



Board Report

File #: A 22-072, **Version:** 1

- a. Approve and authorize the Monterey County Laguna Seca Representative to execute a zero-dollar, five-year nonstandard License Agreement, effective March 1, 2022, between Tesla, Inc., a Delaware corporation, and the County of Monterey for the right to use approximately 1,225 sq. ft. of parking and 500 sq. ft. of equipment space for allocation and installation of eight (8) Supercharger Charging Stations for a 5-year term (2022-2026).
- b. Accept nonstandard risk provisions as recommended by the Monterey County Laguna Seca Representative.
- c. Authorize the Monterey County Laguna Seca Representative to negotiate and execute up to two (2) future Amendments to the nonstandard License Agreement for five-year periods that do not significantly change the scope of work, subject to County Counsel approval.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Monterey County Laguna Seca Representative to execute a zero-dollar, five-year nonstandard License Agreement, effective March 1, 2022, between Tesla, Inc., a Delaware corporation, and the County of Monterey for the right to use approximately 1,225 sq. ft. of parking and 500 sq. ft. of equipment space for allocation and installation of eight (8) Supercharger Charging Stations for a 5-year term (2022-2026).
- b. Accept nonstandard risk provisions as recommended by the Monterey County Laguna Seca Representative.
- c. Authorize the Monterey County Laguna Seca Representative to negotiate and execute up to two (2) future Amendments to the nonstandard License Agreement for five-year periods that do not significantly change the scope of work, subject to County Counsel approval.

SUMMARY/DISCUSSION:

Tesla, Inc. (Tesla) provides Supercharger charging stations in areas where visitors can easily charge their vehicles. The stations are placed in convenient locations to allow visitors to charge their vehicles while attending to their business. The goal of the stations is to allow Tesla owners to travel between destinations, charging throughout their travels as needed. Charging costs are approximate and updated periodically to account for changing electricity, construction, and maintenance costs.

The proposed License Agreement (Agreement) will allow Tesla to install a Supercharger charging station with eight (8) charging stalls (Station) located at WeatherTech® Raceway at Laguna Seca. The Agreement is attached as Attachment A. Tesla shall provide, at its cost, all necessary permits, installation, infrastructure, stalls, utility services, and repair and replacement of equipment as necessary. The Agreement is for a five-year term commencing March 1, 2022, with options to renew for two (2) additional five-year periods. At the conclusion of the Agreement, Tesla will remove the Station and energy storage systems or solar panels (Trade Fixtures) and restore the property to the condition it existed in, on the first day of the term of the Agreement. The necessary utility infrastructure, which may include a utility transformer, metering equipment, switchgear, conduit, wiring and a concrete pad (collectively, the Infrastructure), shall become property of the County.

In the event that the County terminates the Agreement during the initial five-year term, County must pay Tesla a termination fee of fifteen thousand dollars (\$15,000) per charging station or the unamortized total cost of the Station.

The Agreement contains nonstandard Risk provisions with respect to the indemnification provisions. The

County is indemnified by Tesla from all losses and liabilities arising out of third-party claims related to Tesla's use of the area; breach of the license; or bodily injury or damage to real or tangible property caused by the trade fixtures.

Staff requests the Board of Supervisors approve the nonstandard License Agreement and authorize the Monterey County Laguna Seca Representative to execute the License Agreement and two future amendments.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel reviewed the Agreement and approved it as to form. Risk Management reviewed and approved the insurance coverage and limits.

FINANCING:

Tesla shall provide the County all equipment, infrastructure, and labor necessary to provide fully functioning, public Stations. There are no costs applicable to County unless County terminates the Agreement within the first five-year term. In that case, County would be responsible for a termination fee of fifteen thousand dollars (\$15,000) per Station or the unamortized total cost.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors Strategic Initiatives for Economic Development, Administration, Health & Human Services, and Infrastructure by proactively seeking funding sources to enhance the County's ability to offer improved County Parks' facilities, provide popular recreational venues for the public, and reduce the use of fossil fuels for improved air quality.

 X Economic Development
 X Administration
 X Health & Human Services
 X Infrastructure
Public Safety

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Reviewed by: Bryan Flores, Chief of Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities, & Parks

Attachment:

Attachment A-Proposed Tesla License Agreement
(Attachment is on file with the Clerk of the Board)