



AGENDA

Tuesday, January 7, 2025

3:00 P.M. OPEN SESSION

SPECIAL MEETING CITY COUNCIL

THIS MEETING WILL BE HELD IN PERSON

Marina Arts Village/Promenade
Corner of 1st Avenue and 8th Street
Marina, California

PARTICIPATION

The agenda for this Special Meeting includes an in-person site visit. During a site visit, the City Council may only discuss the item(s) on this Special Meeting site visit agenda. The agenda does not allow any formal votes or motions on any proposed project or other matters. The site visit is an informational meeting where the Council may ask questions from or hear statements from members of the public attending the visit. No comments made during the site visit by the Council are binding or required to be carried through to any public meeting/hearing where actions might be taken.

AGENDA MATERIALS

Agenda materials, staff reports and background information related to regular agenda items are available on the City of Marina's website www.cityofmarina.org. Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet will be made available on the City of Marina website www.cityofmarina.org subject to City staff's ability to post the documents before the meeting.

VISION STATEMENT

Marina will grow and mature from a small town bedroom community to a small city which is diversified, vibrant and through positive relationships with regional agencies, self-sufficient. The City will develop in a way that insulates it from the negative impacts of urban sprawl to become a desirable residential and business community in a natural setting. **(Resolution No. 2006-112 - May 2, 2006)**

MISSION STATEMENT

The City Council will provide the leadership in protecting Marina's natural setting while developing the City in a way that provides a balance of housing, jobs and business opportunities that will result in a community characterized by a desirable quality of life, including recreation and cultural opportunities, a safe environment and an economic viability that supports a high level of municipal services and infrastructure. **(Resolution No. 2006-112 - May 2, 2006)**

LAND ACKNOWLEDGEMENT

The City recognizes that it was founded and is built upon the traditional homelands and villages first inhabited by the Indigenous Peoples of this region - the Esselen and their ancestors and allies - and honors these members of the community, both past and present.

1. CALL TO ORDER 
2. ROLL CALL & ESTABLISHMENT OF QUORUM: (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, Preston Park Sustainable Communities Nonprofit Corporation, Successor Agency of the Former Redevelopment Agency Members and Marina Groundwater Sustainability Agency)
Jennifer McAdams, Brian McCarthy, Kathy Biala, Mayor Pro-Tem/Vice Chair Liesbeth Visscher, Mayor/Chair Bruce C. Delgado
3. OTHER ACTION:
 - a. Site visit of Marina Arts Village/Promenade Bounded by 1st Avenue, 8th Street, Marina, California; and provide direction to staff regarding the potential rehabilitation of the Marina Arts Village.
4. ADJOURNMENT:

CERTIFICATION

I, Anita Sharp, Deputy City Clerk, of the City of Marina, do hereby certify that a copy of the foregoing agenda was posted at City Hall and Council Chambers Bulletin Board at 211 Hillcrest Avenue, Monterey County Library Marina Branch at 190 Seaside Circle, City Bulletin Board at the corner of Reservation Road and Del Monte Boulevard on or before 6:30 p.m., Friday, January 3, 2025.

ANITA SHARP, DEPUTY CITY CLERK

City Council, Airport Commission and Redevelopment Agency meetings are recorded on tape and available for public review and listening at the Office of the City Clerk and kept for a period of 90 days after the formal approval of MINUTES.

City Council meetings may be viewed live on the meeting night and at 12:30 p.m. and 3:00 p.m. on Cable Channel 25 on the Sunday following the Regular City Council meeting date. In addition, Council meetings can be viewed at 6:30 p.m. every Monday, Tuesday and Wednesday. For more information about viewing the Council Meetings on Channel 25, you may contact Access Monterey Peninsula directly at 831-333-1267.

Agenda items and staff reports are public record and are available for public review on the City's website (www.cityofmarina.org), at the Monterey County Marina Library Branch at 190 Seaside Circle and at the Office of the City Clerk at 211 Hillcrest Avenue, Marina between the hours of 10:00 a.m. 5:00 p.m., on the Monday preceding the meeting.

Supplemental materials received after the close of the final agenda and through noon on the day of the scheduled meeting will be available for public review at the City Clerk's Office during regular office hours and in a 'Supplemental Binder' at the meeting.

ALL MEETINGS ARE OPEN TO THE PUBLIC. THE CITY OF MARINA DOES NOT DISCRIMINATE AGAINST PERSONS WITH DISABILITIES. Council Chambers are wheelchair accessible. Meetings are broadcast on cable channel 25 and recordings of meetings can be provided upon request. To request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please call (831) 884-1278 or e-mail: marina@cityofmarina.org. Requests must be made at least **48 hours** in advance of the meeting.

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of January 7, 2025

**SITE VISIT OF MARINA ARTS VILLAGE/PROMENADE BOUNDED BY 1ST AVENUE
AND 8TH STREET AND PROVIDE DIRECTION TO STAFF REGARDING THE
POTENTIAL REHABILITATION OF THE MARINA ARTS VILLAGE.**

SITE VISIT

At the City Council meeting on December 17, 2024, the City Council discussed executing a Public Improvement and Reimbursement Agreement with Shea Homes Limited Partnership for the rehabilitation of the Marina Arts Village. See attached staff report and proposed agreement. **(EXHIBIT A).**

The City Council requested a site visit be scheduled to look at the current condition of the Arts Village and to understand visually more clearly what is being proposed in the Public Improvement and Reimbursement Agreement with Shea Homes. Key components in the scope of work identified in the Agreement includes:

- Hazardous material testing and cleanup
- Debris removal
- Building demolition
- Re-sheath and new roof
- New hardy board siding
- Painting
- Fencing
- Overhead door repair and replacement

At the December 17, 2024 meeting, city council expressed concern about the proposed removal of Building Three (3) which is the center building of five (5) attached buildings of approximately one thousand feet in total length. This will be looked at during the site visit.

Council also wanted to be sure that the city retained control of the design of the rehabilitation project in coordination with Shea Homes.

EXHIBIT B is a concept plan developed by Congleton Architecture of how the building could be potentially rehabilitated both inside and outside. This is just a concept to provide a visual of how the building could look and how it can integrate with the surrounding properties. **EXHIBIT C** is Feasibility Analysis prepared by Doug Svensson that evaluates various activities, businesses and uses that could potentially inhabit the Arts Village building. While the building is called the Arts Village, the potential uses of the building are much broader including but not limited to:

- Restaurant/brewery
- Retail
- Light industrial
- Museum
- Performing arts
- All forms of arts spaces and teaching areas

- Gather areas
- Office co-working spaces

Previously, the city council has given direction to stabilize the building and allocated \$1,350,000 (Capital Project No. EDF 2008) towards the stabilization and rehabilitation of the building.

We will be meeting on site at the corner of 8th street and 1st avenue and will open the site visit meeting and will hold a roll call vote. We will then walk inside a portion of the Arts Village and will then walk along the exterior of the building down to the middle section and will also go inside at the middle section area.

The public is invited to the site visit, however, since this is a hazardous materials site, everyone must remain together in the group and cannot roam around the site or inside the building independently. Once the tour of the building is finished, an opportunity will be provided for public comment and then staff will receive comment and direction from the city council.

Respectfully submitted

Layne Long
City Manager
City of Marina

December 12, 2024

Item No. **10g(6)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of December 17, 2024

**CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2024-
AUTHORIZING THE CITY MANAGER TO EXECUTE A PUBLIC
IMPROVEMENT AND REIMBURSEMENT AGREEMENT WITH SHEA
HOMES FOR THE REHABILITATION OF THE MARINA ARTS VILLAGE**

REQUEST:

It is requested that the City Council:

1. Adopt Resolution No. 2024-, authorizing the City Manager to execute a Public Improvement and Reimbursement Agreement with Shea Homes Limited Partnership for the rehabilitation of the Marina Arts Village.

BACKGROUND:

A component of the University Villages Specific Plan is an area designated as a proposed Arts District. This was initially envisioned as a combination of individual studio spaces, galleries or shops for artists, designers and high-profile interactive art/learning center types of facilities that capitalize on the unique resources of the Monterey area. This area consists of an old Army warehouse about sixty feet wide by one thousand feet long on approximately six acres of land at the corner of 1st street and 8th avenue.

This area is in an opportunity phase of the development and was expected to be continually refined regarding the programming and development of the area.

The City and Marina Community Partners (Shea Homes) entered into an amendment to their Operating Agreement on December 17, 2019. With this amendment Marina Community Partners relinquished this property, and the City agreed to accept the City in accordance with the Specific Plan. Marina Community Partners agreed to assist the City with grant applications and planning for the maintenance and improvements of the Arts District.

The original concept was to allocate up to 40 percent of the space for art and performance areas, 25 percent for retail/food and 35 percent for co-working office space and innovation center. There are potential economic and arts grants available for this project.

ANALYSIS:

The City and Shea Homes are both interested in stabilizing and securing the approximately 60,000 square foot warehouse structure so that the facility can remain an asset for the City of Marina and the community in the future to develop as an Arts Village or Marina Arts and Innovation Center.

The City and Shea Homes will jointly agree to stabilize and secure the structures in a manner that will keep the original architectural integrity but will be adaptively reused and refurbished without a wholesale change to their former character.

The City and Shea Homes will jointly finance the rehabilitation of the structure to the Arts Village with Shea Homes undertaking the management, design, and construction of the rehabilitation as outlined in the scope of work attached to the Public Improvement and Reimbursement Agreement.

The City and Shea Homes will each pay 50 percent or approximately \$1,350,000. **(EXHIBIT A)**
The attached scope of work estimates the total project cost at \$2,700,000.

Also attached is a previous concept plan for the development of this area. **(EXHIBIT B)**.

This will support one of the City Council top priorities to stabilize useful city buildings which included the Arts Village.

This project is expected to begin immediately. This project will only stabilize and secure the buildings and will not include all the utilities, infrastructure and ADA code requirements to allow occupants to work in the buildings. This will be done at a later date.

FISCAL IMPACT:

Funding of \$1,350,000 for the rehabilitation of the Arts Village warehouse was approved in the Capital Improvement Program budgets for fiscal years 2023-2024 and 2024-2025. (Capital Project No. EDF 2008. Shea Homes' matching contribution of \$1,350,000 is expected to cover the costs of stabilization and rehabilitation of this facility.

CONCLUSION:

This request is submitted for City Council consideration and comment.

Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2024-

CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PUBLIC
IMPROVEMENT AND REIMBURSEMENT AGREEMENT WITH SHEA HOMES FOR THE
REHABILITATION OF THE MARINA ARTS VILLAGE

WHEREAS, A component of the University Villages Specific Plan includes an area designated as a proposed Arts District envisioned as a combination of individual studio spaces, galleries, or shops for artis, retails sales and food shops and co-worker spaces; and

WHEREAS, This property was transferred back to the City in December 2019 and the primary component is a 60,000 square foot warehouse structure that is decaying over time; and

WHEREAS, This warehouse structure has value to the community to develop in the future as an Arts Village or Marina Arts and Innovation Center; and

WHEREAS, Both the City and Shea Homes are jointly interested in stabilizing and securing the structure in a manner to keep the original architectural integrity and will jointly share the costs in doing this; and

WHEREAS, The total cost is estimated to be \$2,700,000 and the City has previously approved Capital Project No. EDF 2008 and allocated \$1,350,000 for the rehabilitation of the Arts Village warehouse.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Marina that the City Manager is authorized to execute a Public Improvement Agreement with Shea Homes for the rehabilitation of the Marina Arts Village.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of December 2024, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

**PUBLIC IMPROVEMENT AND REIMBURSEMENT AGREEMENT FOR
CITY OF MARINA ARTS AND INNOVATION DISTRICT REHABILITATION**

THIS AGREEMENT (“Agreement”) is made effective this ___ day of _____, 2024 (“Effective Date”), by and between the City of Marina, herein called the “City,” a municipal corporation, and Shea Homes Limited Partnership, a real property owner, developer or subdivider, herein called the “Developer.”

RECITALS

A. City is the owner of that certain real property identified for purposes of the “Dunes Specific Plan,” (formerly “University Villages Specific Plan”) adopted by City on May 31, 2005, as the “Arts District,” approximately bounded by 1st Avenue, 8th Street in the City of Marina, County of Monterey, State of California (the “Property”). The Property is more particularly described in **Exhibit A**, which is attached and incorporated herein by reference.

B. City also owns the structures at the Property, which comprise approximately 60,000 square feet of decaying army-era warehouses that are in very poor condition, attract vandalism, graffiti, and are an eyesore in the community (“Structures”).

C. The City and Developer desire to stabilize and secure the Structures so that they can remain an asset for the City of Marina and the community into the future. While the Structures targeted for adaptive reuse are not on the historic register, they have a certain visual character that is important to maintain. In order to keep their architectural integrity, they will be adaptively reused and refurbished, without a wholesale change to their former character.

D. To achieve these ends, Developer has proposed the scope of work attached hereto as **Exhibit B**, and incorporated herein (the “Scope of Work” or “Work” as applicable). Such work is consistent with, and in furtherance of, the goals of the City and the Dunes Specific Plan.

E. The City and Developer desire to jointly finance the rehabilitation of the Structures in the Arts District with Developer undertaking the management, design, and construction of the rehabilitation work as more particularly described in the Scope of Work. City and Developer propose to split the costs of this program between them, with each paying 50 percent or approximately \$1,352,843.50. An estimated cost breakdown of the Scope of Work is attached hereto as **Exhibit C**.

F. The City’s agreement to jointly finance the rehabilitation shall not itself constitute an approval of any license, permit, temporary or permanent interest in land, or other permission necessary to carry out the Scope of Work. The Parties’ respective obligations under this Agreement shall be contingent upon issuance of all approvals necessary to conduct the Scope of Work (the “Approvals”). The City will consider any necessary approvals once an application has been submitted and/or such approvals are presented to the City for consideration, if any.

G. The Parties desire to enter into this Agreement to memorialize City’s agreement to reimburse Developer for the reasonable, actual, and verifiable expenses to complete Scope of Work.

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in this Agreement, it is agreed between the Developer and the City (collectively, the “Parties”) as follows:

1. **Incorporation of Recitals.** The terms of the Recitals are hereby incorporated by this reference as if set forth in full herein.

2. **Duty to Make Improvements.** Developer agrees to design, manage, construct, install, and complete, or cause to be constructed, installed, and completed, the rehabilitation of the Arts District Structures, as more particularly described in the Scope of Work (the “Project”). Developer shall select and retain all companies necessary to perform the Work and complete the Project, and any associated design and management related to the Work.

3. **Right of Entry; Performance of Work.** Developer has right to enter the Property for purposes of performing the Work. Developer agrees that the Project will be done in a good and workmanlike manner in accordance with accepted construction practices and in a manner equal or superior to the requirements of the City’s Municipal Code (“Code”) and rulings made under it. In the event that any conflict between the Project (including any plans developed to implement it) and the Code should arise after the date of this Agreement but before the City issues a Certificate of Completion (as defined herein) for the Project, the provisions of the Code shall control. Further, the work will be conducted in accordance with all City standards, specifications and applicable laws, rules and regulations, and to the satisfaction of the City. It is agreed that the City shall have the right to reject any or all of the work performed under this Agreement if such work does not conform to any City standards and specifications, applicable law, rule, or regulation.

4. **Reimbursement.** Developer shall be reimbursed for completion of the Project as follows:

(a) The breakdown of estimated costs for the Work is detailed in attached **Exhibit C**, Estimated Cost Breakdown.

(b) The Parties acknowledge that the Estimated Cost Breakdown is only an estimate, and agree that it is the Parties’ intent that City shall reimburse Developer for fifty percent (50%) of the actual, verifiable costs incurred in performing the Work based on the procedure described in section (c), below.

(c) **Method of Payment.** City shall reimburse Developer as follows:

i. On a periodic basis, Developer shall submit to City an itemized invoice for the costs incurred by Developer for performance of the Work in the period immediately preceding such submittal (the “**Documentation**”). The Documentation shall include any applicable consultant, subcontractor, architect, engineer, contractor and other third-party invoices and backup documentation related to such Work. Such Documentation shall be submitted to **Layne Long**, City Manager, at the address set forth in Paragraph 15 of this Agreement, with a courtesy copy by e-mail to Finance Director, **Tori Hannah**.

- ii. City shall review Documentation to determine if it is consistent with the Scope of the Work necessary to implement the Project. Upon City's satisfactory review, City shall reimburse Developer for the invoiced amount set forth in the Documentation within thirty (30) days following receipt of the Documentation. The fact that a cost for a component of Work exceeds the estimate for that Work in the Estimated Cost Breakdown shall not be a basis for City to object and/or reject the cost so long as the associated Work, in the City's view, is necessary to implement the Project.
 - iii. If, based on City's review of Documentation, City determines in good faith that the Documentation is outside the Scope of the Work necessary to implement the Project, then City shall notify Developer in writing of the same (a **"Dispute"**) within fourteen (14) days following receipt of the Documentation, setting forth in detail the reasons for its determination.
 - iv. In the event of a Dispute, the Parties shall meet and confer in an attempt to resolve the Dispute (in person or via teleconference) within five (5) days after City notifies Developer of the same. Upon resolution of any Dispute, City shall reimburse Developer at the mutually agreed upon amount within ten (10) days of such resolution.
 - v. Any Dispute not resolved pursuant to the above shall, at the written request of either Party be submitted for mediation (a **"Mediation Request"**), which Mediation Request shall be given to the other Party in the manner for notices set forth in Paragraph 15 be submitted to binding meditation. Within fifteen (15) days thereafter, the Parties will select a mutually acceptable mediator. The mediation shall be completed within thirty (30) days after the mediator is selected, unless otherwise agreed to in writing by both Parties. To the extent that the Parties cannot resolve the Dispute submitted to mediation, the mediator shall issue a binding decision.
5. **Compliance with Laws/Prevailing Wage.**
- (a) Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California and the City including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Agreement shall be governed by, enforced and interpreted under the laws of the State of California. Contractor must be in good standing and registered with the California Department of Industrial Relations in accordance with California labor Code section 1725.5 and shall comply with new, amended or revised laws, regulations or procedures that apply to the performance of this Agreement.
 - (b) The Project is a "public work" such that prevailing wages are required. Contractor shall comply with all provision of California Labor Code section 1720 *et seq.*, as applicable, and laws dealing with prevailing wages, apprentices and hours of work.

6. **Notice and Certification of Completion.** Developer shall advise the City in writing of the completion of the Project and request certification of completion. Upon receipt of Developer's request for certification of completion, City shall promptly inspect the Property and any structures subject to this Agreement. If the City determines, upon such inspection, that the Project has been satisfactorily completed, the City shall issue a certificate indicating the same (the "Certificate of Completion"). For the purposes of this Agreement, the date of completion shall be the date that the City issues a Certificate of Completion. The decision of the City shall be final as to whether any material or workmanship meets the applicable plans, specifications, and standards as set forth herein.

7. **Nonperformance, Breach, Notice and Costs.** If, within the time specified in this Agreement and any approved extension, Developer fails to complete the Project, to act promptly as required by this Agreement, fails to complete the work within such time, or if the Developer is adjudged as bankrupt or makes a general assignment for the benefit of creditors, or if a receiver is appointed in the event of Developer's insolvency, or if Developer or Developer's contractors, subcontractors, agents, or employees violate this Agreement, or Developer otherwise breaches this Agreement, the City shall provide written notice to Developer of such failure or violation and provide a timeframe within which Developer must act or complete the work ("Notice"). If within thirty (30) calendar days after the serving of such Notice upon Developer, Developer does not give the City written notice of its intention to correct the deficiencies or complete the work within the time specified in the Notice, then the City may take over the work and prosecute the same to completion by contract, or by any other method the City may deem advisable, for the account and at the expense of the Developer's share of the cost of the work together with a fifteen percent (15%) administrative charge. In this event, the City, without liability for doing so, may take possession of and utilize in completing the work such materials, appliances, plants, and other property belonging to Developer as may be on the work site and necessary for completion of the work.

8. **Remedies.** The City may bring legal action to: (1) compel performance of this Agreement; (2) ensure compliance with any Approvals; and (3) recover the costs (including the City's administrative costs) of completing the Project pursuant to Paragraph 7. Notwithstanding the above, the City may also seek any and all remedies available in law or equity. The Developer agrees that, if legal action is brought by the City, the Developer shall pay all of the costs of suit and reasonable attorneys' fees and all other expenses of litigation as determined by the court having jurisdiction over such suit, if such court rules that the Developer has failed to carry out any of its obligations under this Agreement.

9. **Responsibilities for Damage.** Any damage to the Structures, utilities, concrete work, or paving, or to any portion of adjacent properties that is caused by Developer or its employees, agents, or contractors, and that occurs during or from the Project construction shall be completely repaired by the Developer to the satisfaction of the City.

10. **Utility Deposits.** Developer shall satisfy the City that it has made the deposits required for utilities to be supplied and connected with the applicable portion of the project prior to obtaining a Certificate of Completion.

11. **Inspections - Payment of Fees.** The City is authorized to enter the Property for inspection purposes at any time. Developer shall at all times maintain the Property so that the City and any agency authorized to make inspections can safely access and inspect all parts of the Property. Developer shall pay to the City the cost of inspecting the Property and structures thereon, including the costs of staff time and any consulting services determined to be necessary by the City, consistent with the City's fee schedules.

12. **Estimate of Costs; Security.** Developer shall furnish a Payment Bond, which shall be in an amount not less than one hundred percent (100%) of the total estimated cost of the Project described in this Agreement. The Payment Bond shall secure the payment of those persons or entities to whom the Developer may become legally indebted for labor, materials, tools, equipment or services of any kind used or employed by the contractor or subcontractor in performing the work, or taxes or amounts to be withheld thereon. The Payment Bond shall provide that the surety will pay the following amounts should the Developer, or its contractor or subcontractors fail to pay the same, plus reasonable attorneys' fees to be fixed by the court if suit is brought upon the bond: (1) amounts due to any person that has a lien right pursuant to California Civil Code Sections 8520, 8530 and 9100; (2) amounts due under the Unemployment Insurance Code with respect to work or labor performed for the Project described in this Agreement; and (3) any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Developer, its contractors and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to the work and labor. The Payment Bond shall, by its terms, inure to the benefit of any person that has a lien right pursuant to Civil Code Sections 8520, 8530 and 9100 so as to give a right of action to those persons or their assigns in any suit brought upon the bond.

The Developer shall submit the following for the surety that furnishes the Payment Bond: (1) a current printout from California Department of Insurances website (www.insurance.ca.gov) showing that the surety is admitted to do business in the State; or (2) a certificate from the Clerk of the County of Monterey that the surety's certificate of authority has not been surrendered, revoked, canceled, annulled, or suspended or in the event that it has, than renewed authority has been granted.

13. **No Waiver by City.** Inspection of the work and/or materials, or approval of work and/or materials inspected, or a statement by an officer, agent, or employee of the City indicating the work complies with this Agreement, or acceptance of all of these acts shall not relieve Developer of its obligation to fulfill this Agreement; nor is the City by these acts prohibited from bringing an action for damages or specific enforcement arising from the Developer's failure to comply with this Agreement. No action or omission by the City shall constitute a waiver of any provision of this Agreement unless expressly provided in writing. No course of dealing between Developer and the City, or any delay on the part of the City in exercising any rights hereunder, shall operate as a waiver of any rights by the City, except to the extent these rights are expressly waived in writing by the City.

14. **Hold Harmless; Indemnification Agreement.** Developer shall hold harmless, defend, and indemnify the City, its officers, employees, and agents from and against any and all damage, injury, and/or death to persons and property, and any and all claims, demands, costs, losses, damages, injuries, or liability, including attorneys' fees, howsoever caused, resulting

directly or indirectly from the performance or nonperformance of any and all work done or to be done pursuant to this Agreement. Developer shall not be required to indemnify and hold harmless the City as set forth in this Paragraph for liability attributable to the sole fault of the City, provided such sole fault is determined by agreement between the Parties or the findings of a court of competent jurisdiction.

15. **Insurance.** As a condition precedent to the effectiveness of this Agreement and without limiting Developer's indemnification of the City pursuant to Paragraph 14, Developer agrees to obtain and maintain in full force and effect at its own expense the insurance policies set forth in **Exhibit D** - "Insurance". Developer shall furnish the City with original certificates of insurance, executed by a person authorized by that insurer to bind coverage on its behalf, along with copies of all required endorsements. All certificates and endorsements must be received and approved by the City before any work commences. All insurance policies shall be subject to approval by the City Attorney and Risk Manager as to form and content. Specifically, such insurance shall: (1) be endorsed to protect City as an additional insured for commercial general and business auto liability; (2) provide City prior notice of cancellation; and (3) be primary with respect to City's insurance program. Developer's insurance is not expected to respond to claims that may arise from the acts or omissions of the City.

16. **Notices.** All notices required shall be in writing and delivered by Registered mail, postage prepaid, or any nationally recognized overnight courier that routinely issues receipts (e.g., FedEx). A party may change its address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address. All notices shall be deemed received three (3) business days after dispatch by United States Postal Service regular mail, or one (1) business day after dispatch by a reputable overnight courier service.

Notices to be given to the City shall be addressed as follows:

City Manager
City of Marina
Attn: Layne Long
211 Hillcrest Avenue
Marina, CA 93933
llong@cityofmarina.org

With a cc to:

Shute, Mihaly & Weinberger
Attn: City Attorney, City of Marina
396 Hayes Street
San Francisco, CA 94102
rortega@smwlaw.com

Notices to the Developer shall be addressed as follows:

[INSERT ADDRESS]

17. **Heirs, Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Parties.

18. **Miscellaneous Terms and Provisions.**

- (a) If any provision of this Agreement is adjudged illegal, inoperative, or invalid, the remaining provisions of this Agreement, to the extent practicable, shall continue in full force and affect.
- (b) This Agreement contains a full, final and exclusive statement of the Agreement of the Parties regarding the subject matter hereof.
- (c) The obligations upon the Developer signing this Agreement terminate upon issuance of a Notice of Completion as referenced herein.
- (d) This Agreement shall be administered, interpreted and enforced under the laws of the State of California and the City of Marina. In case of dispute, venue shall reside in Monterey County, California.
- (e) Developer warrants and represents that the person signing on behalf of Developer has the authority to execute this Agreement on behalf of Developer, and has the authority to bind the Developer to the terms and obligations set forth in this Agreement. Developer agrees that this Agreement, and any instrument or agreement required hereunder, are within the Developer's powers, and have been duly authorized and delivered, and do not conflict with Developer's organizational powers.
- (f) Developer agrees that this Agreement is a valid, legal, and binding Agreement, enforceable against Developer in accordance with its terms, and that any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding, and enforceable. Developer agrees that this Agreement does not conflict with any law, agreement, or obligations by which Developer is bound.

IN WITNESS WHEREOF, the Parties have executed the Agreement on the day and year above written.

- Signature Page Follows -

City of Marina,
a municipal corporation,

By: _____

Layne Long
City Manager

Attest:

City Clerk

Approved as to Form:

City Attorney

Developer,

By: _____

Name: _____

Title: _____

Exhibit “A”

Property Description/Map of Work Area

Exhibit “B”

Scope of Work

Arts District Stabilization Scope of Work

- Hazardous Material Testing – all buildings will be tested for hazardous materials with multiple samples taken per industry acceptable sampling protocol.
- Debris removal – all debris inside buildings will be removed and vegetation and debris on the exteriors of the buildings will be cleared within 15 feet of all buildings.
- Building 3 Demolition – The center building will be removed down to the concrete slab. The concrete slab will not be removed and will remain in place.
- Building preparation – all existing siding, roof material and roof sheathing will be removed from the buildings.
- Carpentry Work – The entire roof area will be re-sheathed and new Hardy Board Cementitious siding material (or equivalent) will be installed. This will include a board and batten style material with batts 4 feet on center, new fascia, and other exterior trim as needed. Also included is dry rot repairs as necessary.
- New Roofing – Supply and install all new roof flashings, gutters and downspouts and other roofing metal as needed as well as composition shingles.
- Paint – supply and install primer and finish coat of paint to all new siding and exterior trim.
- Fencing – removal of existing fencing and installation of gates and/or barriers to control access
- Prevailing Wages are included for all work, as well as third party prevailing wage monitoring.
- Overhead doors will be repaired if possible, or replaced.
- Engineering – a structural engineer will be retained to provide assistance with material selection and installation details. Note that this is a stabilization program and not intended to be building code compliant or occupancy ready. That said the intent is that the roof material and siding will be installed in a manner that facilitates future building renovation/permit efforts.
- Inspections – we’d ask that the City of Marina provide inspections as they would feel appropriate.

Exhibit “C”

Estimated Cost Breakdown

Arts District Re-Hab Costs		
Scope of Work	Cost	Additional Comments
Environmental testing	\$ 16,715	All buildings will be tested for hazardous material status
Demolition	\$ 441,085	Center building will be removed down to the slab (slab remains). Remaining four buildings all existing siding, roof sheathing roof material removed along with all miscellaneous debris inside all buildings, strip all nails for reinstall of new siding and roof
Framing Labor/Material	\$ 1,400,000	Re- sheathe entire roof area, supply and install new Hardy board and batten siding with batts 4 foot on center for four buildings (includes new fascia and all other exterior trim as needed)
Re-Roof - Material/Labor	\$ 320,761	Supply and install all roof metal and composition shingles
Paint	\$ 58,210	Supply and install primer and finish coat to paint all new siding and exterior trim
Fencing	\$ 10,000	
Portable Toilets/Wash Stations	\$ 3,500	
Temp Power/Generators	\$ 5,000	
Dumpsters / Dump fees	\$ 10,000	
Prevailing wage Monitor	\$ 7,500	
Overhead Door Repairs	\$ 50,000	Repairs/ replacement as needed
Shea Construction Management	\$ 30,000	
Total	\$ 2,352,771	
Project Contingency 15%	\$ 352,916	
Total Cost	\$ 2,705,687	

Exhibit “D”

Insurance

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Contractor, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. (Not required if Contractor provides written verification it has no employees)
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to Contractor’s profession, with limit no less than **\$2,000,000** per occurrence or claim, \$2,000,000 aggregate.

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available,

through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, Contractor's insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Umbrella or Excess Policy

Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until Contractor's primary and excess liability policies are exhausted.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation

Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$25,000 unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the City. The policy must also provide

that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Claims Made Policies

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Duration of Coverage

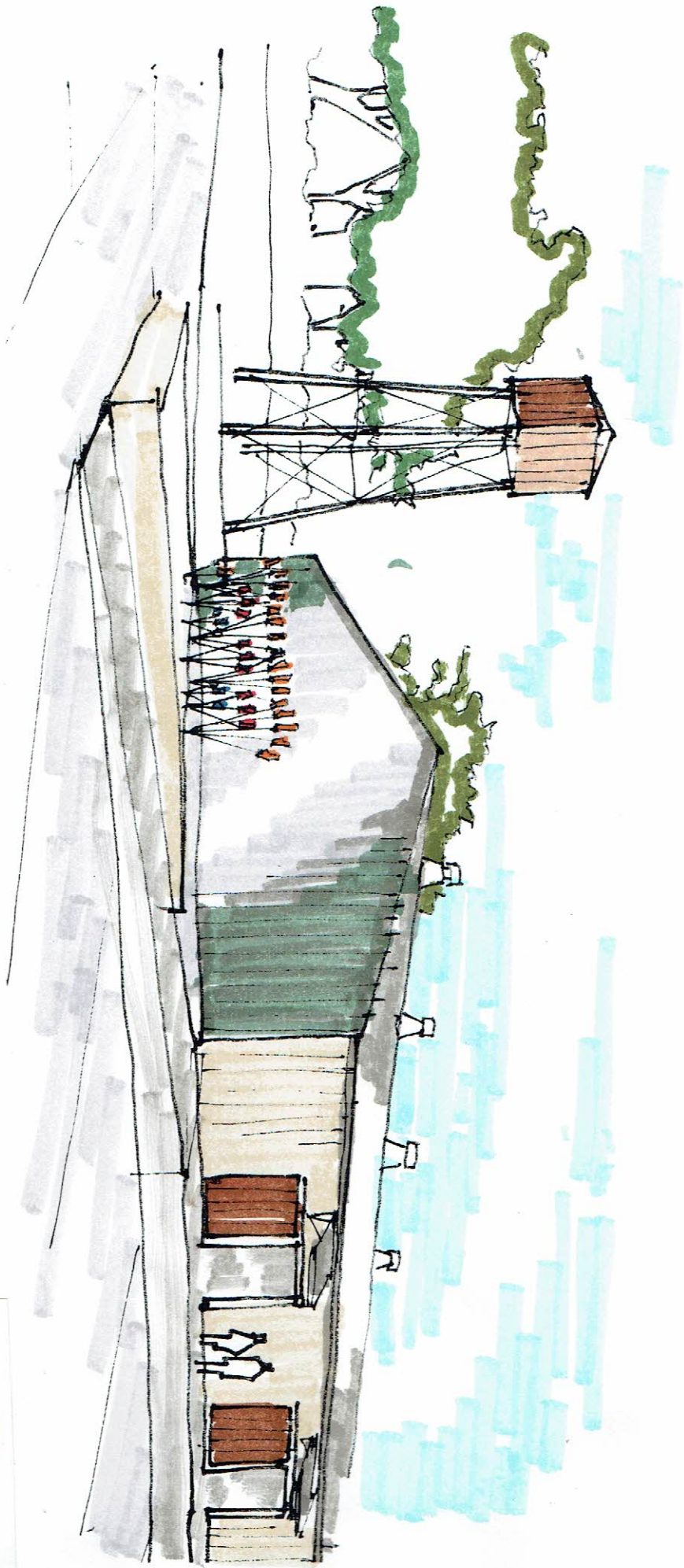
CGL & Excess liability policies for any construction related work, including, but not limited to, maintenance, service, or repair work, shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

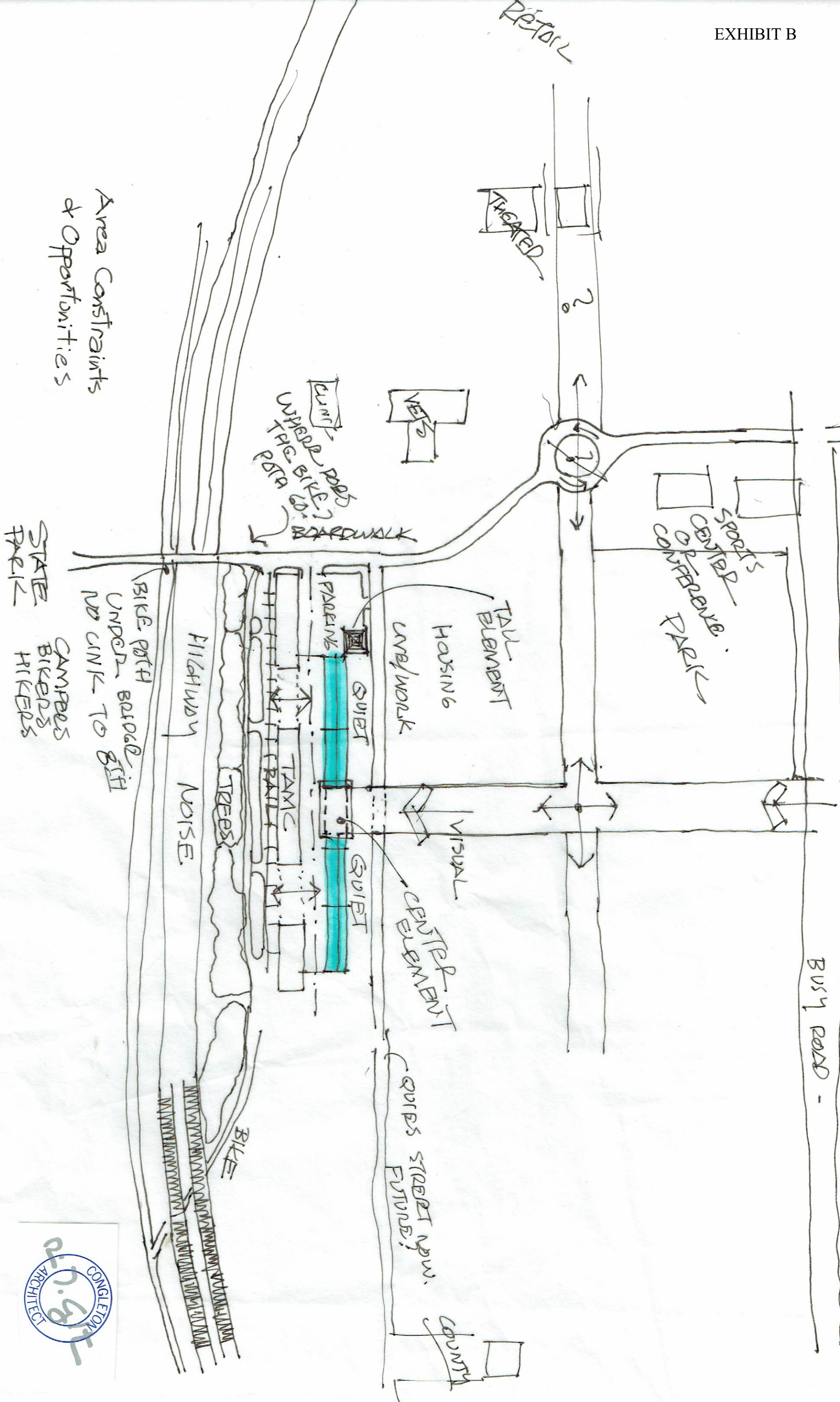
Special Risks or Circumstances

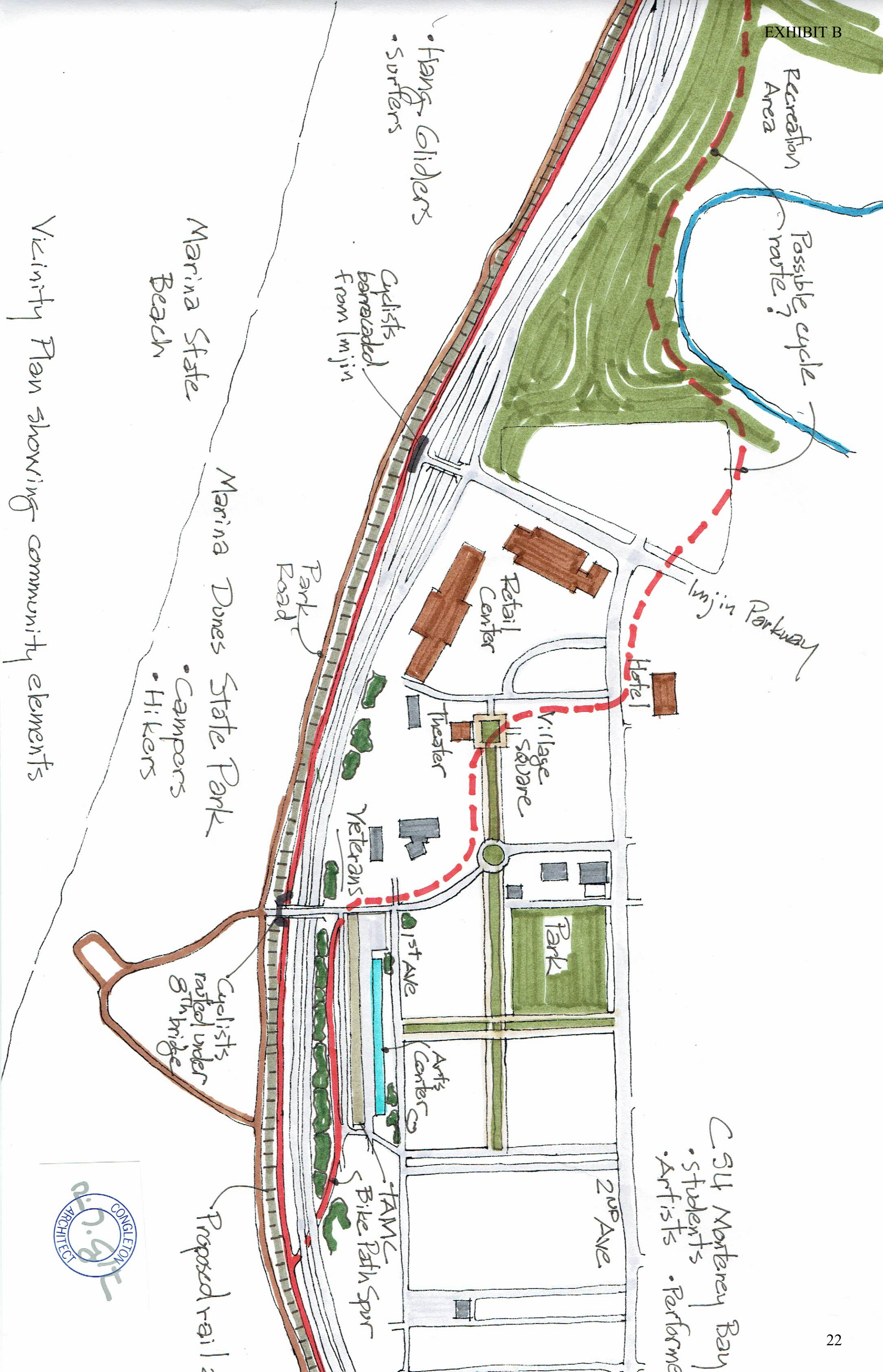
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

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Marina Arts Center







C 34 Monterey Bay
• Students
• Artists
• Performers

Vicinity Plan showing community elements

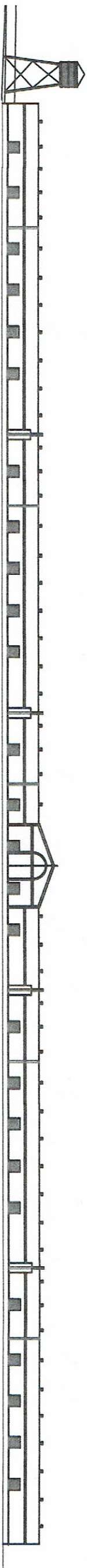


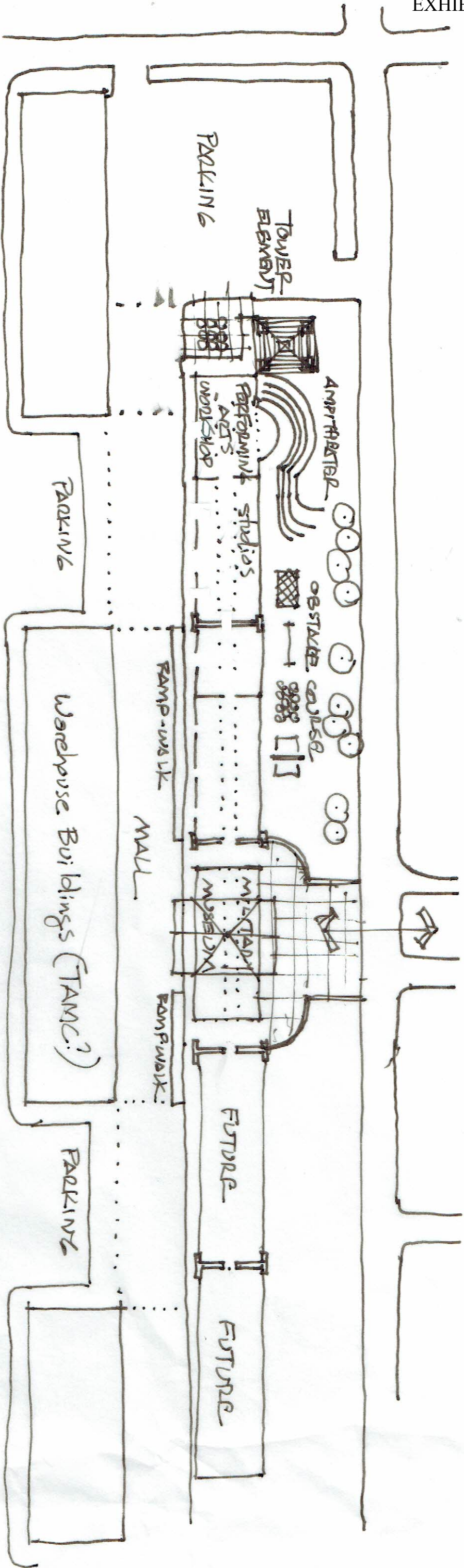


Warehouse - existing



Arts Center - proposed

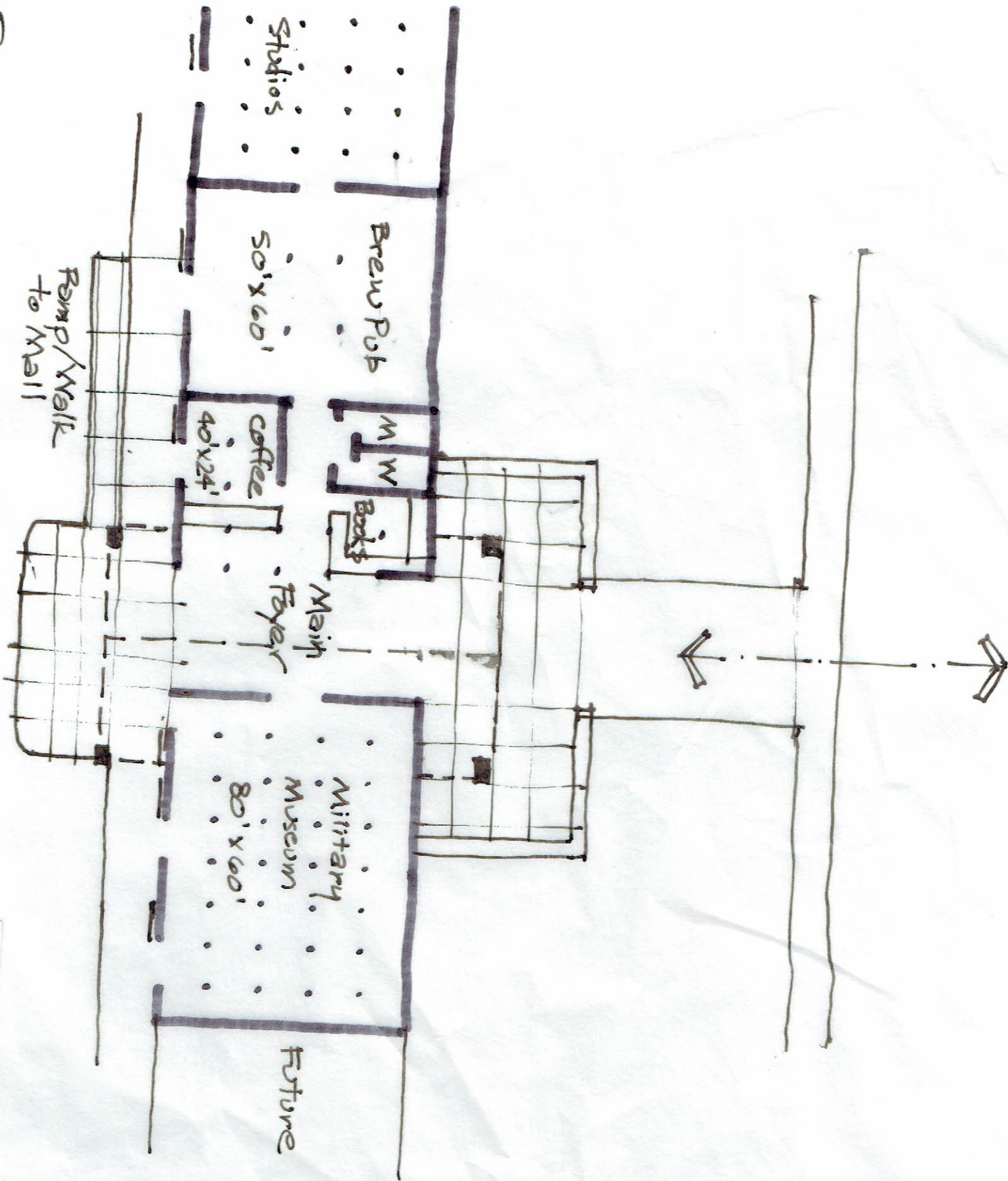




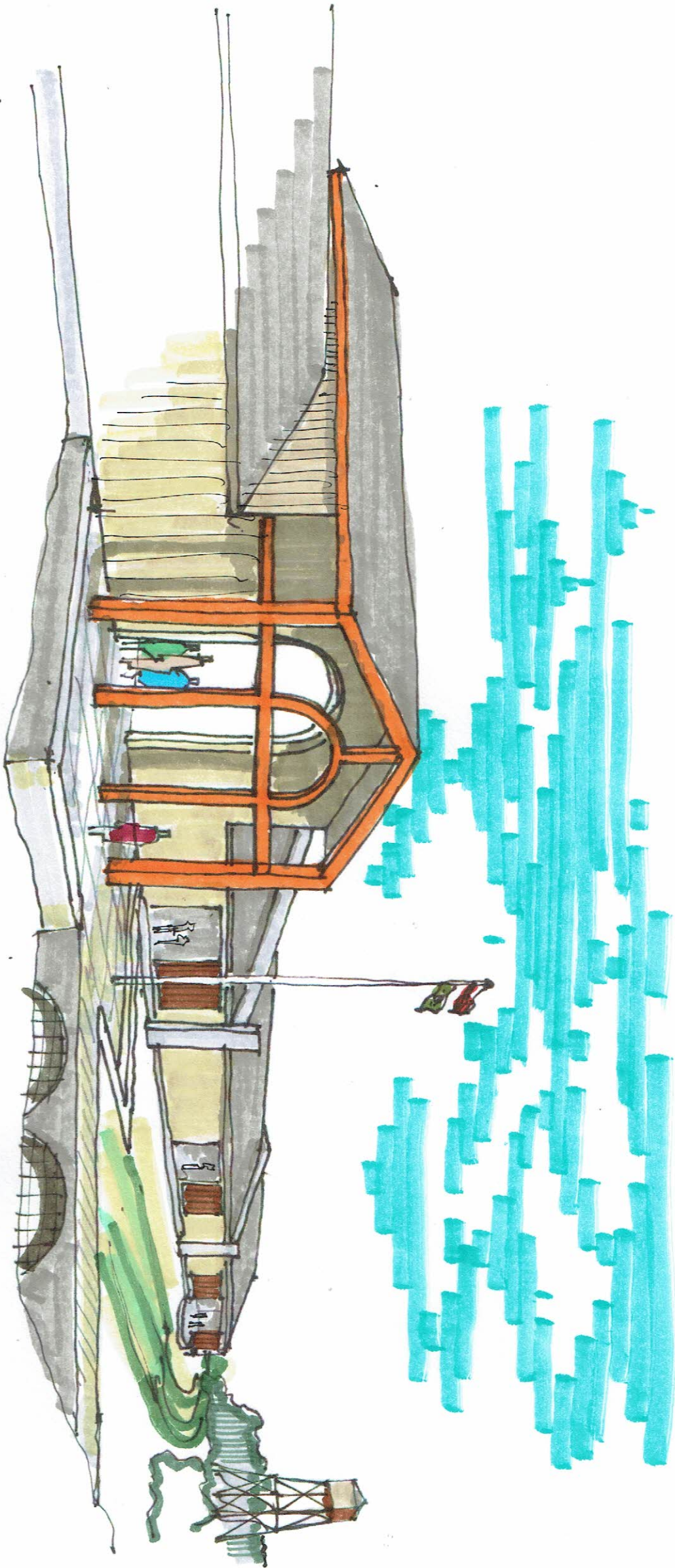
Concept Plan - Arts Center

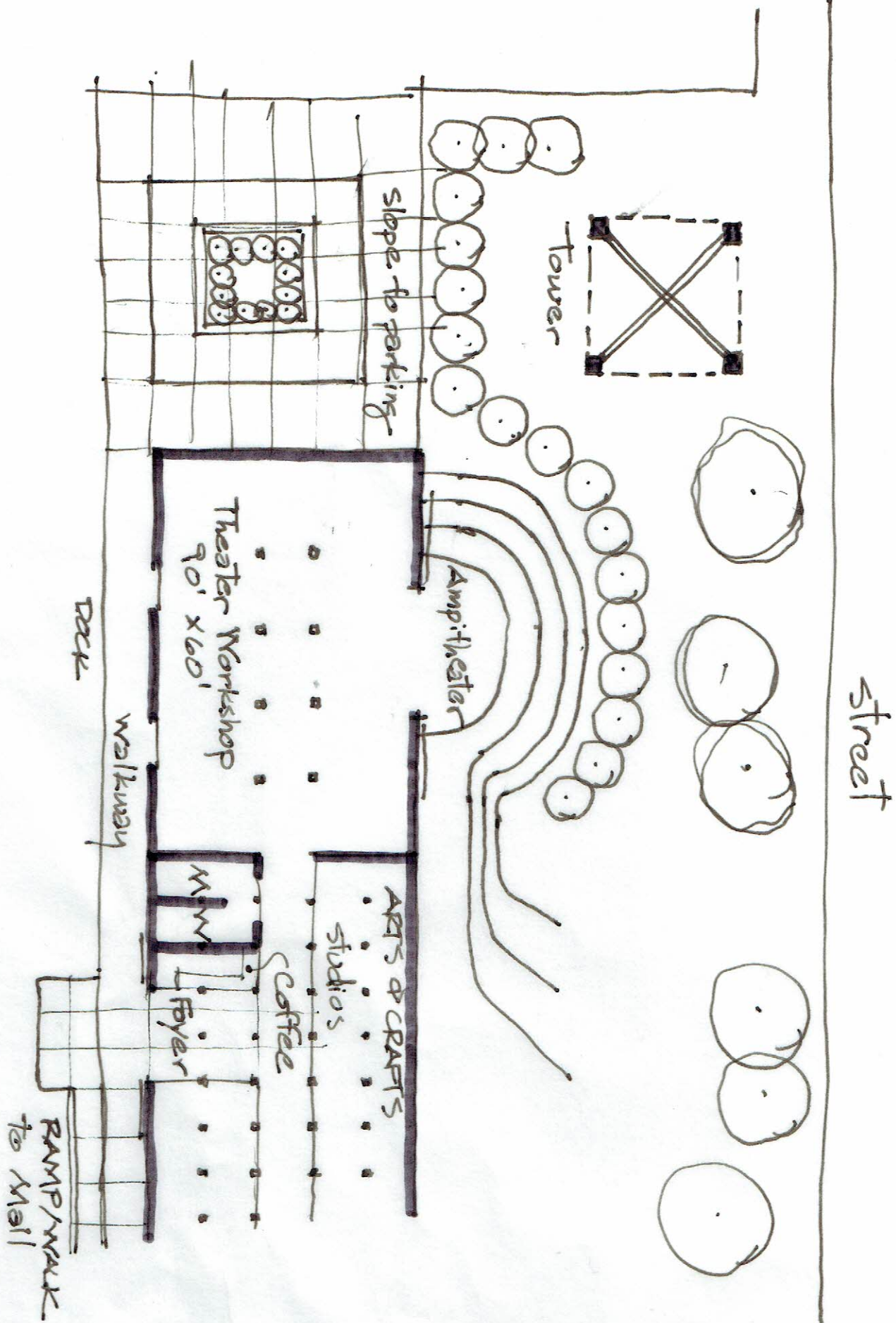


Plan - Main Entry/Military Museum



Arts Center Main Entrance
Military Museum

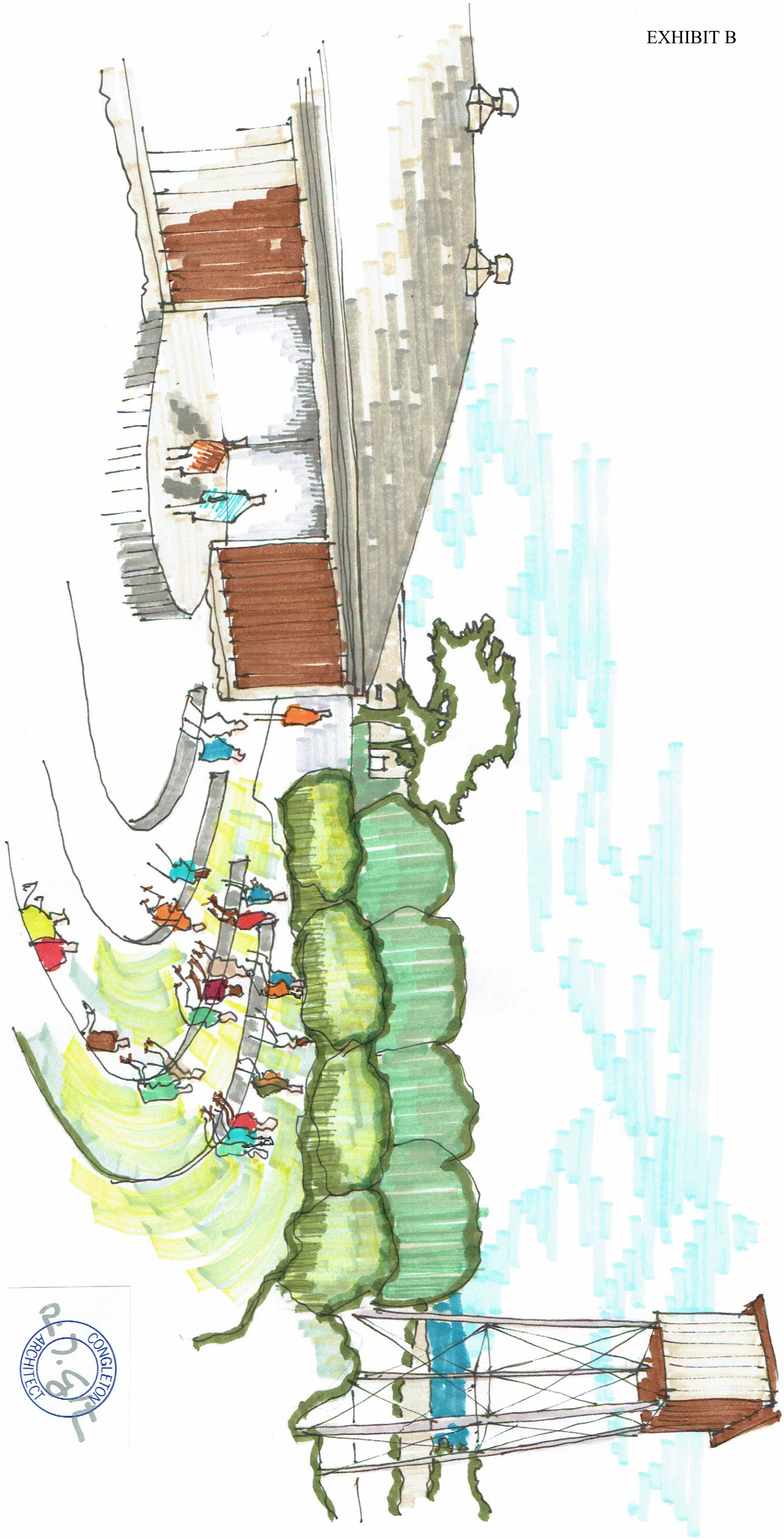


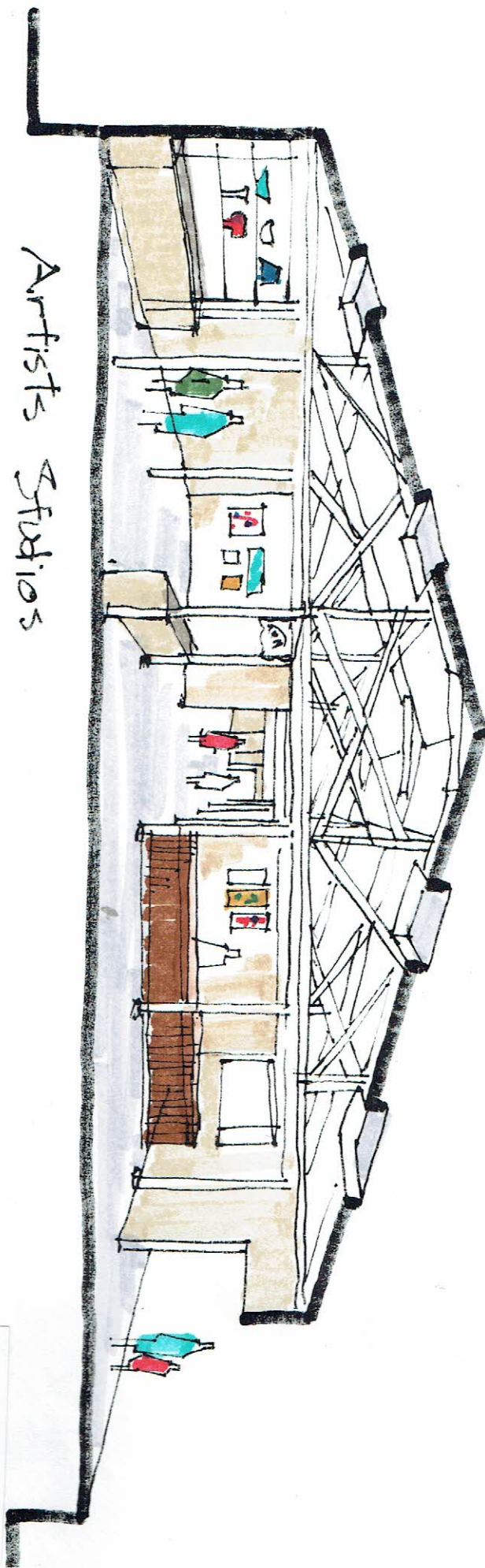


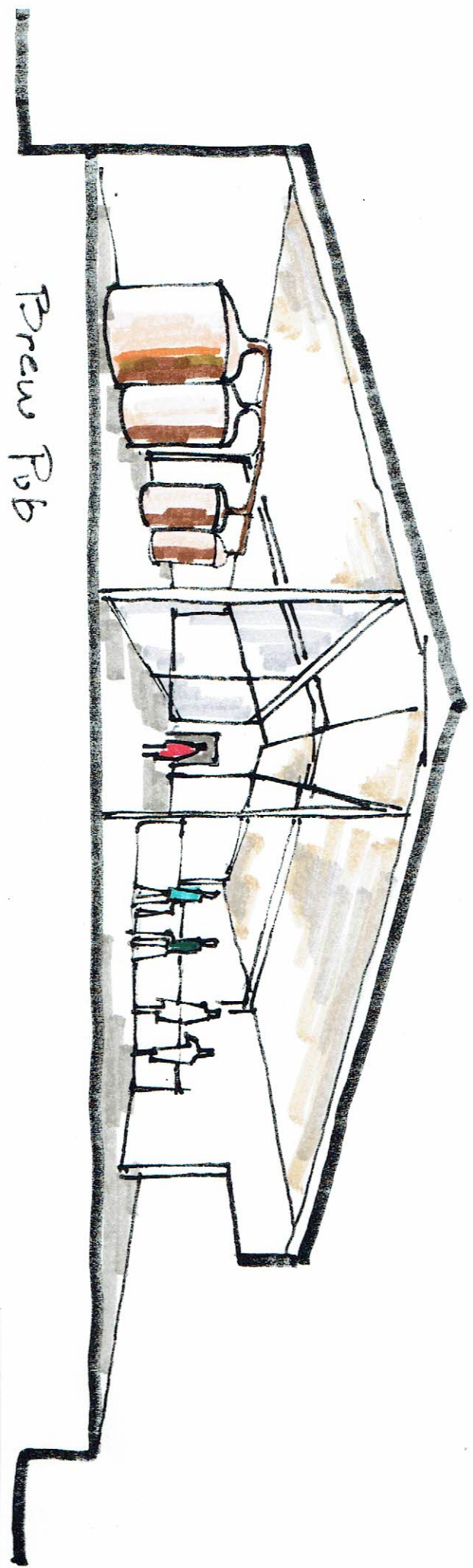
North Entry - Theater Workshop



Amphitheater









MEMO

TO: Marilyn Lidyoff, City of Marina

FROM: Doug Svensson, AICP

DATE: March 13, 2019

SUBJECT: **Arts Village Feasibility Analysis**

This memo provides a description of our analysis of the market for an Arts Village in Marina. As requested by the City, we have evaluated a number of activities and businesses that could potentially inhabit the Arts Village, including:

- Artist studio spaces
- Arts teaching classrooms
- Shared arts services
- Performing arts center
- Restaurant/Brewery
- Retail
- Light industrial, including maker spaces
- Office uses, including coworking spaces

The City's concept is that the Village would not only be a center for working artists, but also an attraction for tourists to the Monterey Peninsula. The site has reasonable access off the freeway and a direct pedestrian connection to Fort Ord Dunes State Beach. In addition, a bike trail runs adjacent to the site, with the potential to connect to the trail along the Cannery waterfront in Monterey. Following the summary of findings below, the analysis discusses the market for art spaces first, and then proceeds to evaluate the retail, office and industrial markets that may provide complementary uses for the Village.

Summary of Findings

Project Uses. The program recommended for the City's 60,000 sq. ft. building allocates nearly 40 percent of the space to art and performance spaces, about 25 percent to retail/restaurants and 38

percent to co-working office and maker spaces, which may also support digital and media arts as well as crafts arts.

Market Demand. A telephone survey of stakeholders in the arts community in the Monterey Peninsula revealed substantial demand for affordable studio spaces for artists. The Monterey Arts Council estimates there are 22,000 artists working in Monterey County, yet there are fewer than six studio complexes available in the Marina to Pacific Grove area. Demand was also identified for a performing arts venue with a capacity of 300 seats, which does not currently exist in the study area. The Monterey Sculpture Center foundry has recently moved to industrial space in Marina and is no longer a candidate to locate in the Arts Village. But there is demand for shared printing facilities and digital media studios that remains unmet in the area.

In terms of restaurant and retail opportunities, Monterey County is very underserved in breweries and brew pubs compared to other Central Coast counties. This would be a natural complement to the Arts Village program, along with wine tasting and small retail/gallery spaces selling art and gifts.

Maker spaces/commercial kitchens would be a source of demand for light industrial space in the project. While Hartnell and Cabrillo community colleges offer instruction in maker skills, the only privately available maker spaces are in Santa Cruz County. An even stronger source of demand would be coworking office space, which has become a popular concept for many tech workers. There are 8,000 commuters from the Monterey Peninsula to the Bay Area who would be potential customers for coworking space.

Market Lease Rates. The limited artist spaces available rent from between \$0.50 to \$2.50 per sq. ft. per month. Retail spaces rent for \$1.50 per sq. ft. and above. Office space ranges from \$1.16 to \$1.78 in the market area, but coworking spaces are offered at rates as high as \$3.30 per sq. ft. Industrial space is not currently available but is estimated to rent for about \$1.00 per sq. ft.

Shortage of Space/Barriers for Artists. Based on the survey results and a review of real estate conditions, the primary barrier for artists to find studio space is the high cost, which is exacerbated by the lack of available space on the market. Commercial real estate conditions in the Marina area are very tight with very little office or industrial space available. Even in the area including Seaside and Sand City, office vacancies are at 1.3 percent with less than 7,000 sq. ft. available and industrial vacancies are at 1.0 percent with only 9,000 sq. ft. available as of June 2018. A review of Loopnet listings in January 2019 revealed no available industrial properties in Marina and only four small office spaces.

Operating Subsidy. The pro forma developed for this project indicates that a mix of arts uses and commercial office and retail space, could generate a sustainable financial performance without ongoing public subsidies over the long term. However, during the initial start-up period, operating cost subsidies of about \$1,000,000 (cumulative total) would be needed. On an annual basis, these subsidies would range from about \$72,000 to \$238,000 over the first eight years of project development.

Potential Job Creation. The project is estimated to support 218 FTE jobs.

VISUAL AND PERFORMING ARTS

According to the Monterey Arts Council, the creative arts industry in Monterey consists of 22,000 artists supporting nearly 11,000 jobs. with nearly 100 nonprofit arts and culture organizations.¹ The consultant conducted interviews with local stakeholders in the arts community to gauge demand for additional arts spaces and a performing arts venue. The table below summarizes the key input gained from this process.

SURVEY THEMES

The following unmet art space/facility need themes (identified by two or more interviewees) emerged from the interviews:

- Affordable art studio space is in demand at \$1.00 - \$1.50/sf. Art studio space may need to be subsidized. Revenues from art sales have been static – don't keep pace with rising rents over time;
- Studio design is important (lighting, ceilings, floor space, etc.);
- Common space containing equipment needed by all or many artists would help reduce their individual costs. Maker space could be a great fit;
- Theater/performance space;
- Multi-purpose exhibition/flex space (3,000 sf minimum);
- Include non-art commercial uses to help subsidize art uses and create vibrancy, destination and foot traffic to attract art buyers;
- Marina could be a good location. Access is important;
- Be careful of different cities competing to be the art village destination; and
- Village needs to be high quality and have clear intent to attract best tenants and serve as catalyst for local, regional, and national arts events;

¹ Arts Council for Monterey County. The Action Plan Update: The Arts are the Answer. Downloaded November 14, 2018.

Table 1: Arts Community Survey Results

Unmet Needs	Revenue and Related	Other Comments/Information
• Large gallery space to place artists' work • Art rehabilitation room/space for Veterans (Veterans Affairs building is nearby and can be incorporated) • Space for art classes • Pottery fire facility (only one available in the area) • Impossible to find space for teaching studio classes • one or more flexible spaces for rent to many types of users	• 250 sf for studio space is perfect for artists • Affordable = \$1.00 per sf • Prices paid now for studio space vary from subsidized low \$0.50 cents to more than \$2.50 per sf	• Location, character, quality, and price for a studio space are key factors • Art classes could discount to students • Can create a large studio space that can be easily be divided/sectioned off to fit the needs of multiple artists at one time • Can incorporate students from CSUMB as apprentices or interns for artists in the area • Can use the Village for National Art Shows • East Garrison arts village project will be too expensive for most artists • When creating art studio space, need the correct lighting • The existing building could be great for studios
• One centralized location for an art village; not centers in Seaside, Marina, and Sand City • Affordable space for artists in perpetuity	• \$1.00-\$1.50 per sf = realistic in this area • Open Ground Studios is 2,000 sf. Use to charge \$150-175 per month for the shared space, but have now subdivided space into 7 studios and one shared space. Charges enough to cover \$3,000/month rent plus utilities – not by sf per se • Art prices don't change with cost of living. Prices same as they were 10 years ago, but rents keep increasing - revenue vs. rent gap	• Cities need to work together so that there is one centralized art village rather than multiple (e.g. City of Marina wants to be center for the arts; Sand City thinks they are the center for the arts; Seaside wants to be the center for the arts). • Not enough artists to fill multiple art village/centers • Will need at least 30 artists in this village for this to work • Need clear lease agreements to define what is included – don't get artists excited only for them to find out its too expensive with facility staying vacant
• More available facilities with the correct amount of space/capacity for different artists	• Dance studio has long term lease @ \$1.25 per sf for 8,500 sf, which makes up two studios; Studio 1 at 5,000 sf and Studio 2 at 2,500 sf) • Studio 1 rent is \$750 per day • The 100-seat theater is largely unused	• The dance facility is underutilized; never received interest from the City to help • Only has a handful of regular users • She would like her facility to have some sort of connectivity with the Village concept • City is not a destination; needs to change to help bring life to the area • Other interviewees said her location is poor and facility not designed for many types of possible art uses. Not built for theater performances
• Studio space and exhibition space • Need at least 200 sf with high ceilings • Studios combined with communal workshop space where common needs can be provided (tools, work space, etc.) • Outdoor work space for art forms that need contact with outdoors – i.e. sculpture	• 100 sf studio (not a lot of space for fine art/painters) is roughly \$250-450/mo. = too expensive on top of the housing prices in the Monterey area • A 100 sf studio for \$100-250/mo. Would be ideal. 200 ft./studio would be better • Could use a tiered system with subsidies for new artists/those with unproven revenue, with more successful artists paying more	• Facility needs to be stable • Accessibility and parking are important

Unmet Needs	Revenue and Related	Other Comments/Information
- Consider "office" space for technology arts like video artists - Arts Council would be interested in an office there		
- Affordable work studios - Performance art space/theater, groups struggle to find space not already controlled by owners (e.g. MPC). - A makerspace would be useful (defined as: a collaborative work space for making, learning, exploring and sharing that uses high tech to no tech tools) - Communal workspace	- Rent range depends on location. Carmel gallery space = \$5.00-\$6.00 per sf., Sand City = \$1.25 per sf - Arts Council has created below market studio space in American Tin Cannery @ \$0.50 - \$0.75 cents per sf. This is not market cost – Arts Council negotiated low price with willing lessor – Tin - Cannery spaces are underutilized. Not a permanent or sustainable solution. Geared to "new" artists trying to get their footing	- Capacity and location is the issue. Need more space/more parking/more accessibility - Could have similar setup as their Tin Cannery project where the large building rents/leases out to beginning artists until they can afford their own space/become successful - Jazz Festival could be a use for this Village instead of their usual location at the Monterey Fairgrounds
- Need collaboration among arts initiatives on Peninsula, disjointed - Lacking a multi-purpose exhibition space, need 3,000 sf minimum. Multi-use for many types of revenue generation -weddings, exhibitions, music, office parties, etc. - Need affordable studio space - Fort Mason/Minnesota Street as potential models	- Consider full rent for professional spaces and subsidized rent for beginning artists - Real revenue to come from commercial uses. Art spaces need to be subsidized - No sizable exhibition space between Gonzales and Carmel - Studio rents in the area can be as high as \$1,000 for 12'x12' spaces – far too high for most artists	- Need clear, consistent management structure (is City going to manage?) - Has to have serious intent - Based on concept, consider a process for selecting which artists will be given space. Consider how do different types of arts, success/recognition of artists fit the concept, including financial needs - A multi-purpose exhibition facility would need: correct lighting, high ceilings, flexible floor plan - CSUMB interest is to have this be a high quality, elevated, vibrant facility - not interested in more of the same subpar facilities in the area. Needs to create a buzz, be a destination
Needs commercial uses to elevate the village and make it a destination; artists feed off of the public who come for one reason and walk by their space and an art piece catches their eye	- Less than \$1.00 per sf is what is preferred for any artist when adding in rent of personal housing - Artist income from pass-by visitors to Tannery is important to the artists. Bring people/foot traffic from other uses	- Need to establish whether you want a real estate business or art and design industry - Tannery didn't have clear financial/management structure to set expectations for artists about their costs to rent space – major confusion and upset. City will most likely need to subsidize - Indirect recommendation that commercial uses could include outdoor craft beer spot with games for patrons, food trucks, and picnic areas. - Consider vandalism issues and security systems/fencing/etc.
- Space where artists can be recognized/ noticed - Distribution facility for artwork - Facility where independent educators, artists can find and rent classroom/facility space		Provides professional opportunities to high school and college students

Unmet Needs	Revenue and Related	Other Comments/Information
- Only five printmaking studios on Peninsula - Classrooms with performing space - Auditorium with over 300 or more seats		- Important to not allow the Village to be a competitor to other, similar uses in the area. Needs to be complimentary. - Needs to benefit all interested, not just some
•	•	•

Source: EMC Planning Group

Survey Contacts

Larry Fischer, Owner of the Monterey Sculpture Center

Denise Saunders, Owner of Open Ground Studios

Fran Spector, Owner of Spector Dance

Chris Cohoon, Manager of Education & Public Engagement, and Maureen Halligan, Operations Coordinator/Designer, with the Monterey Museum of Art

Jacqui Atchison, Deputy Director for the Monterey Arts Council

Angelic Muro, CSUMB Department Chair of the Visual and Public Art Department, and Hector Mendoza Anguiano, Assistant Professor for the Department of Visual and Public Art

Ann Hazels, Owner/Director of Radius Gallery in the Tannery in Santa Cruz

Mike Buffo, Director/Producer/Cinematographer with House of 8 Media

Jacqui Hope, Visual and Performing Arts Coordinator of the Monterey Peninsula Unified School District

Lisette Miles, CSUMB Director of Development: College of Arts, Humanities and Social Sciences

Jim Brown, Director of Tannery in Santa Cruz

The following sections discuss examples of Arts Villages and cooperatives in the region

EAST GARRISON PROJECT

The pedestrian-friendly development will include 1,400 affordable-by-design homes, a town center and an arts district, built in three phases of construction. The arts district at East Garrison, which will be the location of 65 low cost live/work rental spaces for artists, will be built after the two phases of construction of houses have been built and sold.

The arts district is adjacent to the town center. Refurbishment of some of the historic mess halls, and warehouses will ultimately convert them into approximately 55,000 square feet of space available for long-term lease for day-use studios, rehearsal and practice rooms and other arts-related uses. The buildings will be renovated to “warm-shell” standards so that users can complete the interiors to suit.

TANNERY IN SANTA CRUZ

The Tannery campus in total is nine acres, and includes a theater with 182 seats, 20,500 sq. ft. of studio space, and 100 units of housing.

The operation of the Tannery presents a number of challenges:

- The multi-use nature of the space with low income housing and the studios/ theater/ business-generating aspect sometimes creates conflicts. The tenants of the housing want the Tannery to look and be appropriate for families, quiet, with not a lot of people coming and going, while the tenants of the studios/businesses want people coming constantly and a “hustle-bustle”-like space and energy.

- Location – Tannery is a good mile from downtown, a little off the beaten path. There aren't many people who stumble upon the campus and has been hard to attract people towards the campus from downtown.
- When visitors do come to the campus, the studios are all "by appointment only" and therefore, are usually closed, with doors closed off to the public. There is not much to really see. It is very quiet and not something visitors would tend to come back for.

The City needs to be clear from the beginning if they want this art village to be more retail/steady traffic-generating type of location or a more slow-paced and strictly for artists to dive into their work. If Marina wants the art village to have steady traffic, lots of energy, and be a vibrant destination, it is recommended that there be lease restrictions for the artists in the studio space stating that their studios must be open during certain hours. This should correspond with the commercial uses intended for the art village so that when visitors come they actually have places to eat/see/sit/enjoy. This will ensure visitors want to return.

The Tannery has 28 studios with 68 artists; some studios consist of many artists (e.g. one studio is a print making studio comprised of 30 artists). For artists with expensive equipment (print making, wood-work, glass-work, etc.), they require expensive equipment, the cost of which can then be split by the number of artists using/sharing that studio).

The Tannery consists of four components with regard to leasing space: the art council with corresponding office, the theater, the housing, and the art studios. The art council space and the theater both lease to the City, while the housing and art studios lease to a non-profit developer (the developer for the beginning stages of the Tannery, the housing and studios) called Artspace. *Note that Artspace is the developer for the East Garrison project's live-work studios.*

Based on City of Santa Cruz experience, if the City decides to use any nonprofit organizations for developing and/or leasing within the art village, local organizations are preferable. The City of Santa Cruz and Artspace have conflicts because Artspace works remotely and only comes to the area twice a year; therefore, it does not understand the community and what is needed. A local organization will understand the community needs and cultivate a community that fits the location of the art village.

The tannery also indicates that it is important not to underestimate the people who are willing to pay market-rate for art studios. Many of the tenants of the art studios at the Tannery are retired or have the money from their day job to pay the market-rate rents; many do art on the side and for fun. While this contrasts with much of what was found during interviews of those in Monterey, there are some indications that an "upper scale" segment of the artist community does exist.

The developer of the Tannery (Artspace) created this campus with the assumption that the artists themselves would make the "magic" happen in terms of coming together with great ideas to create an art community. This is not what happened. Artists can be introverted and do not come together to create a "community" or collaborate as much as people may think. This is where the Tannery's art council came in. The art council is the outside coordinating entity that provides leadership, communications, programming, and community-building support to help the Tannery realize its vision

as a center for artists, arts, and creativity. Therefore, Jim recommends that for the Marina art village to be a real art “community,” an outside coordinating entity will be necessary. The art council for the Tannery is a private nonprofit agency comprised of staff, board, and volunteers.

ARTSPACE

In 1990, Artspace developed a six story historic warehouse in St. Paul into the Northern Warehouse Artist’s cooperative, including 52 affordable live-work units for artists and their families on its upper four floors. Originally built with the participation of a for-profit partner and with extensive use of low income housing and historic tax credits, Artspace was able to refinance the project in 2011, buy out the for-profit partner and establish a sustainable funding program to maintain the affordability of the units for artists for the next 30 years. The second round of funding included tax exempt bond funds from the City of St. Paul as well as additional use of tax credits.

Artspace has created a consulting and development arm that was successful in developing major portions of the Tannery project in Santa Cruz. Artspace is also reportedly under contract to develop the Arts Village at the East Garrison project. As noted in the earlier commentary from survey participants, some concerns have been expressed about those two projects: 1) as an outside entity, Artspace did not adequately understand the interest of the local arts community and consequently the organizational structure of the project did not best suit their needs, 2) in Marina artists are concerned that they will not be able to afford the spaces offered at East Garrison. Artspace does have a record of producing financially viable projects, however.

PACIFIC GROVE ART CENTER (PGAC)

This facility in Pacific Grove offers 19 art studios, a classroom and four gallery venues. Operated by a non-profit organization, the Pacific Grove Art Center has been in operation since 1969. An online search in December 2018 indicated that only one of the artist studios is currently unoccupied. The Center offers two classes in early 2019, ranging in price from \$55 to \$65 per three-hour class. The Center also rents its gallery spaces, ranging from \$270 to \$700 per show depending on the venue and takes a 40 percent commission on art sales. PGAC is also the home of the Peninsula Ballet Center. In addition to its earned income, PGAC continues its mission through “generous donations, grants and hundreds of volunteered hours.”

HEADLANDS CENTER FOR THE ARTS

This center has occupied the former Fort Barry buildings in the Marin Headlands since 1994. Operated as a non-profit organization with a long term lease from the National Park Service, the center offers artists’ studios ranging from 100 sq. ft. to 1,800 sq. ft. in six different buildings on the campus. The Headlands Center also features a wood shop, library, 2,000 sq. ft. gymnasium and a wide expanse of outdoor spaces, as well as event rooms for rent. The campus recently completed an 1,800 sq. ft. outdoor facility called The Commons, which offers outdoor performance and gathering space. The program offers artist in residence stipends in which artists from across the county and around the world attend 4-6 week sessions to focus on their art. In 2017, The Headlands operated on a \$2.4 million expense budget. Of which nearly \$1.8 million was for their primary programs and \$199,000 was for general and administrative expenses.

MINNESOTA STREET PROJECT

This is a for-profit facility in San Francisco that offers subsidized artist studio space, event spaces and galleries, as well as including a restaurant and art store. The project operates an Art Service business that offers art collection management, storage, including media and technology storage, art transportation and installation, staffing of art fairs and other services. Profits from this business subsidize the space offered to working artists.

PERFORMING ARTS

The Monterey Peninsula has several prominent performing arts organizations and venues that serve both the local community, and the broader visitor market. Performing arts in Monterey County entails a combination of live theater, music, dance, and other performances.

LIVE THEATER VENUES AND ORGANIZATIONS

The largest organization for live theater in Monterey County is the Pacific Repertory Theatre, which schedules events at three different venues in Carmel – the Golden Bough Theatre, Circle Theatre, and Forest Theatre. The Golden Bough Theatre is a 297-seat capacity venue with a conventional auditorium layout. The Circle Theatre is another indoor facility at the same site with 120 seats and an in-the-round layout. The Forest Theatre is an outdoor amphitheater that seats 540 patrons and hosts the annual Carmel Shakespeare Festival.

Other live theater organizations with their own venues include the Paper Wing Theatre and Pink Flamingo Theater, both of which are located in Monterey. The Wave Street Studios in Monterey is a small-scale multimedia performing and healing arts center.

The Carl Cherry Center in Carmel is a multifunction facility with gallery spaces and a 50-seat auditorium for live theater, music, lectures, and films.

In Marina, SpectorDance is a dance studio that presents dance performances, and has a studio space available for events that can hold 200 people.

CONCERTS

The Golden State Theatre in downtown Monterey is the largest indoor concert theater in the region. The facility has a capacity of 975 for concerts. The other primary indoor concert facility is the Sunset Cultural Center in Carmel By The Sea, which is a 718-seat venue used for concerts and symphonic performances.

The closest facility to Marina is the World Theater on the CSU Monterey Bay campus, which hosts music, dance, and live theater events. The theater seats 446 patrons, and reuses an army movie theater dating back to when the location was part of the Fort Ord military base.

In addition to the indoor facilities, the Monterey County Fairgrounds has two large outdoor theaters that are used for concerts and festivals. The outdoor Pattee Arena hosts the annual Monterey Jazz Festival and other large events, with a capacity of 5,800 to 10,000. The smaller outdoor Jack Payton

Stage has a capacity of 2,500 for live events. The Fairgrounds has three indoor spaces, each with room capacity of 1,000, and a smaller indoor space that can hold 300 people.

OTHER LIVE MUSIC VENUES

Other live music events on the Monterey Peninsula include restaurants, bars, and nightclubs. The businesses that regularly schedule live music events include Cibo Ristorante Italiano, East Village, Sly McFly's, and Cooper's Pub in Monterey.

There are also two bars in Marina that regularly schedule live music events (Mortimer's Rhythm and Brews, and Otter's Den).

MARKET CONDITIONS FOR OFFICE AND INDUSTRIAL PROJECTS

Given the size of the Art Village site, including the companion TAMC/MST-owned building, it is likely the development needs to incorporate market rate uses in order to generate a sustainable revenue stream. In terms of office and light industrial uses, two options would have a natural connection to the Arts Village concept: 1) coworking office space for digital and media arts and 2) maker spaces for craft manufacturing businesses and entrepreneurs.

As shown in Table 2, commercial real estate conditions in the Marina area are relatively tight. As of June 2018, office vacancies are at 1.3 percent with less than 7,000 sq. ft. available. Industrial vacancies are at 1.0 percent with only 9,000 sq. ft. available. A review of Loopnet listing in January 2019 revealed no available industrial properties in Marina and only four small office spaces.

Table 2: Commercial Real Estate Market Conditions, Q2 2018

Land Use/Location	Inventory	Vacant	Rate	Asking Price
Office				
Marina	--	--	--	\$1.16-\$1.65
Sand City/Seaside/Marina	518,956	6,978	1.3%	\$1.20
Monterey	3,679,714	351,624	9.6%	\$1.78
Salinas/Castroville	3,450,124	124,275	3.6%	\$1.58
Carmel/Pacific Grove	583,014	22,529	3.9%	\$2.05
Industrial				
Sand City/Seaside/Marina	866,462	9,000	1.0%	--
Monterey	642,553	6,742	1.0%	\$1.39
Salinas/Castroville	13,440,313	320,773	2.4%	\$1.02

Source: Cushman Wakefield Marketbeats Reports. Marina office lease rates from Loopnet, accessed January 11, 2019.

COWORKING

The phenomenon of coworking space has become the contemporary analogue to executive office space for entrepreneurs or satellite office operations. Regus and WeWork are two prominent examples of national and international firms serving a market for small scale office work stations with shared services. Neither have projects in Monterey County but both offer workspaces in South San Jose at prices ranging from \$380 to \$474 per month. Assuming a workstation and surrounding aisle space occupies 100 sq. ft., this amounts to an average rate of \$4.27 per sq. ft. The average asking rate for all office space in San Jose is \$2.35 and for Class A space it is \$4.10. The coworking space price includes all utilities, phone and internet, as well as all other triple net costs, which are absorbed by the building management. At 100 sq. ft. per workstation, this would appear to be a reasonable market rate proposition for both the tenant and landlord. If higher space densities can be achieved, then the landlord can achieve higher margins.

Startup Monterey Bay lists several coworking spaces in the Monterey/Santa Cruz Area. These centers offer a variety of space and rent options, ranging from private office space to drop-in access on an as-needed basis. The monthly rates listed below are for permanent desk space in a common room, comparable to the Regus and WeWork rates quoted above.

- Hellodesk – Monterey: \$330
- Cruzeiworks – Santa Cruz: \$369
- Next Space – Santa Cruz: \$325
- Satellite – Santa Cruz: \$295+ (also offers digital media studio at additional cost)

Table 3 indicates that of 54,000 workers living in the Monterey Peninsula or the Highway 68 corridor, more than one-quarter commute outside the Monterey-Santa Cruz-San Benito counties region. Fifteen percent, or 8,100 workers, commute to the San Francisco Bay Area. These workers are a primary part of the demand pool that may be interested in shared workspace, at least on a part time basis.

MAKER SPACES

The Maker Movement has been building since before 2005 when Make: Magazine was launched and coined the term for it. Fueled in part by the potential for small scale, decentralized manufacturing using 3D printers and other automation tools, the movement has been featured as an education tool for tactile arts and skills as well as a potential disruptor for large scale manufacturing around the world. In 2016, Make: Magazine estimated that 26 percent of US cities had Makerspaces and 13 percent had hosted a Maker Faire. In 2017 there were 240+ Maker Faires around the world.

The California Community Colleges have established a grant program for community colleges to develop Maker Spaces at their campuses and both Hartnell and Cabrillo colleges have taken advantage of this program. The Hartnell Maker Space is at the East Alisal Campus in Salinas. It opened in April 2018 and has potential for further expansion, depending on availability of funds. However, the space currently offers a wide range of equipment including 3-D printers, a laser engraver, vinyl cutter,

Table 3: Work Destination - Where Workers are Employed Who Live in the Monterey Peninsula/Highway 68 Area, 2015

Commute Destination	Total		County Subdivisions							
			Carmel		Carmel Valley		Seaside-Monterey		Toro	
	Workers	%	Workers	%	Workers	%	Workers	%	Workers	%
Total	54,038		4,212		2,396		41,811		5,619	
Monterey County	38,363		2,644	62.8%	1,497	62.5%	30,307	72.5%	3,915	69.7%
San Benito County	285		21	0.5%	8	0.3%	204	0.5%	52	0.9%
Santa Cruz County	1,423		151	3.6%	76	3.2%	1,015	2.4%	181	3.2%
Tri-County	40,071	74.2%	2,816	66.9%	1,581	66.0%	31,526	75.4%	4,148	73.8%
Alameda County	1,373		126	3.0%	76	3.2%	1,028	2.5%	143	2.5%
Contra Costa County	599		52	1.2%	26	1.1%	476	1.1%	45	0.8%
Marin County	149		24	0.6%			110	0.3%	15	0.3%
Napa County	22		15	0.4%	7	0.3%				
San Francisco County	1,115		122	2.9%	47	2.0%	874	2.1%	72	1.3%
San Mateo County	939		97	2.3%	44	1.8%	713	1.7%	85	1.5%
Santa Clara County	3,499		329	7.8%	273	11.4%	2,406	5.8%	491	8.7%
Solano County	188		19	0.5%	11	0.5%	137	0.3%	21	0.4%
Sonoma County	219		34	0.8%	10	0.4%	156	0.4%	19	0.3%
SF Bay Area	8,103	15.0%	818	19.4%	494	20.6%	5,900	14.1%	891	15.9%
San Luis Obispo County	332		28	0.7%	26	1.1%	216	0.5%	62	1.1%
Santa Barbara County	246		30	0.7%	13	0.5%	182	0.4%	21	0.4%
Ventura County	148		13	0.3%			123	0.3%	12	0.2%
South Central Coast	726	1.3%	71	1.7%	39	1.6%	521	1.2%	95	1.7%
Fresno County	449		35	0.8%	36	1.5%	319	0.8%	59	1.1%
Kern County	182		18	0.4%	10	0.4%	129	0.3%	25	0.4%
Kings County	7				7	0.3%				
Madera County	7				7	0.3%				
Merced County	148		19	0.5%	12	0.5%	98	0.2%	19	0.3%
San Joaquin County	399		26	0.6%	18	0.8%	307	0.7%	48	0.9%
Stanislaus County	347		37	0.9%	20	0.8%	244	0.6%	46	0.8%
Tulare County	153		15	0.4%			125	0.3%	13	0.2%
Central Valley	1,692	3.1%	150	3.6%	110	4.6%	1,222	2.9%	210	3.7%
Los Angeles County	666		76	1.8%	24	1.0%	518	1.2%	48	0.9%
Orange County	383		43	1.0%	19	0.8%	288	0.7%	33	0.6%
San Diego County	307		34	0.8%	12	0.5%	233	0.6%	28	0.5%
Southern Calif.	1,356	2.5%	153	3.6%	55	2.3%	1,039	2.5%	109	1.9%
Placer County	177				14	0.6%	140	0.3%	23	0.4%
Sacramento County	661		72	1.7%	35	1.5%	508	1.2%	46	0.8%
Sacramento Valley	838	1.6%	72	1.7%	49	2.0%	648	1.5%	69	1.2%
All Other Locations	1,252	2.3%	132	3.1%	68	2.8%	955	2.3%	97	1.7%

Source: ADE, Inc., based on Longitudinal Employer-Household Dynamics, US Bureau of Labor Statistics and US Census.

printing press, CNC router, and textile manufacturing equipment such as sewing and embroidery machines. The space also has a clean lab with computers and robotics capabilities, which it shares with the college's NASA-Ames program. The space is used for both college and K-12 classes and is also available to community groups such as the boy's and girl's clubs. The general public can access

the space through community groups for classes but the space is not available for independent entrepreneurs to use on their own time.²

Idea Fab Labs (IFL) does have a facility in Santa Cruz that offers memberships for use of its 5,300 sq. ft. shop space, which also includes community areas and an art gallery. In addition to the types of equipment listed above for Hartnell, IFL has a woodshop, jewelry shop, and electronics space. Memberships are offered at different levels ranging from \$45 per month to \$168 per month at the "Professional+" level.

The Maker Space at Cabrillo College is an expansion of their Art Fab Lab and occupies about 2,800 sq. ft. It received a \$368,000 grant for equipment from the State Community college maker space program.

The opportunity at the Marina Arts Village would be similar to IFL in Santa Cruz, avoiding duplication of the instructional services offered at Hartnell and Cabrillo but offering space for entrepreneurs and hobbyists to use advanced equipment for their own production purposes.

RETAIL AND ENTERTAINMENT

In order to make the Arts Village an attractive location for visitors and onsite works alike, it will be important to offer retail and food amenities. An art store/gallery would be natural outlet for the artist community to show their work and solicit art sales. Food and entertainment options would help create a vibrant environment. Based on the research discussed below, we believe there is market opportunity for a brewery or brewpub. Wine-making and tasting would also be a good option, but there is significantly more competition in Monterey and Carmel.

BREWERIES AND BREWPUBS

Beginning in the 1990s, the craft beer movement has spawned a huge industry across the country, with California serving as one of the largest centers of innovation and activity in craft brewing. The Central Coast (Santa Cruz County to Santa Barbara County) in particular has seen numerous microbreweries rise to national prominence. While the Central Coast as a whole has a high concentration of craft brewing, Monterey County has lagged behind other Central Coast counties.

Beer brewing creates ties to multiple business opportunities. This can range from distribution breweries to brewpubs at the production end, to retail stores, bars, taprooms, and restaurants at the consumption end. This analysis focuses more on the production side, that is, business establishments that brew beer and related beverages for consumption both on the premises and off-site. This can include distribution breweries as well as restaurants.

TYPES OF BREWERIES AND BREWPUBS

The California Alcoholic Beverage Control (ABC) has multiple classifications specific to brewing activity, and each category has differences in the types of business operations allowed.

² Maggie Melone-Echiburo, Director K-12 Stem Programs and Nasa MAA Site Director, telephone communication, December 17, 2018.

- **Beer Manufacturer (Large Brewery):** This classification includes large-scale brewing, with annual production volume of over 60,000 barrels. Beer manufacturers are allowed to serve beer and wine on the premises, distribute product off-site, operate on-site food service, and sell beer and wine from other manufacturers.
- **Small Beer Manufacturer (Microbrewery or Brewpub):** This classification covers microbreweries with annual production volume of under 60,000 barrels. The category also includes brewpubs that function primarily as restaurants, and all small beer manufacturers are allowed to distribute product off-site, serve beer and wine on the premises, and distribute beer and wine from other manufacturers.
- **On-Sale General Brewpub:** This classification includes businesses that combine a restaurant with a brewing operation. The annual production volume can range between 100 to 5,000 barrels, with a minimum seven-barrel capacity. The business can also serve distilled spirits. On-sale brewpubs cannot directly sell product for off-site consumption, and can only do so through a licensed wholesaler.

BEER MANUFACTURERS

The Central Coast region has a total of 10 licensees classified as large breweries. Nine of these manufacturing locations are operated by Firestone Walker Brewing, with seven of them in San Luis Obispo County.

The only Monterey County operation classified as a large brewery is the Constellation Brands facility in Gonzales. However, it should be noted that while Constellation Brands is an international large-scale beer manufacturer with multiple facilities throughout the U.S., their website identifies the Gonzales operation as a winery.

SMALL BEER MANUFACTURER (MICROBREWERY OR BREWPUB)

The Central Coast region has a total of 90 small beer manufacturers. These operations broadly range from brewpubs with attached restaurants to brewing operations that focus more on off-site distribution.

Monterey County has a total of 10 licensees classified as small beer manufacturers, as shown in Table 4. Eight of the small beer manufacturers in Monterey County are located in the Monterey Peninsula communities. Marina has one existing microbrewery, while the other existing operations are located in Carmel and Monterey (see Appendix Table A-1). Another microbrewery is currently under construction in Seaside.

Table 4: Central Coast Small Beer Manufacturers by Location, 2018

CATEGORY	MONTEREY COUNTY	SAN LUIS OBISPO COUNTY	SANTA BARBARA COUNTY	SANTA CRUZ COUNTY	CENTRAL COAST REGIONAL TOTAL	STATE TOTAL	REGION PERCENT OF STATE TOTAL
Small Beer Manufacturer	10	32	25	23	90	927	9.7%
On-Sale General Brew-Pub	0	6	3	0	9	151	6.0%

Source: ADE, Inc.; data from California Alcoholic Beverage Control.

By comparison, other Central Coast counties each have at least twice as many small beer manufacturers, with the largest concentration in San Luis Obispo County (32 small beer manufacturers). Altogether, the Central Coast region has 9.7 percent of the total small beer manufacturers in California, while representing 3.6 percent of the population.

On a per capita basis, Monterey County lags further behind other Central Coast locations. As shown in Table 5, Monterey County has 2.3 microbreweries and brewpubs per 100,000 residents. By comparison, San Luis Obispo has 11.4 operations per 100,000 residents, while Santa Barbara (5.8) and Santa Cruz (8.8) also have much higher concentrations of small beer manufacturers per 100,000 residents.

Table 5: Central Coast Small Beer Manufacturers Per 100,000 Residents

CATEGORY	MONTEREY COUNTY	SAN LUIS OBISPO COUNTY	SANTA BARBARA COUNTY	SANTA CRUZ COUNTY	CENTRAL COAST REGIONAL TOTAL	STATE TOTAL
Small Beer Manufacturer	2.3	11.4	5.8	8.8	6.3	2.3

Source: ADE, Inc.; data from California Alcoholic Beverage Control.

ON-SALE BREWPUBS

The on-sale brewpub category represents a more specific classification that allows for sales of distilled spirits, but restricts product sales primarily to on-site consumption. On-sale brewpubs also have a narrower range of allowable beer production.

While the Central Coast region has a total of nine on-sale brewpub licensees, Monterey and Santa Cruz counties do not have any existing businesses in this category (see Table 6 and Table 7). Six of the on-sale brewpubs operate in San Luis Obispo County, while the remaining three operate in Santa Barbara County.

Table 6: Central Coast On-Sale Brewpubs by Location, 2018

CATEGORY	MONTEREY COUNTY	SAN LUIS OBISPO COUNTY	SANTA BARBARA COUNTY	SANTA CRUZ COUNTY	CENTRAL COAST REGIONAL TOTAL	STATE TOTAL	REGION PERCENT OF STATE TOTAL
On-Sale General Brewpub	0	6	3	0	9	151	6.0%

Source: ADE, Inc.; data from California Alcoholic Beverage Control.

Table 7: Central Coast On-Sale Brewpub Businesses

BUSINESS NAME	LOCATION	COUNTY
Tanner Jacks	Arroyo Grande	San Luis Obispo
Cool Hand Luke's	Paso Robles	San Luis Obispo
Paso Robles Central Coast Casino	Paso Robles	San Luis Obispo
SLO Brew	San Luis Obispo	San Luis Obispo
Kreuzberg California	San Luis Obispo	San Luis Obispo
The Ranch	San Miguel	San Luis Obispo
Rooney's Irish Pub Shanty Irish Brewing Co	Orcutt	Santa Barbara
Santa Barbara Brewing Co	Santa Barbara	Santa Barbara
Solvang Brewing Company	Solvang	Santa Barbara

Source: ADE, Inc.; data from California Alcoholic Beverage Control.

As shown in Table 8, the Central Coast region has a higher number of on-sale brewpubs per 100,000 residents than the statewide average, despite the absence of these businesses in Monterey and Santa Cruz counties.

Table 8: Central Coast On-Sale Brewpubs Per 100,000 Residents

CATEGORY	MONTEREY COUNTY	SAN LUIS OBISPO COUNTY	SANTA BARBARA COUNTY	SANTA CRUZ COUNTY	CENTRAL COAST REGIONAL TOTAL	STATE TOTAL
On-Sale General Brewpub	0.0	2.1	0.7	0.0	0.6	0.4

Source: ADE, Inc.; data from California Alcoholic Beverage Control.

SITE DEVELOPMENT REQUIREMENTS

For a microbrewery, the nature of the operation presents specific site development needs.

WATER

In general, the biggest constraint on a brewery operation is availability and quality of water. According to Specific Mechanical Systems, which manufactures supplies brewing and distilling systems to microbreweries and brewpubs, the recommended water supply specification should provide 60 pounds per square inch (PSI) of pressure with a flow rate of 25 to 30 gallons per minute (GPM). Using the water utility might require additional filtration.

DRAINAGE

Drains will need to handle four to six barrels of effluent for every barrel of beer produced, and cover all rooms where water is used and spillage might occur.

SQUARE FOOTAGE

The minimum seven-barrel capacity system for an on-sale brewpub, least 550 square feet will be needed.

CEILING HEIGHTS

Specific Mechanical Systems recommends ceiling heights of 12 to 15 feet for smaller brewpub operations, with taller ceiling heights for microbreweries and production breweries.

PRO FORMA ANALYSIS

Based on the potential market demand discussed above and the preliminary building concept designs prepared by Congleton Architects, we have designed a use program for the Arts Village building as shown in Table 9. The building is 60,000 sq. ft. of gross space and we estimate 90 percent of it can be leased (54,000 sq. ft.). In addition to the distribution of uses in the building, Table 9 also indicates the projected annual lease rates and the full-time equivalent (FTE) jobs for each component of the project.

Table 9: Arts Village Project Program and job Generation

Uses	Size (Sq. Ft.)	Market Rental Range*	Proposed Lease Rates*	Sq. Ft. per Job	FTE Jobs
Artist Studios	7,500	\$0.50-\$2.50	\$1.00	250	30.0
Art Class Space	2,000	\$0.50-\$1.50	\$0.90	5,000	0.4
Gallery space	4,000	\$0.13-\$0.35	\$0.22	8,000	0.5
Shared Equipment Room	2,000	\$0.50-\$2.50	\$1.25	4,000	0.5
Performing Arts Workshop	5,400	\$0.50-\$1.50	\$0.50	2,000	2.7
Brew Pub & Restaurants	7,000	\$1.00-\$2.50	\$1.25	250	28.0
Retail	3,000	\$1.00-\$2.50	\$1.25	500	6.0
Wine Tasting/Storage	3,100	\$0.50-\$1.50	\$0.50	1,000	3.1
Co-working Space	13,000	\$2.25-\$2.80	\$2.25	100	130.0
Maker Industries	7,000	\$0.50-\$1.00	\$1.00	500	14.0
Total Leasable	54,000				
Admin./Maint./Security					2.5
Total Building	60,000				217.7

Source: ADE, Inc. *Note: Lease rates are monthly per sq. ft.

PROJECT USES

Artist Studios. The studios average 250 sq. ft. and there are thirty studio spaces. Based on input from the artists survey, we have limited the rent rates to \$1.00 per sq. ft. We count one job per occupied studio.

Art Class Space. The program includes four teaching spaces at 500 sq. ft. each. As discussed in the phasing section below, the second two spaces would be developed later in the construction phase depending on demand. The artist survey indicated the Monterey County Arts Council may be interested in office space at the project. This has not been specifically programmed but some of the space allocated to classrooms or the galleries could be repurposed as office space if that demand materializes.

The rent estimate assumes there would be two classes per classroom per week with six students in each class paying \$30.00 per class. The rent is set at 30% of the class revenue and converted to a sq. ft. basis. The job estimate is based on the amount of class time plus time for preparation and administration/marketing.

Gallery Space. We envision four gallery spaces of different sizes, totaling 4,000 sq. ft. As with the classroom space, we recommend this space be developed gradually as demand becomes evident. The rent level assumes an average monthly rent of \$250 per space, based on published rates for shows at other venues in the area. As noted in the description of the Pacific Grove Art Center, there may also be sales commissions from the displayed art, but we have not attempted to estimate a value for that.

Shared Equipment Room. We have allocated 2,000 sq. ft. for shared art making equipment. This may be digital and media studio space, print making equipment, pottery kiln or other equipment that would be rented as needed by the artists. Another example is the Monterey Art Center, located at the Marina Airport, which offers foundry services to sculptors. If that facility needs expansion space or an alternate location, the Arts Village space could be reallocated to accommodate a larger component of shared equipment space. The lease rate for this space is based on market rents for office and industrial space in the market area, on the assumption that artists would expect to pay for use of equipment. For example, the Satellite in Santa Cruz offers a digital media lab for rent. The facility is run by a non-profit group and the proceeds are used to subsidize media artists in the area.

Performing Arts Workshop. The market analysis identified the need for a 300 seat performing arts venue. The existing buildings at the Art Village site are not conducive to a fully enclosed structure, which would likely require new construction at a cost of \$10,000 to \$40,000 per seat.³ Congleton Architects have recommended instead an indoor performing arts workshop space adjacent to an outdoor amphitheater. We anticipate the programming for this space would have a heavy emphasis on youth classes and programs. Given the large size of the proposed space, we have estimated an average rent level of \$0.50 per sq. ft.

Brew Pub/Restaurants/Retail. The program includes a 5,000 sq. ft. brewpub, one or two additional restaurants totaling 2,000 sq. ft. and two or three retail spaces for a total of 3,000 sq. ft. The rent levels on these spaces are \$1.25 per sq. ft. We believe this is below market levels for retail space, but the location will depend on substantial visitor/employee traffic for the art uses and office spaces and will be risky for retailers in the early years until the Arts Village is well established. The job densities are based on factors derived from surveys by the Urban Land Institute (ULI).

Wine Tasting/Storage. The City of Marina has received inquiries for space to support wine storage at this location and wine tasting would be a natural complement to the brew pub and art activities onsite. However, we believe there would be minimal revenue potential in these uses, estimated at \$0.50 per sq. ft.

Coworking Space. This would be the primary revenue generating use for the project and we have programmed 13,000 sq. ft. of space, which we would recommend phasing in over several years. The lease revenue is structured as \$250 per month for workstations occupying 100 sq. ft. The market analysis indicates that existing coworking facilities in Monterey, Santa Cruz and South San Jose offer permanent dedicated workspaces at \$330+ per month, with a variety of less permanent space options at lower amounts and more private space at higher amounts. We have projected a lower revenue level for the Arts Village space because the coworking model is less proven in the Monterey area and there

³ Ervin, Wes and Mark Heckey, *Feasibility Analysis for the Penn Valley Community Cultural Center*. 2017.

may be more demand for virtual office space at lower cost. However, at full buildout, there would be one job supported by each 100 sq. ft. of leasable space. This is only slightly more dense than conventional office space dedicated to technology companies, as many companies are seeking open floor plans and shared work spaces as a standard operating model.

Maker Space. This type of space would be more industrial in nature and is also much more capital intensive in terms of equipment costs than office space. We have estimated here that the City could obtain returns similar to other industrial space, given the very low industrial vacancy rates in the Marina area. This is corroborated by data on instructional classes offered by a successful maker space in Riverside, California. The \$1.00 per sq. ft. monthly rent level would be equivalent to 30 percent of maker space class revenues, similar to the art classes. However, with Hartnell and Cabrillo Community Colleges both offering classes at their maker spaces, we envision the Marina Arts Village space would be occupied by start-up businesses using skills they have learned elsewhere, similar to the commercial kitchen incubator operated by the Pajaro Economic Development Corporation in Watsonville.

FINANCIAL FEASIBILITY

Table 10 shows figures at full buildout for gross revenue, estimated operating costs and construction funding sources. The total project cost is estimated at \$7.5 million. This figure is derived by applying a capitalization rate ("cap rate") of 5.5 percent to the stabilized annual net income. This cap rate reflects current commercial real estate market conditions in Monterey County and provides an indication of how the private lending sector may value the project. At this budget level, the project could support a bank loan of about \$4.5 million. The debt service assumes 7.5 percent annual construction financing costs, which convert to a 30 year loan at 5% annual interest after construction in year 8. At this stage, the analysis assumes the project will qualify for an EDA grant ranging from \$1 million to \$3 million. The analysis assumes the EDA grant plus the land value would qualify as the equity component of the project. However, if the EDA grant is less than \$3 million, the difference would need to be made up from additional equity investments in the project.

The overall sources and uses of funds is presented in Table 11. The \$7.5 million project value figure allows for a construction budget of \$125 per sq. ft. The City has identified some of the costs for the project, such as building stabilization, which includes exterior siding, wall framing repair, roof structural repair and new roofing and painting. In addition, remediation of onsite hazardous material is estimated to cost \$225,000 and ADE has estimated the cost of new parking at \$112,000. The remaining budget would be for tenant improvements. For example, the artist spaces need skylights throughout to provide better lighting and the performing arts space and amphitheater would need to be constructed. Also, there would be tenant improvements for the retail, restaurant, office and maker spaces. If additional construction funds are needed, the City may need to conduct a capital campaign, perhaps in conjunction with local arts groups or the County Arts Council.

OPERATING COSTS

Utilities costs are estimated at \$2.50 per sq. ft., including water, sewer, power, natural gas and trash removal. Insurance is for general liability and is estimated on the basis of the finished building value. The other categories of maintenance, property management and marketing are primarily staff driven and Table 12 indicates the assumptions about staffing for each function. In most cases, the project is

not anticipated to require a full-time position except for security. Marketing and Fundraising are important categories and may require higher levels of efforts than shown. Marketing will be needed during the lease up phase and also to drive visitors to the location. Most arts facilities and organizations also engage in significant fundraising to help defray the costs of community events and amenities at the facility. This may also be necessary to augment the construction budget for the Arts Village. We have also prepared a phasing plan as shown in Tables 13 and 14.

Table 10: Static Pro Forma For Arts Village Project

Gross Revenue	\$788,400
Cost Analysis	
Operations	
Utilities	\$150,000
Insurance	\$15,000
Prop Mgmt.	\$44,220
Maint./Sec.	\$85,655
Marketing	\$43,094
Total	\$337,970
Reserves	\$33,797
Net Income	\$416,633
Debt Service	\$289,884
Total Net	\$126,750

Source: ADE, Inc.

Table 11: Sources and Uses of Fund for Marina Arts Village

Sources		Uses	
EDA Grant	\$1,000,000 to \$3,000,000	Building Stabilization	\$750,000
Debt Financing	\$4,500,000	Hazardous Material Remediation	\$225,000
Additional Project Equity	Up to \$2,000,000	Parking	\$112,000
City Operating Subsidy	\$1,008,438	Tenant Improvements	\$6,413,000
		Unfunded Operating Costs	\$1,008,438
Total Sources	\$8,508,438	Total Uses	\$8,508,438
Per sq. ft.	\$141.81		

Source: ADE, Inc.

Table 12: Estimate of Project Operations Staffing Costs

Operations Category	Annualized Wages	FTE	Annual Cost*
Maintenance	\$44,419	0.25	\$15,547
Janitorial	\$33,481	0.50	\$23,437
Security	\$33,337	1.00	\$46,672
Public Relations/Marketing	\$120,697	0.10	\$16,898
Fundraiser	\$74,847	0.25	\$26,196
Property Management	\$78,965	0.40	\$44,220
Total		2.50	\$172,970

*Includes 40% benefits markup

Source: ADE, Inc. Wage data based on EDD published annual average wages for Monterey County.

Table 13: Construction Program

Uses	Size	Year									
		1	2	3	4	5	6	7	8	9	10
Artist Studios	7,500	3,500	2,000	2,000							
Art Class Space	2,000	1,000		1,000							
Gallery space	4,000	2,000			2,000						
Shared Equipment Room	2,000	1,000			1,000						
Performing Arts Workshop	5,400	5,400									
Brew Pub & Restaurants	7,000				2,000	5,000					
Retail	3,000				1,000		1,000		1,000		
Wine Tasting/Storage	3,100	2,100				1,000					
Co-working Space	13,000			4,000	3,000	3,000	3,000				
Maker Industries	7,000					2,000	2,000	3,000			
Total Leasable	54,000	15,000	2,000	7,000	9,000	11,000	6,000	3,000	1,000	0	0
Cumulative		15,000	17,000	24,000	33,000	44,000	50,000	53,000	54,000	54,000	54,000

Source: ADE, Inc.

Table 14: Leasing Program

Uses	Size	Year									
		1	2	3	4	5	6	7	8	9	10
Artist Studios	7,500		875	2,250	4,125	5,825	6,725	7,125	7,125	7,125	7,125
Art Class Space	2,000		250	500	1,250	1,900	1,900	1,900	1,900	1,900	1,900
Gallery space	4,000		500	1,000	1,500	1,900	2,400	2,900	3,400	3,800	3,800
Shared Equipment Room	2,000		250	500	950	1,200	1,450	1,900	1,900	1,900	1,900
Performing Arts Workshop	5,400		1,350	2,700	5,130	5,130	5,130	5,130	5,130	5,130	5,130
Brew Pub & Restaurants	7,000					2,000	7,000	7,000	7,000	7,000	7,000
Retail	3,000					950	950	1,900	1,900	1,900	1,900
Wine Tasting/Storage	3,100		1,050	2,100	2,100	2,100	3,100	3,100	3,100	3,100	3,100
Co-working Space	13,000				2,000	4,500	7,550	10,400	11,750	12,350	12,350
Maker Industries	7,000						1,000	2,500	4,900	6,050	6,650
Total Leasable	54,000										

PROGRAM PHASING

We project that the facility would be built out over a 7-8 year period (Table 13). The early stages would focus on the arts studios and related spaces, using the anticipated EDA grant for funding. The later stages would focus on the higher revenue producing uses, once the Art Village is up and running. The brew pub and retail spaces would need some level of activity to be established at the Arts Village in order for the location to be viable for them. The coworking office space in turn would want the restaurant and outdoor amenities in place before beginning operations. These business-oriented stages would be funded by debt financing and possibly investor equity.

The leasing program shown in Table 14 projects a four year absorption period for the artists facilities as they each come online. The brew pub and restaurant/retail spaces would be built for specific tenants when they are identified and committed. The coworking space we believe would lease up on three year phasing cycles. In initial phases of office space could go more quickly depending on whether or not competing facilities have entered the Monterey market by the time the Arts Village space is available.

The operating cost phasing generally follows the construction and leasing programs and is shown in Table 15. Certain costs like utilities, insurance, security and marketing begin in Year 1 during the initial construction phase. The security and marketing categories ramp up to full strength as soon as the building begins to be occupied in Year 2. The property management reaches full strength in Year 5 when the office, restaurant and retail uses begin to operate.

PRO FORMA ANALYSIS

In Table 16, the construction and operating costs are shown in the upper part of the table by year. The construction funding and operating revenues are shown in the lower part of the table with the annual and cumulative net income in the bottom two rows.

Based on the phasing of the space buildout, the project would use about 70 percent of the proposed EDA grant in the first year and the remainder in the second and third years. We have shown the private construction financing coming on line in year three and the phasing of the remaining construction would spread out over several years as the project gradually leases up.

The rent income follows the leasing program shown in Table 14. The revenue estimates for most of the uses includes a 5 percent vacancy allowance, except the brewpub and restaurant space, which are assumed to be pre-leased.

The operating subsidy fills the gap on an annual basis between the operating costs, including debt service, and the rental income. The phasing of the construction funding creates some annual surpluses, but we assume for this analysis that construction funds would be accounted for separately from operating funds. If the leasing program goes as projected, the project should become self-sustaining by Year 8. We have included ongoing costs for marketing and fundraising in the proforma, without accounting for the level of revenue this may generate. Revenue gained through fundraising would pay for additional construction or operating costs not included in the pro forma.

Table 15: Operating Cost Phasing

Cost Category	Total	Years									
		1	2	3	4	5	6	7	8	9	10
Utilities	\$150,000	\$15,000	\$37,500	\$75,000	\$91,667	\$122,222	\$138,889	\$147,222	\$150,000	\$150,000	\$150,000
Insurance	\$15,000	\$7,500	\$7,500	\$7,500	\$9,167	\$12,222	\$13,889	\$14,722	\$15,000	\$15,000	\$15,000
Prop Mgmt.	\$44,220		\$22,110	\$22,110	\$22,110	\$44,220	\$44,220	\$44,220	\$44,220	\$44,220	\$44,220
Maint./Sec.	\$85,655	\$21,414	\$42,828	\$42,828	\$52,345	\$69,793	\$79,310	\$84,069	\$85,655	\$85,655	\$85,655
Marketing	\$43,094	\$21,547	\$43,094	\$43,094	\$43,094	\$43,094	\$43,094	\$43,094	\$43,094	\$43,094	\$43,094
Total	\$337,970	\$65,461	\$153,032	\$190,532	\$218,382	\$291,552	\$319,403	\$333,328	\$337,970	\$337,970	\$337,970
Reserves (10%)	\$33,797	\$6,546	\$15,303	\$19,053	\$21,838	\$29,155	\$31,940	\$33,333	\$33,797	\$33,797	\$33,797

Source: ADE, Inc.

Table 16: Phased Pro Forma Analysis; \$1 million EDA Grant

Cost/ Revenue Category	Year									
	1	2	3	4	5	6	7	8	9	10
Costs										
Construction	\$2,083,333	\$277,778	\$972,222	\$1,250,000	\$1,527,778	\$833,333	\$416,667	\$138,889	\$0	\$0
Operating Costs	\$72,007	\$168,335	\$209,585	\$240,221	\$320,707	\$351,343	\$366,661	\$371,767	\$371,767	\$371,767
Debt Service			\$30,000	\$123,750	\$240,000	\$303,750	\$337,500	\$289,884	\$289,884	\$289,884
Total Costs	\$2,155,340	\$446,113	\$1,211,807	\$1,613,971	\$2,088,485	\$1,488,426	\$1,120,827	\$800,539	\$661,650	\$661,650
Revenue										
EDA Grant	\$1,000,000									
Add'l Project Equity	\$1,100,000	\$300,000	\$600,000							
Project Loan			\$400,000	\$1,250,000	\$1,550,000	\$850,000	\$450,000			
Rent Income		\$32,700	\$71,400	\$178,680	\$322,680	\$513,930	\$636,030	\$702,630	\$733,710	\$740,910
Operating Subsidy	\$72,007	\$135,635	\$168,185	\$185,291	\$238,027	\$141,163	\$68,131			
Total Revenue	\$2,172,007	\$468,335	\$1,239,585	\$1,613,971	\$2,110,707	\$1,505,093	\$1,154,161	\$702,630	\$733,710	\$740,910
Annual Net Income	\$16,667	\$22,222	\$27,778	\$0	\$22,222	\$16,667	\$33,333	(\$97,909)	\$72,060	\$79,260
Cumulative Net Income	\$16,667	\$38,889	\$66,667	\$66,667	\$88,889	\$105,556	\$138,889	\$40,980	\$113,040	\$192,299

Table 177: Phased Pro Forma Analysis; \$3 million EDA Grant

Cost/ Revenue Category	Year									
	1	2	3	4	5	6	7	8	9	10
Costs										
Construction	\$2,083,333	\$277,778	\$972,222	\$1,250,000	\$1,527,778	\$833,333	\$416,667	\$138,889	\$0	\$0
Operating Costs	\$72,007	\$168,335	\$209,585	\$240,221	\$320,707	\$351,343	\$366,661	\$371,767	\$371,767	\$371,767
Debt Service			\$30,000	\$123,750	\$240,000	\$303,750	\$337,500	\$289,884	\$289,884	\$289,884
Total Costs	\$2,155,340	\$446,113	\$1,211,807	\$1,613,971	\$2,088,485	\$1,488,426	\$1,120,827	\$800,539	\$661,650	\$661,650
Revenue										
EDA Grant	\$2,100,000	\$300,000	\$600,000							
Project Loan			\$400,000	\$1,250,000	\$1,550,000	\$850,000	\$450,000			
Rent Income		\$32,700	\$71,400	\$178,680	\$322,680	\$513,930	\$636,030	\$702,630	\$733,710	\$740,910
Operating Subsidy	\$72,007	\$135,635	\$168,185	\$185,291	\$238,027	\$141,163	\$68,131			
Total Revenue	\$2,172,007	\$468,335	\$1,239,585	\$1,613,971	\$2,110,707	\$1,505,093	\$1,154,161	\$702,630	\$733,710	\$740,910
Annual Net Income	\$16,667	\$22,222	\$27,778	\$0	\$22,222	\$16,667	\$33,333	(\$97,909)	\$72,060	\$79,260
Cumulative Net Income	\$16,667	\$38,889	\$66,667	\$66,667	\$88,889	\$105,556	\$138,889	\$40,980	\$113,040	\$192,299

APPENDIX TABLE A-1: CENTRAL COAST SMALL BEER MANUFACTURER BUSINESSES

BUSINESS NAME	LOCATION	COUNTY
Carmel Craft Brewing Company	Carmel	Monterey
Yeast Of Eden	Carmel	Monterey
Carmel Valley Brewing	Carmel Valley	Monterey
English Ales Brewers	Marina	Monterey
Fieldwork Brewing Company	Monterey	Monterey
Portola Plaza Hotel Monterey Bay	Monterey	Monterey
Alvarado Street Brewery And Grill	Monterey	Monterey
Monterey Coast Brewing	Salinas	Monterey
Alvarado Street Brewing	Salinas	Monterey
<i>Other Brother Beer (Under Construction)</i>	<i>Seaside</i>	<i>Monterey</i>
Figueroa Mountain Brewing Company	Arroyo Grande	San Luis Obispo
Tent City Beer Company	Atascadero	San Luis Obispo
Toro Creek Brewing Company	Atascadero	San Luis Obispo
Dead Oak Brewing Company	Atascadero	San Luis Obispo
Libertine Brewing Company	Avila Beach	San Luis Obispo
927 Beer Company	Cambria	San Luis Obispo
Manrock Brewing Company	Grover Beach	San Luis Obispo
Bittersweet Brewing Company	Grover Beach	San Luis Obispo
Libertine Brewing Company	Morro Bay	San Luis Obispo
Three Stacks And A Rock Brewing Company	Morro Bay	San Luis Obispo
Santa Maria Brewing Co	Nipomo	San Luis Obispo
Barrelhouse Brewing Co	Paso Robles	San Luis Obispo
Kilokilo Brewing Company	Paso Robles	San Luis Obispo
Santa Maria Brewing Co	Paso Robles	San Luis Obispo
Earth&Fire Brewing Company	Paso Robles	San Luis Obispo
Kilkilo Brewing Company	Paso Robles	San Luis Obispo
Toro Creek Brewing Company	Paso Robles	San Luis Obispo
Silva Brewing	Paso Robles	San Luis Obispo
Pismo Brewing Company	Pismo Beach	San Luis Obispo
Tap It Brewing Co.	San Luis Obispo	San Luis Obispo
Central Coast Brewing	San Luis Obispo	San Luis Obispo
7 Sisters Brewing Company	San Luis Obispo	San Luis Obispo
Doc's Cellar (Multiple Locations)	San Luis Obispo	San Luis Obispo
Tap It Brewing Co	San Luis Obispo	San Luis Obispo
The Rock At SLO Brew	San Luis Obispo	San Luis Obispo
The Rock At SLO Brew	San Luis Obispo	San Luis Obispo
Libertine Brewing Company	San Luis Obispo	San Luis Obispo
Central Coast Brewing	San Luis Obispo	San Luis Obispo
Bang The Drum	San Luis Obispo	San Luis Obispo
Barrelhouse Speakeasy	San Luis Obispo	San Luis Obispo
Dunbar Brewing	Santa Margarita	San Luis Obispo
Figueroa Mountain Brewing (Multiple Locations)	Buellton	Santa Barbara
Rincon Brewery	Carpinteria	Santa Barbara
Brew Lab	Carpinteria	Santa Barbara
Island Brewing Company	Carpinteria	Santa Barbara
M Special Brewing Company	Goleta	Santa Barbara
Captain Fattys Brewery	Goleta	Santa Barbara
Draughtsmen Aleworks	Goleta	Santa Barbara
Hollister Brewing Company	Goleta	Santa Barbara
Solvang Brewing Company	Lompoc	Santa Barbara
Gandolfo Brewing Co	Lompoc	Santa Barbara
Figueroa Mountain Brewing Company	Los Olivos	Santa Barbara

BUSINESS NAME	LOCATION	COUNTY
Naughty Oak Brewing Company	Orcutt	Santa Barbara
Figueroa Mountain Brewing	Santa Barbara	Santa Barbara
Night Lizard Brewing Company	Santa Barbara	Santa Barbara
Pure Order Brewing Company	Santa Barbara	Santa Barbara
Topatopa Brewing Company	Santa Barbara	Santa Barbara
Brewery Rex	Santa Barbara	Santa Barbara
The Brewhouse	Santa Barbara	Santa Barbara
The Third Window Brewing Co	Santa Barbara	Santa Barbara
Telegraph Brewing Company	Santa Barbara	Santa Barbara
Draughtsmen Aleworks	Santa Barbara	Santa Barbara
Santa Maria Brewing Co	Santa Maria	Santa Barbara
Libertine Brewing Company	Santa Maria	Santa Barbara
Humble Sea Brewing Company	Ben Lomond	Santa Cruz
Sante Adairius LLC	Capitola	Santa Cruz
Soquel Fermentation Project	Los Gatos	Santa Cruz
Manyfriends.Com	Los Gatos	Santa Cruz
Shanty Shack Brewing	Santa Cruz	Santa Cruz
Seabright Brewery	Santa Cruz	Santa Cruz
East Cliff Brewing Company	Santa Cruz	Santa Cruz
Santa Cruz Mountain Brewing	Santa Cruz	Santa Cruz
Sante Adairius	Santa Cruz	Santa Cruz
Vida Juice	Santa Cruz	Santa Cruz
Uncommon Brewers	Santa Cruz	Santa Cruz
Nubo Brewing Co	Santa Cruz	Santa Cruz
Humble Sea Brewing Company	Santa Cruz	Santa Cruz
Woodhouse Blending & Brewing	Santa Cruz	Santa Cruz
Oasis The	Santa Cruz	Santa Cruz
Tuya Superbrewing Co	Santa Cruz	Santa Cruz
Crescent Farm House Ales	Scotts Valley	Santa Cruz
Steel Bonnet Brewing Company	Scotts Valley	Santa Cruz
Discretion Brewing (Multiple Locations)	Soquel	Santa Cruz
Corralitos Brewing Company	Watsonville	Santa Cruz
Elkhorn Slough Brewing Co	Watsonville	Santa Cruz
Fruition Brewing	Watsonville	Santa Cruz

Source: ADE, Inc.; data from California Alcoholic Beverage Control.