, including the following information:
 - Overall approach
 - Scope of work
 - Project management
 - Proposed modifications or exceptions to the City's example Airport Management Agreement as set forth in "Attachment B".
9. Staffing Plan: Include a statement that you have the capability to perform the work contained in the Airport Management Agreement.
10. Staff resumes
11. Names of proposer's principle and/or the individual authorized to negotiate the agreement on behalf of the proposer.
12. Provide references, with names and telephone numbers of contact persons.

X. Selection Criteria

The following criteria are among those that will be used to evaluate submitted proposals:

1. **Experience:** This includes experience and professional competence with a background in aviation and business management.
2. **Proposal Quality:** The proposal should clearly demonstrate the proposer's understanding of the City's overall objective for providing management services at the Willits Municipal Airport.
3. **Demonstration of Ability to Work with Airport Users:** Ability to demonstrate cooperative relationships with airport volunteers, tenants, existing commercial enterprises and other airport users.
4. **Innovation and Vision:** The City seeking a proposer that demonstrates a vision for a business and customer friendly airport which provides services used by general aviation.
5. **Reputation:** Review of references.

XI. Selection Procedure

A Selection Committee will be established to review submittals and interview individuals, firms or teams with top proposals. The Selection Committee may be made up of City staff, elected officials, Airport Commission members, and a representative of airport users. After review of the proposals, the City will ask the top candidates for an interview before the Selection Committee. The Selection Committee will then make a recommendation to the Willits City Council on which proposer(s) that negotiations should be engaged. This may include a recommendation to negotiate with multiple proposers. Upon the conclusion of successful negotiation, the City Manager will make the final recommendation on execution of the Airport Management Agreement.

XIII. Contract Requirements

1. The proposer selected to perform the work will be required to enter into an agreement with the City of Willits. An example of this agreement is attached hereto, as Attachment “B”.
2. The City asks proposers to review the example contract and forward the Insurance Requirements section to their insurance agents, prior to submitting a proposal. The proposer is responsible for sharing all insurance information with their insurance carrier. The City can not stress how important this is, as some of the requirements of the City may raise your premiums. You should understand these increases and take them into consideration, when submitting your proposal.

XIV. Submittal of SEALED Proposal - Proposals must be submitted in the following manner:

1. Proposal must be received in a sealed envelope.
2. Proposals shall be received no later than 4:30 p.m., on XXXXXXXXXX.
3. Proposals shall be hand delivered or mailed to:

**JOHN SHERMAN
CITY OF WILLITS
111 E. COMMERCIAL ST.
WILLITS, CA 95490**

4. Faxed proposals are not acceptable

XV. Questions: Questions regarding this Request for Proposal should be directed to:

**JOHN SHERMAN
CITY OF WILLITS
111 E. COMMERCIAL ST.
WILLITS, CA 95490
PHONE: (707) 459-7122
FAX: (707) 459-2481
EMAIL: jsherman@willitscity.com**

When submitting questions, please use the Proposer’s Inquiry Form attached to this RFP, as Attachment “A”.



CITY OF WILLITS

111 East Commercial Street, Willits, CA
Voice: (707) 459-4605 • Fax: (707) 459-1562

Proposer's Inquiry Form

Project Name: _____

Firm Name: _____

Requestor's Name: _____

Requestor's Phone: _____

Request/Inquiry (Please clearly express your request below):

Page Number (if applicable): _____

City use only below this line

Response to Inquiry

Response Sent Via

- Email
- Fax
- US Mail

ATTACHMENT B

AIRPORT MANAGEMENT AGREEMENT

This AIRPORT MANAGEMENT AGREEMENT is entered into this day of _____ 2011 at Willits, California by and between the City of Willits, hereinafter referred to as “**CITY**”, and _____, hereinafter referred to as “**MANAGER**”.

WHEREAS, CITY owns and operates an airport in the City of Willits, commonly known as Ells Field, The Willits Municipal Airport, (hereinafter “**AIRPORT**”); and

WHEREAS, MANAGER is specially trained, experienced and uniquely qualified to provide professional private management and administrative services for the **AIRPORT** operations, and such services are in addition to those ordinarily available from **CITY** personnel; and

WHEREAS, the parties agree that **MANAGER** shall provide private management services for the **AIRPORT** facilities and provide commercial services as specified below and pursuant to the terms herein.

NOW, THEREFORE, MANAGER and **CITY** agree that **MANAGER** shall provide the services of Airport Manager in accordance with the following terms:

AGREEMENT

1. **MANAGEMENT OF FACILITIES:** For and in consideration of the mutual covenants contained herein, **CITY** hereby grants to **MANAGER** the right to occupy, manage and maintain the existing **CITY** owned hangars, ground lease private hangars, administration building, accessory buildings, fuel island, tie down ramp, access ramps, runway and taxiway lighting systems and controls, precision approach path indicator and controls, security fencing and gates, runway safety areas, segmented circle and wind cones hereinafter collectively referred to as the “**MANAGED PREMISES**”, and depicted within the map of the airport attached hereto as Exhibit “A”.
2. **TERM:** The term of this agreement is to commence on _____ and shall terminate on the 31st day of December, XXXX. This agreement shall be renewable thereafter as mutually agreed upon by the **CITY** and **MANAGER**.

ATTACHMENT B

3. **MANAGER'S RESPONSIBILITIES:** The **MANAGER** will be responsible for maintaining the day to day operation of the **AIRPORT** facilities for the use and benefit of the public and for providing the commercial services specified below, subject to the **CITY'S** authority as owner of the **AIRPORT** and further subject to **CITY'S** obligations pursuant to federal and state law and contractual commitments to government agencies, including prior FAA and California Department of Transportation, Aeronautical Division Grant Assurances. **MANAGER'S** specific obligations shall include the following:
- a. **MANAGER** will serve as the Airport Facilities Manager, and shall have primary responsibility for the day to day **AIRPORT** facilities management functions.
 - b. **MANAGER** will be responsible for billing and collecting rental fees for existing hangars, tie-downs and ground lease hangar space at the **AIRPORT**, and shall retain all revenue derived there from. The City Council of the City of Willits has exclusive authority to set fees for **CITY** owned hangars and tie-downs. Rental fees shall be adopted annually by the City Council during the City budget development process. The **MANAGER** may recommend rental fees to the City Council. City Council is under no obligation to adopt **MANAGER** recommended fees.
 - c. **MANAGER** shall be responsible for inspecting hangars annually to ensure that activities conducted therein are in compliance with Hangar Rental Agreements as well as Ground Lease Agreements, as applicable and do not present a risk to aeronautical or commercial activities at the Airport.
 - d. **MANAGER** may recommend to the **CITY** that the **CITY** terminate a Hangar Rental Agreement, Ground Lease Agreement or Tie-Down Rental Agreement for non-payment and/or non compliance with any terms of the applicable Lease or Rental Agreement.
 - e. **MANAGER** may request of the **CITY** that the **CITY** amend this agreement or enter into a separate agreement for the purpose of constructing additional aircraft storage hangars and/or shop space.

ATTACHMENT B

- f. **MANAGER** is authorized to permit aircraft owners and operators to store aircraft at the **AIRPORT**, in available hangars and available tie-downs owned by the **CITY**. **MANAGER** shall use the **CITY'S** standard form Airport Hangar Rental Agreement, Airport Ground Lease Agreement or Airport Tie-Down Rental Agreement as applicable and approved by the **CITY**. **MANAGER** is required to maintain a waiting list for **CITY** owned hangars.
- g. **MANAGER** will facilitate the lease of **AIRPORT** property by coordinating with the prospective lessee and presenting draft agreements to the **CITY** for negotiation and execution.
- h. **MANAGER** may provide a place to prepare meals and sleeping quarters in the **MANAGED PREMISES** as either a temporary pilot resting facility, or flight crew quarters for temporary or full time commercial tenant use.
- i. **MANAGER** may advertise the **AIRPORT** in appropriate publications to market managed **AIRPORT** facilities for rent and property for lease.
- j. **MANAGER** shall inspect the **AIRPORT** runway at least once each day and report the results of said inspection. These daily reports are to be retained in a log that will be made available to the **CITY** upon request. Said log shall be submitted to **CITY** quarterly for approval.
- k. **MANAGER** shall immediately notify **CITY** in writing of any event or condition at the airport that may present a risk to human health or endanger the environment, including without limitation, any aircraft incident or accident, any fuel spill or release of hazardous material.
- l. **MANAGER** shall maintain the fuel island located at the **AIRPORT** as a branded fuel supply and shall perform all maintenance, testing, documentation and reporting as required by branded fuel supplier, state and federal regulations. **MANAGER** shall make 100 low lead aircraft fuel, or such substitute as may be mandated by the FAA and Cal EPA, available for sale by means of the existing fuel dispensing system. **MANAGER** shall ensure that a sufficient volume of aircraft fuel remains available at the Airport at all times as needed to serve Airport tenants and guest users. **MANAGER** and **CITY** shall agree on the number of gallons of 100LL aviation fuel in the tank at the time facilities are turned over to **MANAGER**. **MANAGER** will compensate **CITY** for

ATTACHMENT B

this volume at the wholesale price paid by **CITY** for the most recent fuel delivery. Upon termination of this agreement for any reason **CITY** and **MANAGER** shall agree on the volume of 100LL aviation fuel in the tank at the time management function is returned to **CITY** and **CITY** shall reimburse **MANAGER** for that volume at the wholesale price paid by **MANAGER** for the most recent fuel delivery.

- m. **MANAGER** shall obtain and renew as needed the hazardous materials permit for the fuel storage tank through the Mendocino County Environmental Health Division.
- n. **MANAGER** shall have the right to set the price of aviation fuel according to competitive market conditions and current wholesale market price.
- o. **MANAGER** shall be available from 9:00 AM to 5:00 PM, seven days per week either in person or by telephone. If **MANAGER** is not available on site during the schedule noted above, **MANAGER** or **MANAGER'S** designee, shall be on site within one hour of notice by telephone of any emergency.
- p. **MANAGER** shall provide basic pilot and aircraft support services. These services shall include temporary shelter for pilots stranded at the airport. Support services may include mechanical repairs within the **MANAGER'S** qualifications to provide said aircraft repair services.
- q. **MANAGER** shall have the right to maintain a courtesy car or a rental car business at the airport.
- r. **MANAGER** will conduct biannual meetings with airport tenants and other interested parties to solicit their input on **AIRPORT** management issues. **MANAGER**, or **MANAGER'S** designee, shall attend all Airport Commission meetings.
- s. **MANAGER** shall receive approval by the City Council prior to initiating any commercial or non aeronautical services.
- t. **MANAGER** shall ensure that all activities or improvements undertaken are in compliance with the Willits Airport Master Plan, the existing Airport Improvement Plan as well as all state and federal regulations.

ATTACHMENT B

- u. **MANAGER** will comply with any and all **AIRPORT** Rules and Regulations, as may exist, as of the effective date of this agreement, or promulgated or amended thereafter and all applicable requirements under federal, state, and local law as well as Federal Aviation Administration and California Department of Transportation, Aeronautics Division regulations in carrying out **MANAGER'S** obligations hereunder.
- v. If the **MANAGER** has employees, then the **MANAGER** agrees to provide workers compensation insurance for the **MANAGER'S** employees and agents, and agrees to hold harmless and indemnify **CITY** for any and all claims arising out of any injury, disability, or death of any of **MANAGER'S** employees or agents.
- w. **MANAGER** shall maintain full and accurate books of accounts in accordance with generally accepted accounting principles and approved by the **CITY**. The **CITY**, its officers, agents, or employees shall have the right to inspect and examine all such books and supporting records. The **CITY** may require **MANAGER** to prepare and provide the **CITY** with an annual financial statement.
- x. **MANAGER** shall post a performance bond from a surety approved by the **CITY** in amount of Ten Thousand Dollars (\$10,000) which shall serve as security for faithful performance by **MANAGER** of all the provisions and obligations of this Agreement.
- y. **MANAGER** shall maintain a valid City of Willits Business License.
- z. This Agreement may not be assigned by the **MANAGER** without the prior express written approval of **AIRPORT**.

4. CITY'S RESPONSIBILITIES:

- a. **CITY** will be responsible for maintaining and repairing the **AIRPORT** airfield, including runways, taxiways, apron and common-use ramp. This maintenance and repair shall include bluff stabilization, weed control, asphalt paving, patching and resurfacing as necessary.

ATTACHMENT B

- b. **CITY** shall be responsible for ensuring that the **AIRPORT** airfield, including runways, taxiways, apron and common use ramp comply with all applicable requirements and standards imposed by the Federal Aviation Administration and the California Department of Transportation, Aeronautical Division regulating the operation and maintenance of these **AIRPORT** areas and systems as well as the environmental conditions thereon; provided however, that **MANAGER** shall assist in satisfying applicable requirements where these responsibilities overlap.
- c. **CITY** reserves the right to improve the **AIRPORT**, including without limitation the construction of new facilities and other improvements to hangars, runways, taxiways, ramps, weather reporting systems and lighting systems at the Airport.
- d. **CITY** reserves the right to close the **AIRPORT** in emergencies and further reserves the right to seek and obtain FAA approval to close the Airport on a temporary basis for special events or when emergency conditions require the use of the airport as an emergency staging and response facility.
- e. **CITY** reserves the right to authorize the lease of **AIRPORT** property for terms approved by City.
- f. **CITY** reserves the right to authorize any individual or business to conduct any commercial or aeronautical activities at the **AIRPORT**.
- g. **CITY** reserves the right to authorize or deny the use of the **AIRPORT** for any non-aeronautical activity.

5. FINANCIAL OBLIGATIONS OF CITY AND MANAGER:

- a. **MANAGER** shall be authorized to retain the proceeds derived from the rental or lease of any structures owned by the **CITY** and located at the **AIRPORT** as of the execution of this agreement. **MANAGER** shall retain profits derived from the sale of aircraft fuel, and revenues from commercial services provided by **MANAGER**. This net profit shall constitute full compensation of **MANAGER** by **CITY**.

ATTACHMENT B

- b. **MANAGER** shall be responsible for the cost of maintaining and repairing existing **CITY**- owned hangars to insure that all doors are working properly, structural integrity is maintained and electrical systems continue to comply with National Electrical Code and Little Lake Fire District requirements. **MANAGER** shall also maintain the administration building and runway safety areas. **MANAGER** shall schedule annual hangar inspections by City Building Official and Little Lake Fire Marshall and shall make corrections required by either official in a timely manner but no longer than sixty (60) days.
 - c. **MANAGER** shall be responsible for the cost of maintaining the aircraft fuel storage tank and self-service fuel dispensing system including annual cleaning and regulatory approval by Federal, State, and local agencies as well as the branded fuel supplier.
 - d. **MANAGER** shall be responsible for the utility costs associated with the operation of the Airport airfield runway and navigation lighting systems.
 - e. **MANAGER** shall be responsible for the cost of operation of all facilities controlled by **MANAGER** including all utilities.
6. **INSURANCE:** During the term of this Agreement, **MANAGER** shall obtain and keep in full force and effect a commercial, general liability insurance policy of at least Ten Million Dollars (\$10,000,000.00) combined limit for bodily injury and property damage. The **CITY** shall be named as an additional insured under such policies and the policies shall expressly provide that such insurance will operate as primary insurance for work performed by and facilities managed by **MANAGER** and his /her subcontractors and employees. **MANAGER** agrees to indemnify and hold the City harmless for any acts of negligence resulting from its' management and commercial activities at the Airport.

MANAGER shall maintain the following insurance coverage on the hangars, terminal, administration building and fuel dispensing system:

<u>Liability Coverage</u>	<u>Each Occurrence</u>
<u>Bodily Injury Liability -----</u>	<u>\$10,000,000</u>
<u>Property Damage Liability -----</u>	<u>10,000,000</u>
<u>Single Limit Bodily Injury and Property Damage -----</u>	<u>5,000,000</u>
<u>Ground Hangar Keeper's Liability -----</u>	<u>5,000,000</u>

ATTACHMENT B

7. **INSPECTION:** The **CITY** shall have the right to enter upon the facilities controlled by **MANAGER** at all reasonable times to inspect the facilities and **MANAGER'S** operation thereon.
8. **INDEMNITY:** **MANAGER** shall indemnify, defend and hold harmless the **CITY** and its agents, officers and employees from any claim, action or proceedings, liability, cost and attorneys fees because of or arising out of or in any manner directly or indirectly connected with the work or services to be performed under this agreement, however caused, except through the sole negligence or willful misconduct of **CITY** or its agents or servants or through the active negligence of **CITY**.
9. **POSSESSORY TAX:** If a possessory property interest herein of **MANAGER** is determined by the Mendocino County Tax Assessor to have been created by this Agreement, then the **MANAGER** shall be responsible for payment of any and all taxes levied as a result of said determination.
10. **APPLICABLE LAW:** This Agreement will be governed by and construed in accordance with the laws of the State of California.
11. **ATTORNEY'S FEE:** If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorney's fees, which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any relief to which that party may be entitled.
12. **INDEPENDENT CONTRACTOR:** **MANAGER** hereby declares that it is engaged in an independent business, and agrees to perform the work as an independent contractor and not as the agent, employee, or servant of **CITY**. **MANAGER** agrees to be solely responsible for all matters relating to payment of **MANAGER'S** employee, including compliance with Social Security, withholding, and all other regulations governing such matters. **MANAGER** agrees to be responsible for **MANAGER'S** own acts and those of **MANAGER'S** subordinates, employees, and subcontractors during the term of this Agreement.
13. **INVALIDITY:** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

ATTACHMENT B

14. **NONDISCRIMINATION:** **MANAGER** acknowledges that any type of discrimination in the conduct of the work and service described herein is unlawful and will result in a material breach of the Agreement.

15. **NOTICES:** Written notice shall be effective if made by first class mail addressed as follows:

CITY OF WILLITS
111 East Commercial
Willits, CA 95490

MANAGER
(insert address)

16. **TERMINATION PRIOR TO EXPIRATION OF THIS AGREEMENT:**

a. **CITY** shall have the right to terminate this Agreement, in whole or in part, on the occurrence of any of the following events:

- i. Insolvency / bankruptcy of **MANAGER** or **CITY**.
- ii. **MANAGER'S** material breach of any of the terms, conditions, or obligations as defined by this Agreement.
- iii. The abandonment of the facilities controlled by **MANAGER**.
- iv. Upon ninety (90) days written notice.

b. **MANAGER** shall have the right to terminate this Agreement on the occurrence of any of the following events:

- i. Upon material breach or failure by **CITY** to uphold or comply with any of the terms, covenants and conditions to which it is obligated to perform under this Agreement.
- ii. **MANAGER** shall have the right to terminate this Agreement upon ninety (90) days written notice.

ATTACHMENT B

IN WITNESS WHEREOF, CITY and **MANAGER** have caused this Agreement to be executed on the day and year above written.

CITY OF WILLITS:

Paul Cayler, City Manager

ATTEST:

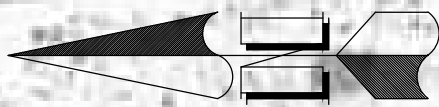
Adrienne Moore, City Clerk

APPROVED AS TO FORM:

James Lance, City Attorney

MANAGER:

Tax I.D.#



NOT TO SCALE

RAMP

FUEL ISLAND

RAMP

T-HANGAR

20 T-HANGARS

T-HANGAR

FBO HANGAR

ADMINISTRATION BUILDING

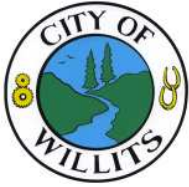
LEASE HANGAR

ELLS FIELD
FACILITIES
MAP

WILLITS, CA

10/2011





Item No. 8

Meeting Date: February 9, 2012

AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Adrienne Moore, City Clerk

Agenda Title: DISCUSSION AND POSSIBLE ACTION TO NOMINATE TWO WILLITS CITY COUNCIL MEMBERS TO THE INDIAN GAMING LOCAL COMMUNITY BENEFIT COMMITTEE (CBC)

Type: Presentation Consent Special Meeting Public Hearing Urgent Time: 10 min.

Summary of Request: The Mendocino County Executive Office is requesting that the City Council submit two names of Councilmembers to be considered for appointment to the Indian Gaming Local Community Benefit Committee (CBC) by the Board of Supervisors.

The Indian Gaming Special Distribution Fund (SDF) distributes funding to local government agencies impacted by tribal gaming. The State Controller established an "Individual Tribal Casino Account" for each casino paying into the SDF. Mendocino County has received notification that funding in the amount of \$140,772.33 for 2011 has been deposited into the Individual Tribal Casino Account.

Annually, local government agencies impacted by tribal casinos may make application, with tribal sponsorship, to the (CBC) for grant funding. The CBC forwards the list of approved projects to the State Controller for distribution of awarded grant funds directly to the local government agencies.

There are currently two operating casinos in Mendocino County located within a four mile radius of city limits. To comply with applicable Government Code, the composition of the Committee must include three elected representative from either/or Willits and Point Arena.

Please see attached letter from Carmel Angelo, Mendocino County Chief Executive Officer, for more detailed information regarding the request.

Recommended Action: Nominate _____ and _____ for appointment to the Indian Gaming Local Community Benefit Committee (CBC) by the Board of Supervisors.

Alternative(s): None recommended.

Fiscal Impact: None.

Personnel Impact: None.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____



COUNTY OF MENDOCINO
Executive Office

CARMEL J. ANGELO
CHIEF EXECUTIVE OFFICER
CLERK OF THE BOARD

501 Low Gap Road, Room 1010
Ukiah, CA 95482-3734

Email: ceo@co.mendocino.ca.us
Website: www.co.mendocino.ca.us

Office: (707) 463-4441
Facsimile: (707) 463-5649

January 27, 2012

RECEIVED
JAN 31 2012
CITY OF WILLITS

Willits City Council
111 E. Commercial St.
Willits, CA 95490

Dear City Councilmembers,

On October 11, 2003, Senate Bill 621 (Battin) was approved establishing a method of distributing \$25 million from the Indian Gaming Special Distribution Fund (SDF) to local government agencies impacted by tribal gaming. The State Controller established an "Individual Tribal Casino Account" for each casino paying into the SDF (in Mendocino County the Hopland Band of Pomo Indians is the only casino that contributes to the account).

Mendocino County has received notification that funding in the amount of \$140,772.33 for 2011 has been deposited into the Individual Tribal Account, and staff is in the process of activating the Committee for this funding cycle.

The Senate Bill created a seven member Indian Gaming Local Community Benefit Committee (CBC) in each county where tribal gaming is conducted.

The following excerpt from Government Code §12715 includes the relevant criteria for the membership of the Committee as it relates to your City Council:

12715. (b) (2) Except as provided in Section 12715.5, the Indian Gaming Local Community Benefit Committee shall be composed of seven representatives, consisting of the following:

- (A) Two representatives from the county, selected by the County Board of Supervisors;*
- (B) Three elected representatives from cities located within four miles of a tribal casino in the county, selected by the county Board of Supervisors; and*
- (C) Two representatives selected upon the recommendation of a majority of the tribes paying into the Indian Gaming Special Distribution Fund.*

Currently there are two operating casinos in Mendocino County that are located within a four mile radius of city limits. To comply with the Government Code the composition of the Committee must include three elected representative from either/or Willits and Point Arena.

It is requested that your Council submit two names of Councilmembers to be considered for appointment to the CBC by the Board of Supervisors.

Annually local government agencies impacted by tribal casinos may make application, with tribal sponsorship, to the (CBC) for grant funding. Condition for funding is outlined in the Government Code. The CBC forwards the list of approved projects to the State Controller for distribution of awarded grant funds directly to the local government agencies. Mendocino County Executive Office staff serves as the coordinator for the CBC and process the funding request. Grant forms must be submitted to the State Controller no later than May 31, 2012 or funding is forfeited.

If you have any questions regarding this matter, please contact Tammi Weselsky, Sr. Administrative Analyst, at 463-4441.

Sincerely,



Carmel J. Angelo
Chief Executive Officer

cc: Mendocino County Boards & Commissions