

Attachment D

*Before the Board of Supervisors in and for the
County of Monterey, State of California*

Resolution No. 22- _____

Adopt a Resolution:

- a. Approve and authorize the County Administrative Officer or designee to execute Addendum No. 2 to the Agreement for the Operation and Management of the Laguna Seca Recreation Area between the County of Monterey and A&D for “Additional Sponsorship Revenue” in excess of the amount under contract as of the date this Addendum No. 2 is effective in an amount sufficient to provide twenty percent (20%) of the total cost of the Project, estimated at \$1,634,459, but in any event not less than \$1,035,000, by December 31, 2023;
- b. Authorize advancing the 20% sponsorship match of \$1,634,459, for cash flow purposes, from General Fund 001, Contingencies Appropriation Unit CAO020, as an operating transfer out to Capital Project Fund 404, Appropriation Unit PFP057, to be reimbursed by A&D with additional Sponsorship Revenue no later than December 31, 2023;
- c. Authorize and direct the Auditor-Controller to amend the fiscal year (FY) 2022-23 Adopted Budget to increase appropriations by \$14,045,797 in Capital Project Fund 404, Appropriation Unit PFP057, financed with Capital Project Fund 404 Restricted Fund Balance (404-3045) of \$8,433,599 and an operating transfer of \$5,612,198 from General Fund 001, Contingencies Appropriation Unit CAO020 (4/5ths vote required);
- d. Authorize and direct the Auditor-Controller to approve an operating transfer out of \$5,612,198 for FY 2022-23 from General Fund 001, Contingencies Appropriation Unit CAO020, to Capital Project Fund 404, Appropriation Unit PFP057, where General Fund Contingencies has sufficient appropriations available in the adopted budget to cover the transfer (4/5ths vote required);

WHEREAS, On October 19, 2021, the Board of Supervisors considered the Department of Public Works, Facilities, & Parks’ request to approve adding the Start/Finish Bridge, Track Resurfacing, and Turn 3 Structure as near-term capital needs to the Fiscal Year (FY) 2021-22 5-Year Capital Improvement Program and the Public Works, Facilities, and Parks (PWFP)-Facilities Work Program;

WHEREAS, the Board directed PWFP staff and A&D Narigi Consulting, LLC to bring back a business plan to consider funding options for the construction phase of the Start/Finish Bridge and Track Resurfacing projects (Projects);

WHEREAS, the Projects total costs are estimated at \$10,175,000, and the Board previously provided \$450,000 for the initial design/bidding phase from Cannabis Tax Assignment, leaving an additional estimated \$9,725,000 funding required for construction of the Projects;

WHEREAS, PWFPC coordinated with the County Administrative Office-Budget Division on this request and on March 30, 2022, the Budget Committee provided feedback on potential funding and financing options and recommended PWFPC consider utilizing LSRA Unassigned Fund Balance, General Fund Unassigned Fund Balance derived through the Sheriff's Department's prior year budget savings, Cannabis Tax Assignment, and 20% from sponsorships, as well as discussing replenishing any use of Cannabis Tax Assignment through either redistribution of discretionary revenues, such as Property Tax, Sales & Use Tax, and Transient Occupancy Tax (TOT), or with LSRA future earnings;

WHEREAS, if the 20% sponsorship match for the Bridge Project, \$1,035,000, is not secured or if costs are greater than currently estimated, additional funding will be required;

WHEREAS, the Board of Supervisors recommended \$3,000,000 of the \$4,406,095 Cannabis Tax Assignment contribution be repaid with TOT revenues that exceed the 2019-20 Base Year collections;

WHEREAS, the County Administrative Office Budget & Analysis Division will bring forward to the Board of Supervisors the FY 2022-23 General Financial Policies in June 2022, including adjustments to the TOT contribution, which will include a cap on the Monterey County Convention and Visitors Bureau, Arts Council, Film Commission, and Monterey County Business Council contributions to the 2019-20 Base Year; and

WHEREAS, On April 26, 2022, the Board approved funding the \$9,725,000 using a combination of funds including, LSRA Unrestricted Net Position \$1,283,905, Cannabis Tax Assignment \$4,406,095 with \$3,000,000 to be repaid from TOT using revenue increases over Base Year 2019-20 beginning in FY 2023-24, Unassigned Fund Balance \$3,000,000, and a 20% sponsorship match for the Bridge Project \$1,035,000; and

WHEREAS, On May 10, 2022, the Board adopted the Plans and Special Provisions for the WRLS Start/Finish Bridge and Racetrack Resurfacing Projects, and authorized the Director of Public Works, Facilities and Parks to advertise the "Notice to Bidders" in the Monterey County Weekly; and

WHEREAS, the bids were received and opened on June 17, 2022. Bids were greater than previously estimated; and

WHEREAS, regarding the sponsorship match, A&D seeks to enter into Addendum No. 2 to the Agreement for the Operation and Management of the Laguna Seca Recreation Area between the County and A&D Narigi Consulting LLC (A&D) for "Additional Sponsorship Revenue" in excess of the amount under contract as of the date this Addendum No. 2 effective in an amount sufficient to provide twenty percent (20%) of the total cost of the Project, but in any event not less than \$1,035,000, as a loan to be repaid with the referenced new funding prior to December 31, 2023; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Supervisors of the County of Monterey hereby adopts a resolution:

- a. Approve and authorize the County Administrative Officer or designee to execute Addendum No. 2 to the Agreement for the Operation and Management of the Laguna Seca Recreation Area between the County of Monterey and A&D for “Additional Sponsorship Revenue” in excess of the amount under contract as of the date this Addendum No. 2 is effective in an amount sufficient to provide twenty percent (20%) of the total cost of the Project, estimated at \$1,634,459, but in any event not less than \$1,035,000, by December 31, 2023;
- b. Authorize advancing the 20% sponsorship match of \$1,634,459, for cash flow purposes, from General Fund 001, Contingencies Appropriation Unit CAO020, as an operating transfer out to Capital Project Fund 404, Appropriation Unit PFP057, to be reimbursed by A&D with additional Sponsorship Revenue no later than December 31, 2023;
- c. Authorize and direct the Auditor-Controller to amend the fiscal year (FY) 2022-23 Adopted Budget to increase appropriations by \$14,045,797 in Capital Project Fund 404, Appropriation Unit PFP057, financed with Capital Project Fund 404 Restricted Fund Balance (404-3045) of \$8,433,599 and an operating transfer of \$5,612,198 from General Fund 001, Contingencies Appropriation Unit CAO020 (4/5ths vote required);
- d. Authorize and direct the Auditor-Controller to approve an operating transfer out of \$5,612,198 for FY 2022-23 from General Fund 001, Contingencies Appropriation Unit CAO020, to Capital Project Fund 404, Appropriation Unit PFP057, where General Fund Contingencies has sufficient appropriations available in the adopted budget to cover the transfer (4/5ths vote required);

PASSED AND ADOPTED on this 26th day of July 2022, by roll call vote:

AYES:

NOES:

ABSENT:

(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original resolution of said Board of Supervisors duly made and entered in the minutes thereof Minute Book ___ for the meeting on July 26, 2022.

Dated: July , 2022
File ID: RES 22-
Agenda Item No.:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By: _____
Deputy