



**City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority**

AGENDA

Wednesday

Regular

**Closed Session 5:30 p.m.
Regular Session 6:00 p.m.**

June 18, 2014

**City Hall
100 West California Avenue
Ridgecrest CA 93555**

(760) 499-5000

**Daniel O. Clark, Mayor
Marshall 'Chip' Holloway, Vice Mayor
James Sanders, Council Member
Lori Acton, Council Member
Steven P. Morgan, Council Member**

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LAST ORDINANCE NO. 14-xx
LAST RESOLUTION CITY COUNCIL NO. 14-60
LAST RESOLUTION FINANCING AUTHORITY NO. 14-xx
LAST RESOLUTION OF THE HOUSING AUTHORITY NO. 14-xx
LAST RESOLUTION OF THE SUCCESSOR REDEVELOPMENT AGENCY NO. 14-xx

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Regular Council
Wednesday June 18, 2014

CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555

Closed Session – 5:30 p.m.
Regular Session – 6:00 p.m.

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at <http://ci.ridgecrest.ca.us>

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT – CLOSED SESSION

AGENDA - CITY COUNCIL - REGULAR

June 18, 2014

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CLOSED SESSION

- | | |
|-----------------|---|
| GC54956.9(d)(4) | Conference With Legal Counsel – Existing Litigation – City Of Ridgecrest v. Matasantos |
| GC54957.6 | Labor Negotiations – UFCW Local 8 Golden State. Agency Negotiator City Manager Dennis Speer |
| GC54957 | Personnel Matter – Public Employee Discipline/Dismissal/Release |

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PRESENTATIONS

1. Presentation To Council Of The Year End Report Of The Youth Advisory Council
2. Presentation Of Employee Service Awards

PUBLIC COMMENT

CONSENT CALENDAR

3. Adopt A Resolution Of The City Council Of The City Of Ridgecrest, Correcting The FY 2013-2014 Salary schedules For Police Employee Association Of Ridgecrest (PEAR), UFCW Local 8 And Management Groups
McQuiston
4. Adopt A Resolution Of The Ridgecrest City Council Authorizing The Application For And Acceptance Of The Department Of Alcoholic Beverage Control Grant Assistance Program
Strand
5. Adopt A Resolution Authorizing The Partial Disability Retirement Of Cpt. Paul Wheeler
Strand
6. Approval Of Draft Minutes Of The Regular City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Minutes Dated June 4, 2014
Ford

AGENDA - CITY COUNCIL - REGULAR

June 18, 2014

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DISCUSSION AND OTHER ACTION ITEMS

7. Evaluation And Selection Of Industrial Development Proposals / Firms For Funding Assistance Utilizing TAB Funds Parsons
8. Discussion Of The Collection Process For Outstanding Solid Waste Accounts Receivables Clark

COMMITTEE REPORTS

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Jim Sanders, Dan Clark
Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center
Next Meeting: To Be Announced

Veterans Advisory Committee

Members: Dan Clark
Meetings: 1st and 3rd Tuesday of the Month At 6:00 p.m., Kerr McGee Center
Next Meeting: To Be Announced

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: To Be Announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

CITY MANAGER REPORT

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

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YOUTH ADVISORY COMMITTEE

2014-15 YEAR END REPORT

GOALS

1. Reinvigorate Youth Advisory Committee
 - a. Remind the Youth that YAC exists for their representative needs
 - b. Build a foundation for growth and development
2. Establish vision for the direction of Youth Advisory Committee
3. Determined projects to be organized into subcommittees

GOAL 1: REINVIGORATING YOUTH ADVISORY COMMITTEE

- Expanded to Facebook and increase Social Media footprint
- Reestablished network with Sierra Sands and private schools
- Marketed to more local students – increase attendance
- Reestablish relationships with adult advisors

GOAL 2: ESTABLISH A VISION FOR THE DIRECTION OF YAC

- Excited Ridgecrest youth to participate again in YAC through marketing
- Consulted with adult advisors to come up with a timetable for accomplishments
- Developed the organization of YAC of establishing an election process
- Created a plan for communication between youth, leadership, schools, and advisors
- Discussed SMART goals and conducted a lesson in leadership/management

GOAL 3: DETERMINE PROJECTS TO BE ORGANIZED INTO SUBCOMMITTEES

- Brainstormed to find viable and exciting ideas
- Took the top ideas for consideration by the Leadership Board
- Discussed the viability of each project
- Determined general goals and timetable for each projects
- Appointed leadership to each project subcommittee
- Designed a communication plan for subcommittees to report to Leadership on progress
- Established subcommittees for each project:
 - Teen Center
 - Youth Work Program
 - Parks Improvement
 - Basketball Tournament

SUBCOMMITTEE PROGRESS REPORT

TEEN CENTER

- Discussed a general concept for a teen center and the purpose it serves for the youth of our community
 - Provide place for young people to be entertained, tutored, and relaxed that is safe, accessible, and supervised
 - Use Teen Center as an outlet for youth programming such as work programs, tutoring, events, and communication
- Began the discussion of funding sources

YOUTH WORK PROGRAM

- Discussed how to acquire experience for young people to join the workforce
- Began designing a course that could give basic workforce tutorials and provide a certificate of completion
 - Approached local temp agencies about classes and partnership (Continental Labor)
- Began designing an internship program idea to network business together to provide programs for our youth
- Discussed the Teen Center as an outlet for Youth Work Program

PARKS IMPROVEMENT

- Identified installations at the Skate Park for removal and improvement
 - Identified useless and/or dangerous structures within the park itself
 - Created a list of potential infrastructural improvements
- Assessed current regulations posted at the Skate Park for revision and improvement
 - Adapted language to modern recreation and skating culture
- Discussed integration of bikes into the skate park
 - This could mean a potential expansion of the skate park
- Identified broken equipment city wide that need repairs

BASKETBALL TOURNAMENT

- Planned for a city-wide basketball tournament in January/February timeframe
 - Used as a mid-year bump following winter break to get youth reinvigorated and to use the quiet months of winter
- Ranging 4th to 12th grade
- Planned with Parks & Rec Dept. for use of the Kerr McGee Center
- Began designing the event:
 - Teams to be organized by age
 - Teams register together
 - Fee applied to each team
 - T-Shirts for all participants
 - Marketed as a fundraising event for Youth Advisory Committee
- Explored the possibility of making it an annual event (depending on success)

GOALS FOR NEXT YEAR

1. Work on communication plan
 - a. Continue promoting Facebook
 - b. Create Twitter, Instagram, & Pinterest account
 - c. Establish better calendar with regular updates
2. Focus on credibility with schools & the public
 - a. More public presentations
 - b. Expand on marketing effort
 - c. Participate in more community events
3. Improve organizational leadership
 - a. Retool election process to encourage strong leadership
 - b. Encourage more youth participation to attract strong leaders
 - c. Focus on leadership training in communication, planning, and management
 - d. Design a better environment for project progress
 - e. Improve on accountability for subcommittee chairs
 - f. Improve on committee structure
4. Begin fundraising
 - a. Strategize fundraising methods
 - b. Establish an account and financial protocol

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:
Service Award Presentations

PRESENTED BY:
Mayor and City Council members

SUMMARY:
Service recognition awards presented by the Ridgecrest City Council to employees who have reached milestones of five (5) or more years of employment with the City of Ridgecrest.

| | |
|---------------------|----------|
| Anthony Brown | 25 Years |
| Justin Dampier | 15 Years |
| Christopher Bennett | 5 Years |
| Hilary Hunt | 5 Years |
| Seth Podell | 5 Years |

FISCAL IMPACT: NONE

ACTION REQUESTED:
Presentation of certificates to the employees by City Council members

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:
Present Service Awards

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Resolution to correct previously adopted salary schedules for Management, PEAR, and UFCW Local 8

PRESENTED BY:

Rachelle McQuiston, Director of Finance

SUMMARY:

On May 21, 2014, Resolution 14-50 was passed to adopt salary schedules for all council approved positions in compliance with Title 2, Section 570.5 of the California Code of Regulations. These positions were separated by bargaining group hence five salary schedules were presented. The groups are Management (including City Council), Mid-Management, Confidential, Police Employee Association of Ridgecrest (PEAR), and UFCW Local 8.

The salary schedules for Mid-Management, Confidential groups are correct. However, the ones for Management, PEAR and UFCW Local 8 are not correct. The salary schedule for Management inadvertently left out the Finance Director position while the other two salary schedules were for the effective dates of July 1, 2011 to June 20, 2012. This resolution is to present and adopt the correct schedules for July 1, 2013 to June 30, 2014 and adding the Finance Director position.

The positions and compensations listed on these schedules were included in the approved annual budget for FY 2013-2014. Compensation is adjusted based on approved cost of living adjustments if there is such provision on the city council approved MOUs.

FISCAL IMPACT:

None

Reviewed by Director of Finance

ACTION REQUESTED:

Approve resolution to correct the salary schedules for PEAR & UFCW Local 8

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Approve to adopt the corrected salary schedules

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RESOLUTION NO. 14-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST, CORRECTING THE FY 2013-2014 SALARY SCHEDULES FOR POLICE EMPLOYEE ASSOCIATION OF RIDGECREST (PEAR), UFCW LOCAL 8 AND MANAGEMENT GROUPS

WHEREAS, Title 2, Section 570.5 of the California Code of Regulations requires the City of Ridgecrest Salary Schedule be approved by the governing body in accordance with the requirement of the applicable public meeting laws; and

WHEREAS, on May 21, 2014 resolution 14-50 was approved by the Council adopting the salary schedules for July 1, 2013 to June 30, 2014; and

WHEREAS, three of the five salary schedules that were attached to resolution 14-50 were incorrectly presented with one schedule missing an approved position and the two other schedules were for July 1, 2011 to June 30, 2012; and

WHEREAS, the three incorrect schedules were for positions that belong to Management, PEAR and UFCW Local 8 groups; and

WHEREAS, the salary schedule for Management has been updated to add the Director of Finance position and the schedules for PEAR and UFCW Local 8 have been corrected and updated for July 1, 2013 to June 30, 2014 based on allowed cost of living increases, if there is any, as stated on their respective approved Memorandum of Understanding.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Ridgecrest hereby adopts the attached corrected salary schedules as required by Title 2, Section 570.5 of the California Code of Regulations.

APPROVED AND ADOPTED, this 18th day of June 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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Salary Schedule for Management (Department Heads) & City Council
Effective on July 1, 2013 to June 30, 2014
Corrected 6/18/2014

| JOB TITLE | GRADE | | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 | STEP 8 | STEP 9 | STEP 10 |
|----------------------------------|-------|---------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|
| City Council | 1 | Monthly | 774.00 | | | | | | | | | |
| City Manager | 999 | Hourly | 38.02 | 41.07 | 44.35 | 47.90 | 51.73 | 55.87 | 60.34 | 65.17 | 70.38 | 76.01 |
| | | Monthly | 6,590.72 | 7,117.98 | 7,687.42 | 8,302.41 | 8,966.61 | 9,683.93 | 10,458.65 | 11,295.34 | 12,198.97 | 13,174.88 |
| City Clerk | 950 | Hourly | 31.42 | 33.94 | 36.65 | 39.59 | 42.75 | 45.83 | 49.50 | 53.46 | 57.74 | 62.82 |
| | | Monthly | 5,446.86 | 5,882.61 | 6,353.22 | 6,861.48 | 7,410.39 | 7,944.25 | 8,579.79 | 9,266.17 | 10,007.46 | 10,888.31 |
| Chief of Police | 950 | Hourly | 31.42 | 33.94 | 36.65 | 39.59 | 42.75 | 46.17 | 49.87 | 53.86 | 58.16 | 62.82 |
| | | Monthly | 5,446.86 | 5,882.61 | 6,353.22 | 6,861.48 | 7,410.39 | 8,003.23 | 8,643.48 | 9,334.96 | 10,081.76 | 10,888.31 |
| Director of Finance | 950 | Hourly | 31.42 | 33.94 | 36.65 | 39.59 | 42.75 | 45.83 | 49.50 | 53.46 | 57.74 | 62.82 |
| | | Monthly | 5,446.86 | 5,882.61 | 6,353.22 | 6,861.48 | 7,410.39 | 7,944.25 | 8,579.79 | 9,266.17 | 10,007.46 | 10,888.31 |
| Director of Community Dev | 950 | Hourly | 31.42 | 33.94 | 36.65 | 39.59 | 42.75 | 45.83 | 49.50 | 53.46 | 57.74 | 62.82 |
| | | Monthly | 5,446.86 | 5,882.61 | 6,353.22 | 6,861.48 | 7,410.39 | 7,944.25 | 8,579.79 | 9,266.17 | 10,007.46 | 10,888.31 |
| Director of Parks and Recreation | 950 | Hourly | 31.42 | 33.94 | 36.65 | 39.59 | 42.75 | 46.17 | 49.87 | 53.86 | 58.16 | 62.82 |
| | | Monthly | 5,446.86 | 5,882.61 | 6,353.22 | 6,861.48 | 7,410.39 | 8,003.23 | 8,643.48 | 9,334.96 | 10,081.76 | 10,888.31 |
| Director of Public Works | 950 | Hourly | 31.42 | 33.94 | 36.65 | 39.59 | 42.75 | 46.17 | 49.87 | 53.86 | 58.16 | 62.82 |
| | | Monthly | 5,446.86 | 5,882.61 | 6,353.22 | 6,861.48 | 7,410.39 | 8,003.23 | 8,643.48 | 9,334.96 | 10,081.76 | 10,888.31 |

Each department head has his/her own employment contract.

Salary Schedule for PEAR for FY 2013-2014
Effective on July 1, 2013 to June 30, 2014
Corrected 6/18/2014

| JOB TITLE | GRADE | | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 | STEP 8 | STEP 9 | STEP 10 |
|---------------------------|-------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Animal Control Officer | 772 | Hourly | 15.2877 | 16.0521 | 16.8547 | 17.6974 | 18.5823 | 19.5114 | 19.9992 | 20.4992 | 21.0117 | 21.5369 |
| | | Monthly | 2,649.87 | 2,782.36 | 2,921.48 | 3,067.55 | 3,220.93 | 3,381.98 | 3,466.53 | 3,553.19 | 3,642.02 | 3,733.07 |
| Animal Control Supervisor | 802 | Hourly | 17.6944 | 18.5791 | 19.5081 | 20.4835 | 21.5077 | 22.5830 | 23.1476 | 23.7263 | 24.3195 | 24.9274 |
| | | Monthly | 3,067.03 | 3,220.38 | 3,381.40 | 3,550.47 | 3,727.99 | 3,914.39 | 4,012.25 | 4,112.56 | 4,215.37 | 4,320.76 |
| Police Dispatch | 816 | Hourly | 18.6778 | 19.6117 | 20.5923 | 21.6219 | 22.7030 | 23.8381 | 24.4341 | 25.0449 | 25.6710 | 26.3128 |
| | | Monthly | 3,237.48 | 3,399.36 | 3,569.32 | 3,747.79 | 3,935.18 | 4,131.94 | 4,235.24 | 4,341.12 | 4,449.65 | 4,560.89 |
| Kennel Attendant | 762 | Hourly | 12.8069 | 13.4472 | 14.1196 | 14.8256 | 15.5669 | 16.3452 | 16.7538 | 17.1727 | 17.6020 | 18.0421 |
| | | Monthly | 2,219.86 | 2,330.86 | 2,447.40 | 2,569.77 | 2,698.26 | 2,833.17 | 2,904.00 | 2,976.60 | 3,051.01 | 3,127.29 |
| Property Evidence Clerk | 151 | Hourly | 13.8579 | 14.5508 | 15.2784 | 16.0423 | 16.8444 | 17.6825 | 18.1288 | 18.5820 | 19.0465 | 19.5227 |
| | | Monthly | 2,402.04 | 2,522.14 | 2,648.25 | 2,780.66 | 2,919.69 | 3,064.97 | 3,142.32 | 3,220.88 | 3,301.40 | 3,383.93 |
| Police Officer | 837 | Hourly | 24.4324 | 25.6540 | 26.9367 | 28.2835 | 29.6977 | 31.1826 | | | | |
| | | Monthly | 4,234.95 | 4,446.69 | 4,669.03 | 4,902.48 | 5,147.60 | 5,404.98 | | | | |
| Police Sergeant | 867 | Hourly | 33.0630 | 34.7161 | 36.4520 | 38.2746 | | | | | | |
| | | Monthly | 5,730.92 | 6,017.47 | 6,318.34 | 6,634.26 | | | | | | |

Notes: Police Officer steps were compressed to 6 steps while Police Sergeant steps were compressed to four

Salary Schedule for UFCW Local 8 for FY 2013-2014

Effective on July 1, 2013 to June 30, 2014

Corrected 6/18/2014

| TITLE | GRADE | | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 | STEP 8 | STEP 9 | STEP 10 | STEP 11 | STEP 12** |
|--------------------------------|-------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Code Enforcement Officer | 221 | Hourly | 17.5373 | 18.4141 | 19.3348 | 20.3016 | 21.3166 | 22.3825 | 22.9420 | 23.5156 | 24.1035 | 24.7061 | 25.3237 | 25.9568 |
| | | Monthly | 3,039.79 | 3,191.78 | 3,351.37 | 3,518.94 | 3,694.88 | 3,879.63 | 3,976.62 | 4,076.03 | 4,177.94 | 4,282.38 | 4,389.44 | 4,499.18 |
| Community Dev Technician | 201 | Hourly | 16.3247 | 17.1409 | 17.9980 | 18.8979 | 19.8428 | 20.8349 | 21.3558 | 21.8897 | 22.4369 | 22.9978 | 23.5728 | 24.1621 |
| | | Monthly | 2,829.61 | 2,971.09 | 3,119.65 | 3,275.63 | 3,439.41 | 3,611.38 | 3,701.67 | 3,794.21 | 3,889.07 | 3,986.29 | 4,085.95 | 4,188.10 |
| Cultural Affairs Coordinator I | 538 | Hourly | 14.0728 | 14.7764 | 15.5153 | 16.2910 | 17.1056 | 17.9609 | 18.4099 | 18.8701 | 19.3419 | 19.8254 | 20.3211 | 20.8291 |
| | | Monthly | 2,439.29 | 2,561.25 | 2,689.31 | 2,823.78 | 2,964.97 | 3,113.22 | 3,191.05 | 3,270.82 | 3,352.59 | 3,436.41 | 3,522.32 | 3,610.38 |
| Transit Driver | 140 | Hourly | 11.8866 | 12.4810 | 13.1050 | 13.7603 | 14.4483 | 15.1707 | 15.5499 | 15.9387 | 16.3372 | 16.7456 | 17.1642 | 17.5933 |
| | | Monthly | 2,060.35 | 2,163.37 | 2,271.53 | 2,385.11 | 2,504.37 | 2,629.58 | 2,695.32 | 2,762.71 | 2,831.78 | 2,902.57 | 2,975.13 | 3,049.51 |
| Engineer I | 280 | Hourly | 24.6326 | 25.8642 | 27.1574 | 28.5153 | 29.9410 | 31.4381 | 32.2240 | 33.0296 | 33.8554 | 34.7018 | 35.5693 | 36.4585 |
| | | Monthly | 4,269.64 | 4,483.12 | 4,707.28 | 4,942.64 | 5,189.78 | 5,449.27 | 5,585.50 | 5,725.14 | 5,868.26 | 6,014.97 | 6,165.34 | 6,319.48 |
| Engineer II | 285 | Hourly | 28.3931 | 29.8128 | 31.3034 | 32.8686 | 34.5120 | 36.2377 | 37.1436 | 38.0722 | 39.0240 | 39.9996 | 40.9996 | 42.0246 |
| | | Monthly | 4,921.48 | 5,167.55 | 5,425.93 | 5,697.23 | 5,982.09 | 6,281.19 | 6,438.22 | 6,599.18 | 6,764.16 | 6,933.26 | 7,106.59 | 7,284.26 |
| Engineer III | 295 | Hourly | 29.7478 | 31.2352 | 32.7970 | 34.4368 | 36.1586 | 37.9666 | 38.9157 | 39.8886 | 40.8858 | 41.9080 | 42.9557 | 44.0296 |
| | | Monthly | 5,156.29 | 5,414.10 | 5,684.81 | 5,969.05 | 6,267.50 | 6,580.87 | 6,745.39 | 6,914.03 | 7,086.88 | 7,264.05 | 7,445.65 | 7,631.79 |
| Engineering Technician III | 242 | Hourly | 25.9412 | 27.2383 | 28.6002 | 30.0302 | 31.5317 | 33.1083 | 33.9360 | 34.7844 | 35.6540 | 36.5454 | 37.4590 | 38.3955 |
| | | Monthly | 4,496.48 | 4,721.30 | 4,957.37 | 5,205.24 | 5,465.50 | 5,738.78 | 5,882.24 | 6,029.30 | 6,180.03 | 6,334.53 | 6,492.90 | 6,655.22 |
| Equipment Operator | 200 | Hourly | 16.3247 | 17.1409 | 17.9980 | 18.8979 | 19.8428 | 20.8349 | 21.3558 | 21.8897 | 22.4369 | 22.9978 | 23.5728 | 24.1621 |
| | | Monthly | 2,829.61 | 2,971.09 | 3,119.65 | 3,275.63 | 3,439.41 | 3,611.38 | 3,701.67 | 3,794.21 | 3,889.07 | 3,986.29 | 4,085.95 | 4,188.10 |
| Fleet Mechanic I | 243 | Hourly | 18.7976 | 19.7375 | 20.7243 | 21.7606 | 22.8486 | 23.9910 | 24.5908 | 25.2056 | 25.8357 | 26.4816 | 27.1436 | 27.8222 |
| | | Monthly | 3,258.25 | 3,421.16 | 3,592.22 | 3,771.83 | 3,960.42 | 4,158.44 | 4,262.40 | 4,368.97 | 4,478.19 | 4,590.14 | 4,704.90 | 4,822.52 |
| Fleet Mechanic II | 245 | Hourly | 20.8285 | 21.8699 | 22.9634 | 24.1116 | 25.3171 | 26.5830 | 27.2476 | 27.9288 | 28.6270 | 29.3427 | 30.0762 | 30.8281 |
| | | Monthly | 3,610.27 | 3,790.78 | 3,980.32 | 4,179.34 | 4,388.30 | 4,607.72 | 4,722.91 | 4,840.99 | 4,962.01 | 5,086.06 | 5,213.21 | 5,343.54 |
| Fleet Mechanic III | 250 | Hourly | 21.3481 | 22.4155 | 23.5363 | 24.7131 | 25.9488 | 27.2462 | 27.9274 | 28.6256 | 29.3412 | 30.0747 | 30.8266 | 31.5973 |
| | | Monthly | 3,700.34 | 3,885.36 | 4,079.63 | 4,283.61 | 4,497.79 | 4,722.68 | 4,840.75 | 4,961.77 | 5,085.81 | 5,212.96 | 5,343.28 | 5,476.86 |
| Garage Foreman | 250 | Hourly | 21.3481 | 22.4155 | 23.5363 | 24.7131 | 25.9488 | 27.2462 | 27.9274 | 28.6256 | 29.3412 | 30.0747 | 30.8266 | 31.5973 |
| | | Monthly | 3,700.34 | 3,885.36 | 4,079.63 | 4,283.61 | 4,497.79 | 4,722.68 | 4,840.75 | 4,961.77 | 5,085.81 | 5,212.96 | 5,343.28 | 5,476.86 |
| Maintenance Worker I | 150 | Hourly | 12.7886 | 13.4280 | 14.0994 | 14.8044 | 15.5446 | 16.3218 | 16.7299 | 17.1481 | 17.5768 | 18.0162 | 18.4666 | 18.9283 |
| | | Monthly | 2,216.69 | 2,327.52 | 2,443.90 | 2,566.09 | 2,694.40 | 2,829.12 | 2,899.84 | 2,972.34 | 3,046.65 | 3,122.81 | 3,200.89 | 3,280.91 |
| Maintenance Worker II | 170 | Hourly | 14.0967 | 14.8015 | 15.5416 | 16.3187 | 17.1346 | 17.9914 | 18.4411 | 18.9022 | 19.3747 | 19.8591 | 20.3556 | 20.8645 |
| | | Monthly | 2,443.43 | 2,565.60 | 2,693.88 | 2,828.57 | 2,970.00 | 3,118.50 | 3,196.47 | 3,276.38 | 3,358.29 | 3,442.24 | 3,528.30 | 3,616.51 |
| Maintenance Worker III | 183 | Hourly | 15.5362 | 16.3131 | 17.1287 | 17.9851 | 18.8844 | 19.8286 | 20.3243 | 20.8324 | 21.3532 | 21.8871 | 22.4343 | 22.9951 |
| | | Monthly | 2,692.95 | 2,827.60 | 2,968.98 | 3,117.42 | 3,273.30 | 3,436.96 | 3,522.88 | 3,610.96 | 3,701.23 | 3,793.76 | 3,888.60 | 3,985.82 |
| Office Assistant I | 130 | Hourly | 10.9369 | 11.4837 | 12.0579 | 12.6608 | 13.2939 | 13.9586 | 14.3075 | 14.6652 | 15.0318 | 15.4076 | 15.7928 | 16.1876 |
| | | Monthly | 1,895.73 | 1,990.51 | 2,090.04 | 2,194.54 | 2,304.27 | 2,419.48 | 2,479.97 | 2,541.97 | 2,605.52 | 2,670.66 | 2,737.42 | 2,805.86 |
| Office Assistant II | 150 | Hourly | 12.7886 | 13.4280 | 14.0994 | 14.8044 | 15.5446 | 16.3218 | 16.7299 | 17.1481 | 17.5768 | 18.0162 | 18.4666 | 18.9283 |
| | | Monthly | 2,216.69 | 2,327.52 | 2,443.90 | 2,566.09 | 2,694.40 | 2,829.12 | 2,899.84 | 2,972.34 | 3,046.65 | 3,122.81 | 3,200.89 | 3,280.91 |
| Planning Technician I | 200 | Hourly | 16.3247 | 17.1409 | 17.9980 | 18.8979 | 19.8428 | 20.8349 | 21.3558 | 21.8897 | 22.4369 | 22.9978 | 23.5728 | 24.1621 |
| | | Monthly | 2,829.61 | 2,971.09 | 3,119.65 | 3,275.63 | 3,439.41 | 3,611.38 | 3,701.67 | 3,794.21 | 3,889.07 | 3,986.29 | 4,085.95 | 4,188.10 |
| Planning Technician II | 265 | Hourly | 22.4173 | 23.5382 | 24.7151 | 25.9509 | 27.2484 | 28.6108 | 29.3261 | 30.0593 | 30.8107 | 31.5810 | 32.3705 | 33.1798 |
| | | Monthly | 3,885.67 | 4,079.96 | 4,283.95 | 4,498.15 | 4,723.06 | 4,959.21 | 5,083.19 | 5,210.27 | 5,340.53 | 5,474.04 | 5,610.89 | 5,751.17 |
| Police Clerk I | 130 | Hourly | 10.9369 | 11.4837 | 12.0579 | 12.6608 | 13.2939 | 13.9586 | 14.3075 | 14.6652 | 15.0318 | 15.4076 | 15.7928 | 16.1876 |
| | | Monthly | 1,895.73 | 1,990.51 | 2,090.04 | 2,194.54 | 2,304.27 | 2,419.48 | 2,479.97 | 2,541.97 | 2,605.52 | 2,670.66 | 2,737.42 | 2,805.86 |

Salary Schedule for UFCW Local 8 for FY 2013-2014

Effective on July 1, 2013 to June 30, 2014

Corrected 6/18/2014

| TITLE | GRADE | | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 | STEP 8 | STEP 9 | STEP 10 | STEP 11 | STEP 12** |
|-------------------------|-------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Police Clerk II | 150 | Hourly | 12.7886 | 13.4280 | 14.0994 | 14.8044 | 15.5446 | 16.3218 | 16.7299 | 17.1481 | 17.5768 | 18.0162 | 18.4666 | 18.9283 |
| | | Monthly | 2,216.69 | 2,327.52 | 2,443.90 | 2,566.09 | 2,694.40 | 2,829.12 | 2,899.84 | 2,972.34 | 3,046.65 | 3,122.81 | 3,200.89 | 3,280.91 |
| Secretary | 180 | Hourly | 14.3715 | 15.0900 | 15.8445 | 16.6368 | 17.4686 | 18.3420 | 18.8006 | 19.2706 | 19.7524 | 20.2462 | 20.7523 | 21.2711 |
| | | Monthly | 2,491.05 | 2,615.61 | 2,746.39 | 2,883.71 | 3,027.89 | 3,179.29 | 3,258.77 | 3,340.24 | 3,423.74 | 3,509.34 | 3,597.07 | 3,687.00 |
| Wastewater Operator I | 195 | Hourly | 15.9245 | 16.7207 | 17.5568 | 18.4346 | 19.3563 | 20.3241 | 20.8322 | 21.3530 | 21.8869 | 22.4340 | 22.9949 | 23.5698 |
| | | Monthly | 2,760.25 | 2,898.26 | 3,043.17 | 3,195.33 | 3,355.10 | 3,522.85 | 3,610.92 | 3,701.20 | 3,793.72 | 3,888.57 | 3,985.78 | 4,085.43 |
| Wastewater Operator II | 215 | Hourly | 17.5611 | 18.4392 | 19.3612 | 20.3292 | 21.3457 | 22.4130 | 22.9733 | 23.5476 | 24.1363 | 24.7397 | 25.3582 | 25.9922 |
| | | Monthly | 3,043.93 | 3,196.13 | 3,355.93 | 3,523.73 | 3,699.92 | 3,884.91 | 3,982.04 | 4,081.59 | 4,183.63 | 4,288.22 | 4,395.42 | 4,505.31 |
| Wastewater Operator III | 270 | Hourly | 22.2859 | 23.4002 | 24.5702 | 25.7988 | 27.0887 | 28.4431 | 29.1542 | 29.8831 | 30.6301 | 31.3959 | 32.1808 | 32.9853 |
| | | Monthly | 3,862.89 | 4,056.04 | 4,258.84 | 4,471.78 | 4,695.37 | 4,930.14 | 5,053.39 | 5,179.73 | 5,309.22 | 5,441.95 | 5,578.00 | 5,717.45 |
| Wastewater Trainee | 175 | Hourly | 12.2271 | 12.8385 | 13.4804 | 14.2952 | 14.8621 | 15.6052 | 15.9953 | 16.3952 | 16.8051 | 17.2252 | 17.6559 | 18.0973 |
| | | Monthly | 2,119.36 | 2,225.33 | 2,336.60 | 2,477.83 | 2,576.10 | 2,704.90 | 2,772.53 | 2,841.84 | 2,912.89 | 2,985.71 | 3,060.35 | 3,136.86 |

** To be eligible in this step, the employee must be employed by the City for over 15 years.

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:

Grant Acceptance for a California Department of Alcoholic Beverage Control (ABC) grant through the Grant Assistance Program (GAP).

PRESENTED BY: Ron Strand, Chief of Police

SUMMARY:

The California Department of Alcoholic Beverage Control has awarded one-time grant funding to the City of Ridgecrest Police Department in the amount of \$49,080.00. This grant is designated as a multi-agency grant covering the Eastern Sierras from California City to Bishop, CA. This grant is to be administered by the Ridgecrest Police Department with reimbursement to allied agencies through the City of Ridgecrest Finance Department under pending agreements/MOU's. The grant goal is to implement an comprehensive ABC Enforcement Program with a strong emphasis on deterring minor/juvenile access to alcohol by:

- Targeting problematic ABC licensed establishments.
- Updating current ABC enforcement procedures with training to patrol personnel.
- Conducting IMPACT Operations at 100% of the licensed establishments within the jurisdiction of the Ridgecrest Police Department, California City Police Department, Bishop Police Department, and Inyo County Sheriff's Department.
- Increase communication and involvement with community groups.
- Conducting "Shoulder Tap" operations in the Owens and Indian Wells Valleys.
- Conducting "Minor Decoy" operations in the Owens and Indian Wells Valleys.
- Issuing press releases regarding the grant and activities conducted under the grant.
- Conducting "TAPPED" (Party Patrol) operations to curb alcohol consumption at juvenile parties.
- Train neighboring Law Enforcement Agencies in ABC enforcement procedures and operations.
- Send two officers to ABC training with specific emphasis on alcohol violations and enforcement.

The grant period begins July 1, 2014 and ends June 30, 2015. The Police Department plans to use approximately 50% of the grant funds to fund overtime for sworn personnel to implement and conduct the enforcement programs and to purchase limited equipment to assist in the project within the City of Ridgecrest. The remaining grant funds would cover operations conducted in allied agency jurisdictions.

Past history and statistics have shown that strong enforcement against alcohol related crimes and specifically juvenile related alcohol crimes, have dramatically reduced calls-for-service, reports, and arrests in several areas including; DUI drivers, traffic collisions, sexual assaults, and batteries.

FISCAL IMPACT: Approximate revenue to the city in the amount of **\$49,080.00.**

REIMBURSEMENT GRANT- NO MATCHING REQUIRED

Reviewed by Administrative Services Director

ACTION REQUESTED:

Approval of Resolution

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: RON STRAND
(Rev. 2-14-07)

Action Date: June 18, 2014

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RESOLUTION NO. 14-XX

A RESOLUTION OF THE RIDGECREST CITY COUNCIL AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL, GRANT ASSISTANCE PROGRAM

WHEREAS, the California Department of Alcoholic Beverage Control (ABC) is offering grants under the Grant Assistance Program for local police agencies to conduct enforcement activities concerning the sale or furnishing of alcohol to minors, and;

WHEREAS, this grant period begins July 1, 2014 and ends June 30, 2015, and;

WHEREAS, this grant is in the amount of \$49,080 to fund enforcement activities on an overtime basis and to purchase equipment to support the program, and;

WHEREAS, reimbursement will be given to allied agencies for operations authorized and conducted under this grant, and:

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest authorizes the City Manager, or his designee, to apply for this grant with the California Department of Alcoholic Beverage Control Grant Assistance Program, and to approve, sign and execute any and all documents relating to the grant award, including amendments, and;

BE IT FURTHER RESOLVED that grant funds received hereunder shall not be used to supplant expenditures controlled by this body; and,

BE IT FURTHER RESOLVED, that the City Council authorizes the Finance Director to increase the FY15 budget revenue and expenditures in the amount of this grant, and;

BE IT FURTHER RESOLVED, that this resolution shall remain in full force and effect until a resolution of the City Council is adopted amending or rescinding this resolution.

APPROVED AND ADOPTED THIS 18th day of June 2014, by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC, City Clerk

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Resolution Approving The Partial Disability Retirement Of Police Captain Paul Wheeler

PRESENTED BY:

Chief of Police Ronald Strand

SUMMARY:

The Public Employee's Retirement Law requires that a contracting agency (City of Ridgecrest) determine whether an employee of such agency in employment in which he/she is classified as a local safety member is disabled for purposes of the Public Employee's Retirement Law and whether such disability is "industrial" within the meaning of such Law.

This resolution authorizes the partial Disability Retirement and Advanced Disability Pension Payments (ADPP) for Police Captain Paul Wheeler.

Cpt. Wheeler has been declared Permanent and Stationary by his treating physician and is unable to perform certain duties of the position of Police Captain. This disability, Cardiac in nature, has been reviewed by Staff and Worker's Compensation and is believed to be a result of industrial injury and will be apportioned by Worker's Compensation and CalPERS when calculating the final retirement pension.

The resolution authorizes that advance payments be issued to Captain Wheeler until such time as his retirement payments are issued by CalPERS, at which time the advance payments will be reimbursed to the City of Ridgecrest by CalPERS.

This Worker's Compensation claim is handled by our worker's compensation administrator, York Risk Services Group, Inc., which has been notified of Captain Wheeler's retirement date of July 12, 2014

FISCAL IMPACT:

Monthly Advance Disability Pension Payments (ADPP) of \$4375.08 fully reimbursed to City when regular disability retirement payments begin by CalPERS

Reviewed by Administrative Services Director

ACTION REQUESTED:

Approve as requested

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Ron Strand

Action Date: June 18, 2014

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RESOLUTION NO. 14-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST
AUTHORIZING THE PARTIAL DISABILITY RETIREMENT OF SWORN SAFETY
MEMBER PAUL WHEELER**

WHEREAS, the City of Ridgecrest (hereinafter referred to as Agency) is a contracting Agency of the Public Employee's Retirement System; and

WHEREAS, the Public Employee's Retirement Law requires that a contracting Agency determine whether an employee of such Agency in employment which he/she is classified as a local safety member is disabled for purposes of the Public Employee's Retirement Law and whether such disability is "industrial" within the meaning of such Law:

WHEREAS, an application for partial disability/industrial disability retirement of Paul Wheeler employed by the Agency in the position of Police Patrol Captain has been filed with the Public Employees' Retirement System; and

WHEREAS, The Ridgecrest City Council has reviewed the medical and other evidence relevant to such alleged disability;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Ridgecrest City Council find and determine and it does hereby find and determine that Paul Wheeler is substantially incapacitated within the meaning of the Public Employees' Retirement Law for performance of his/her duties in the position of Police Captain, and

BE IT FURTHER RESOLVED THAT THE:

2. Ridgecrest City Council find and determine and it does hereby find and determine that Paul Wheeler is also substantially incapacitated from the performance of the usual duties of the position of Police Captain with other California public agencies in CalPERS.
3. Ridgecrest City Council find and determine and it does hereby find and determine that such disability is a result of injury or disease arising out of and in the course of employment.
4. Neither said Paul Wheeler nor the Agency City of Ridgecrest has applied to the Workers' Compensation Appeals Board for a determination pursuant to Section 21166 whether such disability is industrial.

BE IT FURTHER RESOLVED:

5. That the member was, or will be, separated from his employment in the position of Police Captain after expiration of his leave rights under Section 21164, Government Code, effective July 12, 2014 and that no dispute as to the expiration of such leave rights is pending. His last day on pay status is __July 11, 2014
6. There is not a possibility of third party liability.
7. The primary disabling condition is Cardiovascular.
8. Advanced Disability Pension payments will be made. The payments will be made Monthly in the amount of \$4375.08 beginning July 12, 2014 and will be mailed to the retiree's home address.
9. Captain Paul Wheeler is afforded all of the rights and privileges allowed by the law to a retired Police Captain.

APPROVED AND ADOPTED, this 18th day of June, 2014, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Daniel O. Clark, Mayor

Rachel J. Ford, CMC
City Clerk

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

SUBJECT:

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of June 4, 2014

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of June 4, 2014

FISCAL IMPACT:

None

Reviewed by Finance Director:

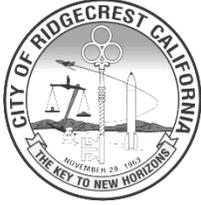
ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

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MINUTES OF THE REGULAR MEETING OF THE RIDGECREST CITY COUNCIL

City Council Chambers
100 West California Avenue
Ridgecrest, California 93555

June 4, 2014
5:30 p.m.

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER – 5:30 p.m.

ROLL CALL

Council Present: Mayor Clark; Council Members, Acton, and Morgan

Council Absent: Vice Mayor Holloway and Council Member Sanders

Staff Present: City Manager Dennis Speer; City Attorney Keith Lemieux; City Clerk Rachel J. Ford; and other staff

APPROVAL OF AGENDA

Additions to Agenda:

1. Introduction To The Public Of New Police Captain Jed McLaughlin And Administration Of The Oath Of Office

Deletions from agenda:

1. Presentation of employee service awards.

Motion To Approve Agenda As Amended Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Clark, Council Members Acton And Morgan); 0 Noes; 0 Abstain; And 2 Absent (Council Members Holloway and Sanders)

PUBLIC COMMENT – CLOSED SESSION

- None Presented

Council Member Sanders arrived for closed session

AGENDA - CITY COUNCIL - REGULAR

June 4, 2014

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CLOSED SESSION

- GC54957.6 Labor Negotiations – Police Employee Association of Ridgecrest (PEAR). Agency Negotiator City Manager Dennis Speer
- GC54957.6 Labor Negotiations – UFCW Golden State Local 8. Agency Negotiator City Manager Dennis Speer
- GC54956.9 (d) (1) Conference With Legal Counsel, Liability Claim Of Gregg Boske, Claim No. 14-1516

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
 - Labor Negotiations With Police Employee Association Of Ridgecrest (PEAR). Received report, no reportable action
 - Labor Negotiations – UFCW Golden State Local 8. Received report, no reportable action
 - Conference With Legal Counsel, Liability Claim Of Gregg Boske, Claim No. 14-1516. Gave direction to City Manager. No reportable action
- Other
 - None

ADDITION TO THE AGENDA:

- Introduction of the new Police Captain Jed McLaughlin and administration of the Oath of Office by the City Clerk.

PUBLIC COMMENT opened at 6:27

Nathan Ahle

- Spoke about the Ridgecrest Blvd Project
- Expressed concerns about some of the closures and traffic issues.
- Spoke on negative impacts to local businesses.
- Requested improved signage and flagmen
- Offered assistance to spread the word to the public.

AGENDA - CITY COUNCIL - REGULAR

June 4, 2014

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Mr. Barbara

- Commented on industrial proposals and lack of public comment
- Spoke on matrix presented on the agenda and commented on public input
- Encouraged Council to allow public comment
- Spoke on the need for economic development
- Asked Council to be open and transparent.

Dave Matthews

- Commented as a representative of the Knights of Columbus regarding concerns about the Ridgecrest Blvd. construction project
- Spoke on the paving strategy changes which were not relayed to the affected businesses.
- Read and presented a letter to Council identifying the Knights of Columbus concerns. (*Attachment A*)
- Requested City reconsider going back to the original strategy keeping one side of the street open at all times.
- Congratulated Captain McLaughlin and wished Captain Wheeler farewell

Dennis Speer

- Responded to comments presented regarding the paving strategy.
- Contractor will notify public.
- Strategy was to provide traffic flow however water contractor is not completed with their work which has created a delay.
- Only other option is to wait which cuts the allowable time for paving before winter and would leave the project unfinished during the winter months.
- Spoke on the increased cost which would result from a delay in the paving process.

Tina Warren

- Commented on driving the perimeter of the construction area and lack of signs or flagmen.
- Highlighted a safety issue and urged council to provide flagmen for the safety of citizens and assist public in accessing the businesses.
- Commented on urging City to invest in economic development.

John Bushnell

- Owns Johns Pizza with 45 employees
- Commented on road closure which will impact the food service business.
- Commented on enormous costs in employee wages and utilities
- Requested City return to the previous strategy or could lose the business.

AGENDA - CITY COUNCIL - REGULAR

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Janis Bottoroff

- Owner of SASS which has already been damaged due to road construction.
- Loss of telephones, internet, printing, landscaping, hole in the building, sidewalk damage, loss of walk-in business
- Commented on possibility of having to close business due to losses
- Requested signage and flagmen to let people know the businesses are open and accessible.
- Commented on a flagman sitting in his car or shade.
- Expressed concern about damage already done and what is going to happen.
- Suggested large billboard or truck sign letting people know that people can get to the businesses.
- Mail not being received by the post office
- Lost two weeks of phone service and physical damage to business not being repaired.

Paul Farris

- Owner of Paul & Sons garage
- Commented on utility work and the daily impact to business.
- Supports the addition of signage and flagmen and return to strategy
- Offered assistance in helping get the word out
- Commented on the desire to get the roads fixed and suggested teamwork to get thru the construction

Speaker

- Spoke on signage closing Ridgecrest Blvd.
- Needs to be clearer.

Carol Vaughn

- Spoke on economic development funding from Tax Allocation Bonds
- Commented on the need for economic development with jobs and long term growth so money will continue to be available to fix streets and parks
- Reminded council the TAB bonds were economic development to begin with and suggested funding all good proposals.
- Suggested reallocation of funding to provide economic development

Dave Matthews

- Commented on Sunday walking trip to Mahan and Ridgecrest Blvd.
- Noticed the contractor is working the south side of the street and no SCE poles have been moved.
- Disappointed the utilities have delayed the project.
- Commented on a SUV coming down Ridgecrest Blvd and making a left turn onto Mahan.

AGENDA - CITY COUNCIL - REGULAR

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Mike Neel

- Jokingly suggested Council get bullet proof vests while the Ridgecrest Blvd. project is going on.
- Commented on an independent contractor
- Commented on Mrs. Jackson who no longer has a business
- Commented on Mayor's Corner article in the daily independent and Andy Anderson's comments.
- Commented on the use of the word Naysayers
- Congratulated Mr. Anderson's views in the News Review about the sole source contract
- Read comments made and referenced the Ad Hoc meeting held this week at inconvenient times.
- Commented on the RFP put out in November.
- Requested Council discuss items of this nature at public Council meetings.
- Commented on RFP's such as this and the parks assessment district being put out under direction of a couple of council members and not brought before the full council.
- Read article about SWAT teams, mistaken incidents, and military weaponry. Presented copy to City Clerk for the record. *(Attachment B)*
- Commented on the military SWAT vehicle and requested Council if there are enough incidents in this community to justify a SWAT team.
- Expressed displeasure with the possibility of a SWAT team.

Closed public comment at 7:00 p.m.

PRESENTATIONS

Item No. 1 pulled prior to approval of the agenda

1. **Presentation Of Employee Service Awards**
2. **Presentation On Status Of Evaluation Of Currently Submitted Industrial Development Proposals** **Parsons**

Keith Lemieux

- Spoke on this item presented without action.
- Presented to make as transparent as possible
- Intended to be a discussion of the process for evaluating various proposals which are routinely presented to the City.

AGENDA - CITY COUNCIL - REGULAR

June 4, 2014

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Gary Parsons

- Presented staff report
- 5 proposals received and an additional proposal received today however is incomplete
- Discussion for industrial development rather than economic development
- Staff has requested the proposers to provide specific information and data to assist development of a matrix to be presented to Council rather than staff to make the determination of which proposals will be brought to Council.
- Staff provided a matrix to assist with evaluating proposals
- Staff determined analytical data base and seeking council input for other data points to do an evaluation.
- Proposals have not been released to Council at this time and permission of the proposers required to release to the public.
- Reviewed the published matrix from the agenda.
- Staff anticipates bringing this item for evaluation and potential selection at the council meeting of June 18 and requesting the process be defined on how to make the selection
- Seeking Council advice and direction to prepare for the next meeting and whether the proposals will be made public and at what point.

Steve Morgan

- Do not envy what council is about to do because remember Mike Nettie, Front Porch Productions, and Matrix.
- Trying to come up with an open and public process which will not go well.
- Already heard people say not to put money into infrastructure we definitely need and put into this.
- Talking about giving money to people in the hopes it will better the local economy.
- What will happen if not successful? Will the public back the Council or stab in the back like last time.
- Zone is the available land, will need this information for each proposal. What's available and where and does it need to be rezoned for industrial.
- Where are the private individuals in this?
- A lot of land available but not up to code because owners are not putting money into their property
- Water use is a concern
- Appreciate the tax exemptions
- These individuals will also want other concessions so definitely want to know their investment versus the city investment. Want to know how much money they are putting in. If they are not putting in 2 to 1, 3 to 1, or higher, then am not interested in their proposal.

AGENDA - CITY COUNCIL - REGULAR

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Steve Morgan *(continued)*

- Noted various issues to be considered including noise, production smell, the impact with our wind, infrastructure requirement, roads, gas, power, water, (Is it available or will they want us to enhance it?), raw industries and transportation, the impact of heavy truck use on the roads, transportation for product, shipping concerns.
- These are things that staff has already thought of and will be part of the process.
- Let's not start on the wrong foot. Appreciate what staff is trying to do and will be interesting how far we will get before council changes in November.
- Need to get to these details eventually. No business will want their proprietary information put out to the public. They do not want other competitors knowing what they are doing so do not believe Council can have those conversations, only at the staff level.
- How do we get to the public information piece where we will end up with a public presentation by the businesses without the proprietary information?
- Want to cover as many bases as possible.

Jim Sanders

- Appreciate staff for putting the matrix together and feel will be helpful in sharing information to the public
- Do not want to make a decision based solely on this matrix
- Most proposals are unique, not like being able to do an RFP
- Proposals have wildly different objectives so cannot compare with each other.
- Decision will have to be based on trust. Federal government has had huge failures with wasted tax dollars and council does not want to see this happen with Ridgecrest
- Need to have assurance this person is actually going to do what is stated in the contract
- Some proposers have references and won't make a decision unless these references can be verified.
- Encouraged staff to get proposer's authorization to release as much as possible.
- Understand proprietary information can't be released but this is public money
- Council will make as transparent and open but there are limitations to abilities.
- Questioned if the jobs data would be FTE
- Sales relative to Ridgecrest taxable sales.
- Interested in seeing what the proposer is bringing to the table, hesitant to fund someone at 100%
- Thanked Gary for time and effort
- Looking forward to the process, good potential but some danger of failure. Due diligence will be used.

AGENDA - CITY COUNCIL - REGULAR

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Keith Lemieux

- Addressed Public records comments. Records received will be public records. Will research proprietary information but should eventually make it to the public.

Steve Morgan

- Requested information on length of time to obtain permits from the County. Council will be blamed
 - Gary Parsons – licensing not granted by the City

Lori Acton

- Commented on the need for economic development and jobs for regular people.
- The matrix provided is a good starting point
- People came to the city voluntarily and excited that people were willing to come to us in an effort to be less reliant on the base
- Questioned, how much can city fund.
- Continuously hear pave the roads, no problem pulling TAB funds from other places besides paving roads in order to provide economic development
- Want to see how to make it work, adapt and overcome.
- Want staff to bring before council a plan of how to fund them all
- Proposals with no track record need to present a good business plan.

Dennis Speer

- Read Council Member Holloway's letter regarding industrial proposals into record. *(Attachment C)*

Dan Clark

- Commented on not being council member during the Matrix and Front Porch production fiasco
- Agree with Council Member Holloway
- Appreciate the matrix as a tool to make an objective, un-emotional decision
- There will be citizens who rant in the paper.
- Stated that if council can eliminate the emotional aspect and be objective in their decision then could potentially make the best decision.
- Suggested doing the matrix and have it rated and evaluated by Gary Parson's and staff with a narrative of the businesses.
- Do not expect to divulge every aspect of a business's proprietary information
- Trying to eliminate politics outside the council and popularity of one business over another.
- Analyze objectively with guarantees for the city that if the company does not fulfill their obligation then funds are cut off.
- Eliminate emotional aspect and review each proposal objectively
- Do not want to sit on council and because of two weeks of politicking by persons in the public trying to get 3 votes then a proposal is accepted on that basis.

AGENDA - CITY COUNCIL - REGULAR

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Dan Clark *(continued)*

- Suggested taking the matrix and add as necessary for more comprehensive data, have staff complete it, and then council make the decision based on the information received.
- Commented on excitement about Matrix and Front Porch Productions without knowing how the decision was made and the disaster which followed.
- Suggested tying council ideas together into a matrix

Gary Parsons

- Any of the funds granted which are not repaid would require a grant agreement and suggested milestones with no funding of the total amount up front. Objective milestones completed before funding goes out.
- If at any time the milestones are not completed then need a legal way to ask for the funds back.
- Condition within the agreement in terms of how long the business stays in the city. Exemplified a company starting up and then in a couple years moving to Nevada for a better tax break. Suggested funds be repaid to City should the company not fulfill the conditions.
- Commented on the licensing and permit requirements.

Dan Clark

- Suggested local hiring versus bringing in new residents.

Lori Acton

- Need to open for public comment
 - Keith Lemieux commented that if Council is giving direction to staff then have public comment limited to the matrix and not the merits of the proposal
- Suggested taking out the dollar amount, listening to the proposals and then determine if they are viable.
- Not sure the matrix should be the sole decision tool, just part of the process.

Jim Sanders

- Appreciate the goal of being objective however could be misleading.
- Trust is an issue, and has no idea by the numbers if the proposer will be able to do what they say.
- Already eliminated popularity in my mind and don't really care which direction individuals want me to go
- Trust is a huge part of this process and Council has to be able to look them in the eyes and know they will do what they say.

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Dan Clark

- The matrix deals with taxes and jobs. Asked council to think about other criteria that can be added to make it more comprehensive.
- To eliminate what Council Member Sanders is talking about, need to have a template that fits all of the proposals.
- Concerned they can write anything they want into the proposal.
- Will put in benchmarks before funding
- Only have \$1.5 million to work with
- Need to determine the feasibility and an analytical approach will assist with the decision

Lori Acton

- Not saying to abandon the matrix, use as one tool. The data is very important and want to use it but not make the decision solely on the matrix

Dan Clark

- Commented on the ransom payment to Department Of Finance
- Want to fund proposals based on viability and feasibility

Public comment opened at 7:56 p.m.

Tom Wiknich

- Agree with Steve Morgan's questions
- Agree with City Attorney about proprietary information and suggested if a company wants to protect information then don't ask for public funds. Understand a patented process but not general business.
- Sales tax issue, manufacturing for wholesale does not generate sales tax for us.
- Suggested data on the Utilization of current work force and existing buildings.
- Will businesses be required to function inside city limits?
- Believe council that proposals have not been seen by Council but concerned with comments of council being lobbied. Public needs to know if council has discussed with proposers.

Unknown speaker

- Commented on track record data.
- Questioned if Front Porch Productions and Matrix were startup businesses
- Believes in Skin

Carol Vaughn

- Commented about the likelihood of other businesses following these proposals
- Potential infrastructure issues
- Business works sometimes and sometimes it doesn't.

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Eric Bruin

- Thanked council for the matrix however if limited to just projections then understand things can change.
- Appreciate the attempt at objectivity and understand lobbying exists.
- Commented on the matrix data but bottom line is, while council is honorable, there are many cross sections of understanding of functions and these should be incorporated into the decision. Suggested public participation from other business owners
- Keep up the good work.
 - Gary Parsons – staff considered having evaluations completed by agencies outside the city however time is an issue and significant pressure from the proposers to make a decision. Option is still available.
- Suggested community input to help add validity to the council's decision

Justin O'Neill

- Process sounds like a public elimination of proposals
- Agree with Eric Bruin in incorporating persons from the business community who understand predictions have a margin of error and risk.
- What I have heard is that nothing is predictable which is a flawed philosophy
- Commented this is a huge opportunity and it is necessary to invest in growth and have to take the opportunity.
- Will be risk and a margin of failure so need to prepare as a community and discuss the risk.
- Fear of the lobbying process but may be a way to use this opportunity to get the community on the same page.
- Encouraged council to include the business minds in the community to help select the best proposal

Dan Clark

- Outlined options
 - Do matrix, Webpage narrative, question companies, decision
 - Webpage, question companies, public input, decision
 - Ad hoc committee of 2 council and 5 community, review proposals, questions companies, matrix, recommendations from committee and staff, decision

Lori Acton

- Suggesting doing the matrix and a town hall on Monday with business leaders, then decision

Dan Clark

- Not comfortable with idea of a town hall because an independent business going into a public domain becomes a popularity contest. Lose total objectivity in a town hall meeting

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- Feels comfortable with the idea of an ad hoc committee
- As a business, would be embarrassing for a business to attend a free-for-all town hall meeting.
- Commented on competition of businesses having advantages over others based on where they might present at a town hall meeting.

Lori Acton

- Suggested viewing proposals without names read and whether the idea is good or not.

Jim Sanders

- Agrees with option 2 and having it at a public council meeting with encouragement for public to be positive.
 - Do the matrix, put a narrative on the website, and ask questions of companies, open to public at council, then make a decision.

Steve Morgan

- Questioned attorney, individual job interviews and can this be done by council for this type of negotiation.
 - Keith Lemieux – closed session applies to appointment to public positions and limited to employee benefits and real estate
- Questioned about firms bringing proposals for retail and negotiations.
 - Gary Parsons – Retail firms typically request negotiations at the staff level be confidential.
- We know these people want our money, it is public money, so do not know how to proceed because I do not know how the businesses will react
- Best opportunity may tell us to pack sand because we tell them they have to be submitted to the public. If the business is willing to go thru that, then they might be the best fit for Ridgecrest
- Option number 2 and see how many will actually agree to go thru that process.

Dan Clark

- Do the matrix; put a narrative about each company proposal; council ask questions of companies in two weeks; get public input; and then make the decision.

Lori Acton

- Suggested Facebook

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Dan Clark

- Direction to staff to do the matrix, a summary of the proposals on the website, question companies at next council meeting, make the decision
 - Gary Parsons – suggested redacted proposals eliminating the numbers and with input from the companies on protected information.
 - Keith Lemieux – could redact but cannot stop someone from requesting the un-redacted proposals.
 - Jim Sanders – suggested requesting companies provide public proposals
 - Keith Lemieux – treat them as received and request a final with understanding the final will be published. Important companies give direction of what is the final version of the document which will be what council acts on. This can be released to the public on request as a public document.

Point of clarity, final proposals will be considered public record.

Jim Sanders

- Asked if council could read proposals without making them public documents
 - Keith Lemieux – anything given to full council is considered public record.

Lori Acton

- Questioned if all documents provided to city staff are public record.
 - Gary Parsons – No, exemplified financial or proprietary information.

Motion direction to staff establishing the Process:

- *Do the matrix*
- *Get final proposals from companies*
- *Post final proposals on website and allow public requests*
- *Questions proposed to companies at next council meeting*
- *Open to public comment*
- *Make a decision*

Motion Made By Council Member Morgan, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Clark, Council Members Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 1 Absent (Council Member Holloway)

Recess at 8:43 p.m. for 5 minutes

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CONSENT CALENDAR

3. Adopt A Resolution Of The City Council Of The City Of Ridgecrest To Cooperate With The County Of Kern Speer
4. Adopt A Resolution To Approve The Professional Service Agreement With The Engineering Firm Of Willdan Engineering Inc. To Provide The Construction Management For The South China Lake Boulevard Project From Upjohn Avenue To Bowman Avenue And Authorizing The City Manager, Dennis Speer, To Execute The Agreement Contingent Upon The City Attorney's Review And Approval Of The Agreement Speer
5. Adopt A Resolution To Approve The Professional Service Agreement With The Engineering Firm Of Quad Knopf Inc. To Provide The Construction Management For The Sunland Project From Upjohn Avenue To Bowman Avenue And Authorizing The City Manager, Dennis Speer, To Execute The Agreement Contingent Upon The City Attorney's Review And Approval Of The Agreement Speer
6. Adopt A Resolution Of The City Of Ridgecrest City Council Approving The Land Purchase Contract For Construction Of A Transit Transfer Hub Station Located At APN 084-050-04, Inyokern, CA And Authorizing The City Manager To Execute The Agreement Parsons
7. Approval Of Draft Minutes Of The Regular City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Minutes Dated May 21, 2014 Ford
8. Approval Of Draft Minutes Of The Special Adjourned Budget Hearing Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Minutes Dated May 27, 2014 Thru May 29, 2014 Ford

Items pulled from consent calendar:

- Item Nos. 3, 4, and 6

Motion To Approve The Consent Calendar Item Nos. 5, 7, And 8 Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Clark, Council Members Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 1 Absent (Council Member Holloway)

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Item No. 3 Discussion

Justin O'Neill

- Questioned title
 - Dennis Speer – responded with explanation of item

Item No. 4 Discussion

Dave Matthews

- Asked who the committee was
 - Dennis Speer – selection committee was staff and Caltrans procedure followed. Not allowed to select based on fee. Two envelop process explained. Interviews and eligibility list established several years ago.
- Asked for the Caltrans guidelines
 - Dennis Speer – available online and staff can provide on request.

Item No. 6 Discussion

Dave Matthews

- Asked if the property owned by the city would become part of the city.
 - No, property owners in the county

Tom Wiknich

- Asked for location
 - Near Torres Steakhouse
- Purpose for purchase
 - To receive funding to support the regional transit services and bus garage
- Parcel size
 - 1.33 acres
- Located directly on Inyokern road
 - Yes
- Funding used to purchase
 - TDA grant funding and Prop 1B
- Purchase price
 - \$25,000

Motion To Approve The Consent Calendar Item Nos. 3, 4, And 6 Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Clark, Council Members Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 1 Absent (Council Member Holloway)

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DISCUSSION AND OTHER ACTION ITEMS

9. Discussion And Approval Of A Resolution Of The Ridgecrest City Council, The Ridgecrest Redevelopment Successor Agency, Ridgecrest Housing Authority And Ridgecrest Financing Authority Adopting The Annual Budget For Fiscal Year 2014-15, Establishing Appropriations, Estimating Revenues, And Establishing The Policies By Which The Budget May Be And Shall Be Amended McQuiston

Rachelle McQuiston

- Presented Staff Report
- Reviewed changes of \$65k to parks maintenance taking \$5k from finance and \$45k from solid waste.
- Measure 'L' funding of engineer is still a concern.
- Responded to question of what divisions are considered indirect: These consist of City Council, Administration, City Manager, City Clerk, Finance, IT, and General Government.
- Request moving forward to approve the budget.

Dan Clark

- Announced a letter from County Clerk authorizing 3 incremental payments to repay overpayment of \$882,000.
- Noted that council did not want to pass a budget without Council Member Morgan's input

Steve Morgan

- Realizes the budget is a living document and shall be changed depending on funding sources, found no material differences in what was presented by staff
- Regarding comments made concerning Measure 'L' funding of an engineer, all can agree that a road project cannot be completed until actually penciled out. Staff has come forward with a proposal to correctly fund an engineer to put pencil to paper on road projects before we can actually put down pavement. If done in-house then will save money. By using Measure 'L' money to hire an engineer then will have more funds available to pave rather than hiring a firm to do the engineering. Not everyone will agree but I understand and agree with it.
- Have no problem with any other issues in the budget as proposed. Good with the budget

Lori Acton

- Thanked Rachelle and understand there is room to change as needed. Good with the budget

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Jim Sanders

- Requested review of the changes
 - Page 21 Solid Waste budget line originally budgeted \$91,000, after discussions it was reduced to cover a contract of \$20,000 and extra \$30,000 for emergencies so \$40,000 in funds moved to parks building maintenance. Other \$5,000 came from finance budget unit 4150 by reducing finance budget to go to parks building maintenance for a total of \$45,000. Finance budget line is on page 10 of 43 and building maintenance is page 24. Handouts reflect changes.
- Questioned where the \$5,000 was cut from finance
 - Services and charges for outside audits.
- Original concern adding to parks building maintenance is whether this is the right year. Fine with it so long as we are not hurting elsewhere.
 - Originally overestimated the anticipated costs for solid waste. Total of \$45,000 put into building maintenance

Dan Clark

- \$5,000 from finance originally wanted for building maintenance but have submitted a MOU with China Lake Alliance and interested in redirecting this amount to them.
 - Lori Acton – is a board member for agency which is over China Lake Alliance
- Encouraged council to review the MOU and consider moving the money.
 - Keith Lemieux – clarified council is not voting on the MOU and requested looking at Council Member Acton's position on the board before the MOU is voted.
- Commented on the Kerr McGee building condition and explained the reasoning behind moving the funds.
- Spoke on the negotiations with the Navy regarding the wastewater fees. Suggested giving direction to staff to continue the negotiations.
- Commented on the commodity of water. Quoted statistics of water per acre feet going thru the treatment plant annually and cost of \$1500 per acre foot and suggested council look at the cost savings which could be attained if the wastewater plant rebuild can be expedited and location could be determined. Suggested giving direction to staff to expedite the process. Commented on the water being put on evaporative ponds and golf course when could be a cost savings commodity for the City.
- Comfortable with the budget. Have had a number of people contact him about street sweeping and suggested a Prop 18 hearing with structured fees schedule where all services were paid with one fee which would include street sweeping. Suggested future conversation at council.

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Dan Clark *(continued)*

- Commented on \$722,000 in outstanding trash bills that city has a responsibility to collect at some level. Commented on past discussions and concerns about fees charged by collection agency. Have a responsibility to collect the past fee with compassion for seniors. Suggested direction to staff to look at collection agencies and their fees and how it would affect the budget.
- Pleased with the budget. Making progress.

Steve Morgan

- Would be happy to discuss the 3 concerns at future council meeting but not willing to take action on those tonight.

Public Comment

Tom Wiknich

- Asked if the revenue was reviewed, in terms of city services and fees.
 - Rachelle McQuiston – kept everything standard with exception of animal control fees, no discount regardless of fees are paid (cash v. credit card) minor fee adjustments for police department and public works added language under public works services so fees are quoted at a minimum.
- Asked which fees were reviewed
 - Rachelle McQuiston – all fees were reviewed. Parks had concern that if fees were raised they would lose people and at this time are looking at a profit.
- Fees charged to the public are actual costs. As labor costs increase then fees may need adjusted
 - Rachelle McQuiston – has not looked at it in that way but can do so and make adjustments if determined they are out of line.
 - Steve Morgan – purpose of language ‘...at a minimum’ is because they are based on actual.

Stan Rajtora

- Commented on wastewater fund discussion.
- Commented on independent calculations of Navy costs. Stated navy needs to pay their share of the costs and be accurately reimbursed for the services city provides.
- Still have FY10 contract for design of the new plant and feels Navy will use the new facility so should participate in the expense of the cost of designing the new facility. If wastewater plant is a joint venture then should share the cost.
- Commented on electric bill paid by the city. Do not know the rate but if city believes the rate is inaccurate then should be part of the negotiations with the Navy. Should not be subsidizing the navy or individuals and businesses will want the same subsidy.

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Public Comment Closed At 9:29 p.m.

Dan Clark

- Requested any additional revenues from Measure 'L' over the \$2.5 million should be allocated to streets.

Jim Sanders

- Net zero in expenditures total questioned.
 - Rachelle McQuiston – mistakes in the calculation and better information is reflective of the final total expenditures.
- Looks as though only \$30,000 was removed from solid waste.
 - Rachelle McQuiston – had \$91,000, now \$50,000 and \$40,000 to parks leaving a \$1,000 savings.
- Fine with budget tonight.

Motion To Adopt The Budget As Presented, With Additional Measure 'L' Revenues Above The Projected \$2.5 Million Be Allocated To Streets, Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Clark, Council Members Sanders, Acton, And Morgan), 0 Noes, 0 Abstain, And 1 Absent (Council Member Holloway).

COMMITTEE REPORTS

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Jim Sanders, Dan Clark
Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center
Next Meeting: To Be Announced

Jim Sanders

- No report

Veterans Advisory Committee

Members: Dan Clark
Meetings: 1st and 3rd Tuesday of the Month At 6:00 p.m., Kerr McGee Center
Next Meeting: To Be Announced

Dan Clark

- Displayed POW t-shirt being produced for fund raiser

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: Date And Location To Be Announced

Dan Clark

- Read directors report (*Attachment D*)

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OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- none

CITY MANAGER REPORT

Dennis Speer

- Navy contacted and will meet on June 12 at 9:00 a.m. to discuss wastewater rate
- City engineer will be sending weekly street activity press releases.
- Downs to Bowman; China Lake Blvd.; Drummond west of Norma; Gold Canyon; starting Sunland on June 9.

MAYOR AND COUNCIL COMMENTS

Lori Acton

- Commented on paving as is the route taken to drive child to school
- Wished everyone a good two weeks

Jim Sanders

- Congratulated Cpt. McLaughlin
- Hope public is patient with the process for Industrial Development proposals. Tonight public has glimpsed the difficult and contradictory decisions council makes. Process will be open and transparent for the public. Council may do the best due diligence, however there is always risk involved and the best council can do is put forth our best effort.

Steve Morgan

- Community has a great opportunity to understand the difference between reconstruction and repair.
- Am extremely upset with utility companies and if the utility has damaged a business then that business should go after the company. To suggest a project be stopped is not reasonable. We have an amount of time to spend a lot of money in the Ridgecrest Blvd. project. Not going to be allowed to stop and start again. Will do the best we can and staff will also. But staff cannot hold the hammer over the utility companies that have not worked within the city of Ridgecrest best interest. No reasonable person could say they did not know the Ridgecrest Blvd. project was going to happen and we apologize to business owners who did not understand what a reconstruction involves. If we can't get someone out of the way we still have to construct. If we delay the contractor then we will bear the cost. No other funding will come in so if there is a cost overrun by a delay of construction then the city has to come up with the money, which is not an option.

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Steve Morgan *(continued)*

- Appreciate staffs efforts to work with the contractor. Staff will discuss the signage issue and the perception of a worker being lazy. Fully believe staff is doing what they can. I do not want to be involved because I trust staff to do their best and I will provide cover for staff as part of my job as a council member. Will fiercely protect staff as my duty and responsibility
- Keep coming back to the same old song and dance. Every time there is a conceptual item presented before council, whether you like it or not I firmly believe council needs to reinstate all committees where complaints are vetted and discussions could eliminate the consternation we now have in council meeting. Too many problems and comments about things we should be doing or need to modify. Need to stop, and the way to do this is let those ideas, concepts, and complaints go thru the committee process. It worked. I implore the council to reconsider a mistake made in eliminating the committees. We are hearing it at every council meeting. Exampled ideas being brought back repeatedly.
- Announced the Ridgecrest Lions Club Independence Day fundraiser. Lions Club has paid full price at Kerr McGee, June 21st bingo. This is the 20th year of providing every dime for fireworks for this community. Tickets are \$35.00. Suggested buying tickets and giving them to someone who wants to go. Help support the community fireworks show.

Dan Clark

- Tonight was interesting, did not know how the selection process for industrial proposals would take place. Do not think the discussion tonight could have been done at the committee level. Miss the committees at some level but this was a good and challenging discussion
- Disappointed in the attendance at the budget meetings which was the opposite of last year. Council did not want to pass the budget without Council Member Morgan's input which says a lot about the cohesiveness of this council
- Handed out veterans advisory committee brochures
- Spoke on the community garden and looking at expanding community gardens so may bring to council for further discussions.
- Commented on a rant in the new review from a gentleman on the Measure 'L' committee. He has a responsibility as a committee member to research information before he rants about it. Had a meeting in which public showed up, no decision made. Budget meetings were scheduled as a full council, not a mayoral decision. Andy has a responsibility to due diligence. Please research information before bashing the council. Offered to discuss personally with Andy.

ADJOURNMENT at 9:55 pm

Rachel J. Ford, CMC
City Clerk



Knights of Columbus

FATHER JOHN CROWLEY COUNCIL, No. 3199
725 W. Ridgecrest Boulevard
Ridgecrest, California
(P.O. Box 847, Ridgecrest, California 93556)

4 June 2014

To: Mr. Dennis Spears, Ridgecrest city manager

Subject: Ridgecrest Boulevard reconstruction strategy

Sir,

It has come to our attention that the strategy for reconstructing W. Ridgecrest Blvd. has changed. The original strategy was to pay the south side of the street while maintaining two-way traffic on the north side of the street. Then, reconstruction would proceed to the north side of the street while maintaining two-way traffic on the southside. The strategy now is to completely blocked off all traffic between major intersections. The Knights of Columbus Council is very concerned that this strategy will impact our income and operations at our location, which is 725 W. Ridgecrest Boulevard. We conduct bingo games every Sunday evening for several hours. This provides our main income for our charitable operations. We also rent our hall for other uses. If we and our patrons cannot reach the facility when needed, we will be greatly impacted.

There are many businesses and properties between Downs Avenue and China Lake Boulevard, which will face similar situations. Several of them, including the city corporate yard, rely on fleet operations for their business.

Therefore, on behalf of the Knights of Columbus and all of the businesses along Ridgecrest Boulevard we urge the city to revert to the original strategy. This strategy will also cause impacts, but in our opinion not as much as the strategy of complete closure.

Sincerely,

A handwritten signature in black ink, appearing to read 'Theodore Firme'.

Theodore Firme
Grand Knight

CC;

L. Culp, City Engineer; R. Ford, City Clerk; D. Clark, Mayor; all Council members; K of C file

Just Shoot: The Mindset Responsible for Turning Search Warrants into Death Warrants, and SWAT Teams into Death Squads

By John W. Whitehead
June 02, 2014

“A government which will turn its tanks upon its people, for any reason, is a government with a taste of blood and a thirst for power and must either be smartly rebuked, or blindly obeyed in deadly fear.”—John Salter

How many children, old people, and law-abiding citizens have to be injured, terrorized or killed before we call a halt to the growing rash of police violence that is wracking the country? How many family pets have to be gunned down in cold blood by marauding SWAT teams before we declare such tactics off limits? And how many communities have to be transformed into military outposts, complete with heavily armed police, military tanks, and “safety” checkpoints before we draw that line in the sand that says “not in our town”?

The latest incident comes out of Atlanta, Georgia, where a SWAT team, attempting to execute a no-knock drug warrant in the middle of the night, launched a flash bang grenade into the targeted home, only to have it land in a crib where a 19-month-old baby lay sleeping. The grenade exploded in the baby’s face, burning his face, lacerating his chest, and leaving him paralyzed. He is currently in the hospital in a medically induced coma.

If this were the first instance of police overkill, if it were even the fifth, there might be hope of reforming our system of law enforcement. But what happened to this baby, whose life will never be the same, has become par for the course in a society that glorifies violence, turns a blind eye to government wrongdoing, and sanctions any act by law enforcement, no matter how misguided or wrong. Indeed, as I detail in my book [*A Government of Wolves: The Emerging American Police State*](#), this state-sponsored violence is a necessary ingredient in any totalitarian regime to ensure a compliant, cowed and fearful populace.

Thus, each time we as a rational, reasoning, free-minded people fail to be outraged by government wrongdoing—whether it’s the SWAT team raids that go awry, the senseless shootings of unarmed citizens, the stockpiling of military weapons and ammunition by government agencies (including small-town police), the unapologetic misuse of our taxpayer dollars for graft and pork, the incarceration of our fellow citizens in forced labor prisons, etc.—we become accomplices in bringing about our own downfall.

There’s certainly no shortage of things to be outraged about, starting with this dangerous mindset that has come to dominate law enforcement and the courts that protecting the lives and safety of police officers (of all stripes) is more important than the lives and safety of the citizenry. This is true even if it means that greater numbers of innocent civilians will get hurt or killed (police kill roughly five times more often than they are killed), police might become laws unto themselves, and the Constitution will be sidestepped, or worse disregarded, at every turn.

For example, where was the outrage when a Minnesota SWAT team raided the wrong house in the middle of the night, handcuffed the three young children, held the mother on the floor at gunpoint, shot the family dog, and then “forced the handcuffed children to sit next to the carcass of their dead pet and bloody pet for more than an hour” while they searched the home?

Or what about the SWAT team that drove an armored Lenco Bearcat into Roger Serrato’s yard, surrounded his home with paramilitary troops wearing face masks, threw a fire-starting flashbang grenade into the house in order, then when Serrato appeared at a window, unarmed and wearing only his shorts, held him at bay with rifles? Serrato died of asphyxiation from being trapped in the flame-filled house, and the county was ordered to pay \$2.6 million to Serrato’s family. It turns out the father of four had done nothing wrong; the SWAT team had misidentified him as someone involved in a shooting. Even so, the police admitted no wrongdoing.

And then there was the police officer who tripped and “accidentally” shot and killed Eurie Stamps, who had been forced to the floor of his home at gunpoint while a SWAT team attempted to execute a search warrant against his stepson. Equally outrageous was the recent four-hour SWAT team raid on a California high school, where students were locked down in classrooms, forced to urinate in overturned desks and generally terrorized by heavily armed, masked gunmen searching for possible weapons that were never found.

The problem with all of these incidents, as one reporter rightly concluded, is “not that life has gotten that much more dangerous, it’s that authorities have chosen to respond to even innocent situations as if they were in a warzone.”

This battlefield mindset has so corrupted our law enforcement agencies that the most routine tasks, such as serving a search warrant—intended to uncover evidence of a suspected crime—becomes a death warrant for the alleged “suspect,” his family members and his pets once a SWAT team, trained to kill, is involved.

Unfortunately, SWAT teams are no longer reserved exclusively for deadly situations. Owing to the militarization of the nation’s police forces, SWAT teams are now increasingly being deployed for relatively routine police matters, with some SWAT teams being sent out as much as five times a day. For example, police in both Baltimore and Dallas have used SWAT teams to bust up poker games. A Connecticut SWAT team was sent into a bar that was believed to be serving alcohol to underage individuals. In Arizona, a SWAT team was used to break up an alleged cockfighting ring. An Atlanta SWAT team raided a music studio, allegedly out of a concern that it might have been involved in illegal music piracy.

Yet the tension inherent in most civilian-police encounter these days can’t be blamed exclusively on law enforcement’s growing reliance on SWAT teams. It goes far deeper, to a transformation in the way police view themselves and their line of duty. Specifically, what we’re dealing with today is a skewed shoot-to-kill mindset in which police, trained to view themselves as warriors or soldiers in a war, whether against drugs, or terror, or crime, must “get” the bad guys—i.e., anyone who is a potential target—before the bad guys get them. The result is a spike in the number of incidents in which police shoot first, and ask questions later.

Who could forget what happened to 13-year-old Andy Lopez? The teenager was shot seven times and killed after two sheriff's deputies, a mere 20 feet away, saw him carrying a toy BB gun in public.

Then there was the time two Cleveland police officers mistook the sounds of a backfiring car for gunfire and immediately began pursuing the car and its two occupants. Within 20 minutes, more than 60 police cars, some unmarked, and 115 officers had joined the pursuit, which ended in a middle school parking lot with more than 140 bullets fired by police in less than 30 seconds. The "suspects"—dead from countless bullet wounds—were unarmed.

Miriam Carey's family still can't get past the shock of her death. Police in Washington, DC, shot and killed the 34-year-old woman after she collided with a barrier leading to the White House, then fled when pursued by a phalanx of gun-wielding police and cop cars. Carey's 1-year-old daughter was in the backseat. Seventeen gun shots later, Carey was dead and her toddler motherless.

Just as troubling as this "shoot first, ask questions later" mindset is what investigative journalist Katie Rucke uncovered about how police are being trained to use force without hesitation and report their shootings in such a way as to legally justify a shot. Rucke reports the findings of one concerned citizen, "Jack," who went undercover in order to attend 24 hours of law enforcement training classes organized by the private, for-profit law enforcement training organization Calibre Press.

"Jack says it was troubling to witness hundreds of SWAT team officers and supervisors who seemed unfazed by being instructed to not hesitate when it comes to using excessive, and even deadly, force," writes Rucke. "From my personal experience, these trainers consistently promote more aggression and criticize hesitation to use force," Jack said. "They argue that the risk of making a mistake is worth it to absolutely minimize risk to the officer. And they teach officers how to use the law to minimize legal repercussions in almost any scenario. All this is, of course, done behind the scenes, with no oversight from police administrators, much less the public."

Rucke continues:

According to the learning materials, ... there isn't time for logic and analysis, encouraging officers to fire multiple rounds at subjects because "two shots rarely stops 'em," and outlines seven reasons why "excessive use of force" is a myth. Other lessons Jack learned from the "Anatomy of Force Incidents" training in January include a need to over-analyze one's environment for deadly threats by using one's imagination to create "targets of the day" who could be "reasonably" shot, to view racial profiling as a legitimate policing technique, even if the person is a child, pregnant woman or elderly person, and to use the law to one's advantage to avoid culpability.

What we're dealing with is what author Kristian Williams describes as the dual myths of heroism and danger: "The overblown image of police heroism, and the 'obsession' with officer safety, do

not only serve to justify police violence after the fact; by providing such justification, they legitimize violence, and thus make it more likely.”

If ever there were a time to de-militarize and de-weaponize police forces, it's now, starting at the local level, with local governments and citizens reining in local police. The same goes for scaling back on the mindset adopted by cops that they *are* the law and should be revered, feared and obeyed.

Police have been insulated from accusations of wrongdoing for too long and allowed to operate in an environment in which whatever a cop says, goes. The current practice is to let the police deal with these transgressions internally by suspending the officer involved with administrative pay, dragging out the investigation until the public forgets about the incident, and then eventually declaring the shooting incident justified based on the officer's fear for his safety, and allowing him to go back to work as usual. And if, on the off chance, a shooting incident goes before the courts, the judiciary defers to police authority in almost all instances. Just recently, for example, the U.S. Supreme Court declared that police officers who used deadly force to terminate a car chase were immune from a lawsuit. The officers were accused of needlessly resorting to deadly force by shooting multiple times at a man and his passenger in a stopped car, killing both individuals.

Meanwhile, the epidemic of police violence continues to escalate while fear of the police increases and the police state, with all its surveillance gear and military weaponry, expands around us

Holloway ED Approach Statement

Fellow Council Members I apologize for not being there tonight but how could I have known 18 months ago , that we would be facing the issues we must deal with tonight. Understanding the importance of this decision I asked Mr. Speer to take the unusual step of expressing my feelings on the Economic Development proposals before us.

I understand at this point this is merely a presentation asking for some direction as to how we move forward. First and foremost is we must not view the proposals to try and simply isolate a winner by limiting our vision based on currently available funds. Instead I submit we must view the merits of each proposal from a perspective of does it make business sense to pursue today or possibly in the future understanding necessary funds may not be available at the moment. Our economic development needs will always exceed our budgets. If a good proposal exist it should be vetted in a way that doesn't limit our ability to attract outside funding, inspire council to redirect budget dollars, or garner community support along with resources. In a case where the city could only provide partial or no funding today it would be a disservice to simply eliminate or summarily dismiss a project. To try and shoe horn a project to match funding has the potential to create a subconscious bias. Maybe we should have projects presented initially with no regard for funding request and ask ourselves does the concept have merit , period. Once we agree on potential projects then use the available funding sources to chose and rank the projects in a way that best leverages our investment.

I think all of us are concerned this process will become flawed from too much public pressure, that may or may not be based on facts, perceived understanding and support based on the opinions of others without truly analyzing the content of every proposal and finally support based merely on personal relationships. This concern is valid but frankly at this point unavoidable as I think all of us have already been lobbied somewhat on multiple proposals.

With that in mind I support the concept of using an agreed upon matrix created by Mr. Parsons that tries to evaluate as many aspects of every proposal necessary to establish a true viable business plan that makes sense for our community. I also support the option of all proposers having the opportunity to present any information regarding their proposals publicly to the council at a later meeting. Finally I ask council to direct staff to post all proposals on the city website at least 10 days prior to the next council meeting for public viewing.

This is by far one of the best opportunities we will have as a council to try change the direction of the current revenue stream. Expanding our economic base and taking steps to diversify our economy is our only hope to address pressing needs in this community. I personally welcome honest open input from everyone , acknowledging not one of these proposals is guaranteed. In a perfect scenario we would find we have multiple opportunities and unlimited resources, understanding that is not the case lets not limit our thinking simply to resources but open our minds to the potential. If we have a proper fit we should do everything necessary as a council to seek funding from every source possible, utilizing the expertise and efforts of the entire community. If we don't allow the community access to as much information as possible moving forward we risk alienating individuals who could provide financial creativity and other opportunities henceforth unimagined.

Thanks for allowing me to convey my thoughts.

Director's Report

May 2014

- ❖ Updated Board of Director's for sign on Hwy 395 South of town, "Snapshot" of what to be done (picture shown) to be rebuilt for the RACVB.
- ❖ IPW "*International POW WOW*", 2015 will be held in Orlando, Florida and Kern County Board of Trade has reserved a booth. Kernville Chamber of Commerce, for the first time, will also attend as well as Doug Lueck from the RACVB. Next year's POW WOW will be held in Orlando, Florida starting June 3, 2015.
- ❖ Doug Lueck attended Mule Days held Memorial Day weekend in Bishop, California collected business cards, for Petroglyph Festival potential Vendors at Kerr McGee or Balsam Street, in November. Petroglyph Festival Letter and Reservation forms to be sent out.
- ❖ The Assembly UNANIMOUSLY passed the AB 1839, Tax Credit! It will "nourish California's signature industry" for filming. It still need to pass the Senate which "will be more challenging".
- ❖ RACVB wrapped up generating the billing invoices for the Petroglyph Golf Tournament and RACVB happy to advise it was "Profitable", then reported good news to the Board of Director's.
- ❖ The RACVB has inventoried the brochure racks and now servicing a total of 12 racks in 12 hotels with brochures, keeping them stocked as requests come in from the hotels.
- ❖ The RACVB is working with the EXTREME TRUCK group again. The group will be back in September 2014. RACVB is trying to convince Extreme Truck group to advertise in Lake Isabella area and from Bishop.

FILMING:

Mind Over Eye

Contact: Brenda Liz De Guzman
Crew Size: 7 - 10
Days of Filming: 1
Type of Filming: Car Commercial

Motor Trend

Contact: Michael Shaffer
Crew Size: 8
Days of Filming: 1
Type of Filming: Still Photo Shoot

Inyokern Airport – Motor Trend for 1 Day Still Photo Shoot Crew of 8.

Total Revenue Generated for May 2014: \$ 55,000.00

Next Board of Director's meeting will be Wednesday, July 2, 2014, location to be determined.

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:

Evaluation and selection of Industrial Development Proposals/ firms for funding assistance utilizing TAB funds

PRESENTED BY:

Gary Parsons

SUMMARY:

The City of Ridgecrest has received five industrial development proposals (attached) seeking city economic assistance. Staff has prepared a matrix, (which is attached) of what it believes are some of the key elements for the evaluation of these proposals. Funding requests far exceed current estimated funding levels now being considered. Therefore some or all of these proposals may not be chosen for current funding under proposed Economic Development TAB allocation funding levels are to be achieved.

Staff has developed a draft grant assistance agreement which will require any selected firm to enter into. This agreement will require the establishment of milestones for continued funding, and long term continuation of operations within the city.

Council has several possible actions which it can consider these include but are not limited to, selection of one or several of the firms for partial or full funding amounts, or selecting none of the current proposals and requesting staff to issue a RFQ seeking additional firms/proposals.

The current recommended funding level for Economic Development is 2 million dollars in TAB funds, with currently 1 million recommended by staff for industrial development. Should council chose to allocate more Economic development allocated TAB funds to industrial development then other areas of economic Development will need to be cut. (Examples for these cuts would be in local retail expansion of \$350,000 or code enforcement funding of \$250,000) or both

FISCAL IMPACT:

Expenditure of TAB funds previously allocated for Economic Development

Reviewed by Finance Director

ACTION REQUESTED:

Evaluation of Industrial Development Proposals attached

Selection of firms for TAB assistance funding and determination of the level funding amounts for each. Direct staff to develop an Economic Development TAB assistance grant agreement in the amount determined to be presented to council for final approval and execution by the city manager.

RECOMMENDATION:

Action as requested: Staff recommends that council consider in the selection of firms and funding levels the following :

- 1) The best return on the investment of city grant funds through tax revenue sources
i.e. Sales, property and tot taxes.
- 2) The largest production of local jobs at the lowest cost per job
- 3) The diversification of market sector from the existing current dependence on DOD funding.

The best possibility for long term viability of the firm and it continued operations within the city.

Submitted by:
(Rev. 6/12/09)

Action Date: June 18, 2014

Industrial Economic Development Proposals for City TAB funds

note: all data from proposers 6/18/2014

| By firm alphabetically | Cal-UAS | China Lake Technologies / ATAC | EH Group | Pertexa | Weda |
|--------------------------------------|--|--|---|--|---|
| Number jobs Year 1 | 10 | 5 | 5 | 10-25 | 25-50 |
| Number jobs Year 5 | 55 | 50 | 100 *Note after 10 years= 1,600 | 35-550 | 150 |
| Estimated sales year 1 | 600,000 | 0 | 0 | 26 million | 3 million |
| Estimated sales year 5 | 3.5 million | 1.5million | 0 | 280 million | 33 million |
| Estimated property tax | Year 1 7,000 SqFt of existing space and 1-5 acres | Year 1 40,000 SqFt Of existing space | Year 1 1,750 3,000 SqFt Building and 100 acres | Year 1 36,000 SqFt of existing space building | Year 1 35-50,000 SqFt of Existing space and 2 acres |
| Estimated TOT numbers of room nights | Year 1 =600 Year 5 = 600 | Year 1 = 45 Year 5 = 45 | Year 1=100 Year 5=2,000 | Year 1= 80-100 Year 5= 80-100 | Year 1= 900 Year 5= 900 |
| Estimated average salaries | Year 1 \$90,000 Year 5 \$100,000 | Year 1 \$100,000 Year 5 \$ 45,000 | Year 1 \$70,000 Year 5 \$70,000 Year 10 \$80,000 | Year 1 \$40,000 Year 5 \$40,000 | Year 1 \$55,000 Year 5 \$62,000 |
| Amount of private investment | 0 | 0 | \$2 billion Of private and governmental funds | \$350-500,000 | 0 |
| Total amount of TAB funds requested | \$1,196,000 | \$250,000 | \$1,450,000 | \$1,500,000 | \$147,000 |
| Cost per job 1 year | \$119,600 | \$50,000 | \$290,000 | \$41,428 | \$3,920 |
| Cost per job 5 year | \$21,745 | \$5,000 | \$15,000 \$960 in Year 10 | \$2,564 | \$980 |
| Other/summary | Manufacture of small unmanned aircraft for the commercial market | Consulting company that will develop a business plan and bring to the city a biofuels production company | Consultant and Developer Of alternative energy projects: that will bring infrastructure for solar ,bio mass,hydrogen and energy store to the city | Manufacture of the Telemedicine Robo- Doc for use by doctors hospitals and clinics | A marketing and consulting firm that brings companies to the city |

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#1

CAL UAS

Cal UAS Executive Summary

In 2013 Cal UAS was formed and consisted of a group of technologists seeking consideration by the FAA as a remote test site for unmanned aircraft systems. The Cal UAS group has since incorporated in the State of California and is engaged in the business of designing, developing, manufacturing, and selling various types of small unmanned systems for the commercial sector. Cal UAS systems are both rotary and fixed wing and are designed-to-build based on requirements set forth in the burgeoning growth areas of agriculture, wind turbine inspections, aerial mapping for utility companies, search and rescue missions, and first-responders.

Cal UAS offers a systems engineering approach to end-users by providing a full-up functional “system” consisting of hardware, software, sensors, and including three days of training.

Ease of use and affordability are goals as UAS are designed and fully integrated by the Cal UAS team.

The Cal UAS Team has a collective 40 years experience as technologists, scientists, and engineers working toward advancements in unmanned system technologies. Cal UAS has expanded partnerships to create a nexus for refining existing technology and forging future innovations that are potentially as innumerable as the applications this young industry is expected to yield.

Cal UAS is headquartered in Ridgecrest, CA.

Gary Parsons

From: Eileen Shibley <eshibley@me.com>
Sent: Friday, May 30, 2014 12:30 PM
To: Gary Parsons
Cc: Eileen Shibley
Subject: Cal UAS private investments

Gary,

Per our conversation yesterday, I am forwarding information relative to past and future private investments in Cal UAS. Beginning in March 2014, private investments to date in Cal UAS total \$84,000, 67% of which came out of my own pocket.

Commitments for future investments have been received from 9 investors in various amounts. Six of these investments are pending Ridgecrest City Council action on the Economic Development funds. That is because these investors believe that we, as a start up, will have a higher probability of succeeding if we get seed money from the City's grant funding to help defray the cost of building the production facility here in Ridgecrest. The minimum amount of investment is \$20,000. The total amount committed is \$300K. That will get us going on hiring.

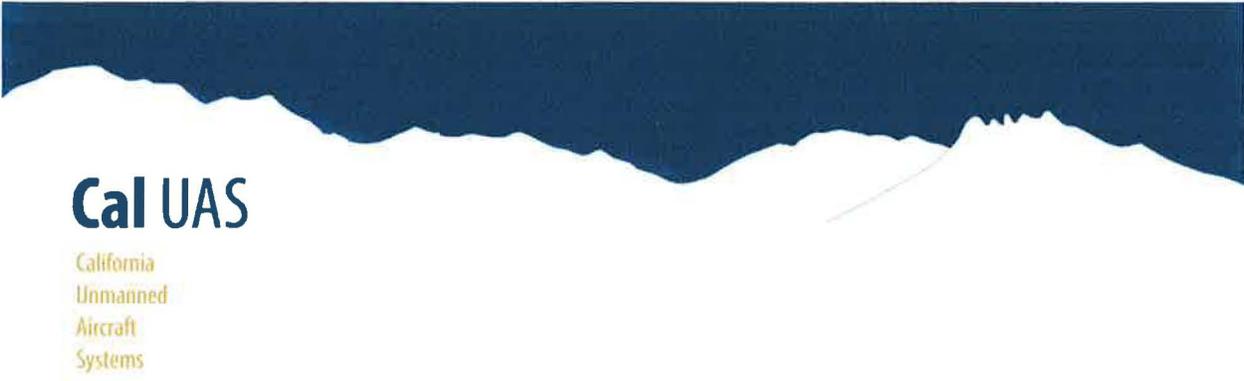
We've sold three units to date and each of the units we sell comes with three days of training in Ridgecrest. Our second set of training will occur in Ridgecrest next week.

I would anticipate that private investments in the company would continue into the future but at a higher rate as investors see our success.

Thanks for the clarification on dates.

Eileen

Eileen Shibley, CEO
Cal UAS, Inc.
760-382-1049
eshibley@me.com



Cal UAS

California
Unmanned
Aircraft
Systems

City of Ridgecrest
100 West California Avenue
Ridgecrest, CA 93555
Attn: Gary Parsons

May 1, 2014

Mr. Parsons,

As requested in your letter dated April 16, 2014 and in an effort to provide your office and the city council with information needed to evaluate the Cal UAS proposal, the following information is provided in the format requested.

Cal UAS believes the number of new jobs that will result if the council funds our proposal is:

After year one, 10 jobs with an average employee salary level of \$90,000

After year five, 55 jobs with an average employee salary of \$100,000

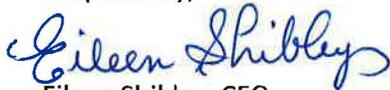
Cal UAS plans to sell small unmanned aircraft systems from our Ridgecrest location and we estimate the annual taxable sales in year one to be \$600,000 and in year five to be \$3,500,000

Cal UAS would lease a manufacturing location in Ridgecrest. Our requirements would be for approximately one half acre with at least 2,500 sq ft of office, admin, conference, and training space as well as at least 4,500 sq feet of manufacturing space.

Included in the price of each unmanned aircraft unit sold to a different customer is three days of training at our Ridgecrest location. We believe this would result in approximately 50 people per month visiting Ridgecrest for three or four nights to attend training. Cumulatively, this could mean up to 600 hotel nights annually.

In order to accomplish the above, Cal UAS believes a minimum amount of funding required to make our proposal successful is \$1,196,000. The Cal UAS plan is to use equity capital to fund the remaining requirements such as salaries, taxes, insurance, etc. Our goal is to get our equity capital through individual private investments.

Respectfully,



Eileen Shibley, CEO

Cal UAS, Inc.
760-382-1049



Cal UAS

California
Unmanned
Aircraft
Systems

City of Ridgecrest
100 West California Avenue
Ridgecrest, CA 93555
Attn: Gary Parsons

31 March 2014

Mr. Parsons,

Cal UAS, Inc. submits the following information and respectfully requests consideration of economic development grant funds for the purpose of establishing a high-tech state-of-the-art manufacturing, production, and training facility in Ridgecrest, California. Cal UAS is a Ridgecrest based, locally owned and managed, California Corporation committed to advancing the state of the art in unmanned systems technologies. Our goal is to serve the commercial markets in the fields of precision agriculture, wind turbine inspections, utility company line inspections, aerial surveying, search and rescue, and civil engineering applications.

Cal UAS is also committed to working with the local school district toward a goal of being an incubator environment for potential future employees in students currently interested in the science, technology, engineering, and math (STEM) fields. We are also very tightly aligned with the recently approved California iDEA Innovation Hub. The goal is to nurture technology and be agents of change relative to technology innovation in this burgeoning field of unmanned systems.

Cal UAS requests consideration of funds in the amount of \$1,196,000 to procure the larger pieces of equipment required to manufacture robots, modify a structure for production, and equip our training facility. We also request consideration of two years lease in an existing structure in Ridgecrest. Cal UAS has already begun production of our precision robots and we anticipate our endeavor to create approximately 55 jobs over the next five years. We anticipate our sales to cumulatively reach \$10,400,000 with the resulting sales tax benefitting the City. Also, with each unmanned system sold, three days of training (for two people) are provided at our Ridgecrest site. With eventual sales anticipated of 25 per month, this would result in approximately 50 people per month visiting Ridgecrest for three or four nights to attend training. Please see attached for amplifying information.

Respectfully,



Eileen Shibley

Eileen Shibley, CEO
Cal UAS, Inc.
760-382-1049



Cal UAS

California
Unmanned
Aircraft
Systems

Cal UAS Design and Fabrication Ridgecrest Headquarters

Facility Design Objective

Focus on modern, clean, computer-driven assembly technologies that significantly reduce OSHA and insurance burden while providing a well-rounded production environment with an emphasis on design.

Design Department

Three design rooms provide the primary innovative and design workspaces in the facility. Since a vast majority of the shop equipment will be software driven, a distributed 3D design environment is essential for efficient workflow from conception to working model.

Prototyping Department

Modern flight is achieved through software with less of an emphasis on traditional aerodynamics. This innovative facility will boast the tools necessary to rapidly prototype and produce working electronic SMD solutions.

Manufacturing

Avoiding overly mature technologies (CNC End Mills, Lathes, presses, etc.), dirty technologies (waterjet, plasma jet, laser jet, woodwork, spray booth) and immature emerging technologies (YAG Sintered Metal, miniature 3D robotic) leaves the facility to focus on the primary mission of sUAS development and mass production. 3D CNC routing and milling will serve as the facilities cornerstone as these technologies produce part strength beyond that of 3D printing.

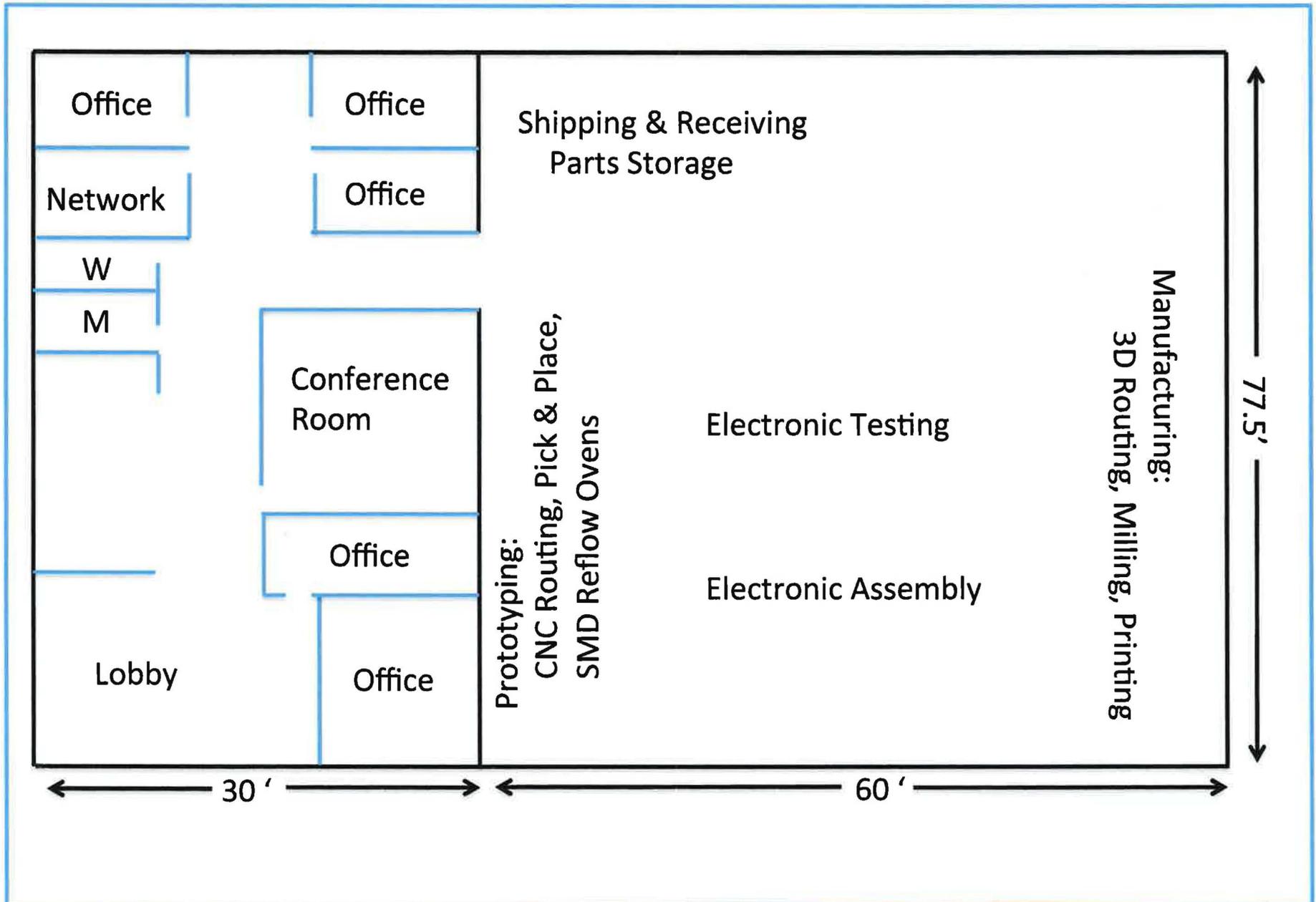
Shipping/Receiving/Parts Storage

Standard ISP-based security systems monitor equipment as well as provide asset protection.

Training Center

The price of each sUAS unit produced includes three days training to be performed at Cal UAS Headquarters in Ridgecrest, CA.

Cal UAS Bldg at 543 Graaf St. in Ridgecrest, CA



Gary Parsons

From: Eileen Shibley <eshibley@me.com>
Sent: Monday, June 09, 2014 4:54 PM
To: Gary Parsons
Cc: Eileen Shibley
Subject: Fwd: Cal UAS

Begin forwarded message:

From: Wink Douglas K - IT <>
Subject: Cal UAS
Date: April 19, 2014 at 9:36:53 AM PDT
To: "gparsons@ci.ridgecrest.ca.us" <gparsons@ci.ridgecrest.ca.us>
Cc: Eileen Shibley <eshibley@me.com>

Mr. Parsons,

Thank you for taking the time to meet with Sugu and myself this past week. When we look at potential business partners, we try to look at the big picture and not just the products or services they offer. Throughout our visit to Ridgecrest, it became clear that the entire city is behind Cal UAS and what they are doing. The hotels, restaurants and local shops we visited all benefit from new clients coming in to attend training. Everybody we met treated us as if we were a part of the community and there was a genuine sense of enthusiasm in Cal UAS with everyone we met.

Our company was founded on the core values of innovation, quality, integrity and commitment. I am very pleased to see that Cal UAS also seems to follow these core values. We are in the early stages of our research effort but we all also looking for suppliers who will uphold our core values with our customer base. As we mentioned in our discussion, there are thousands of companies trying to get into this growing space and we have looked at hundreds of options. Cal UAS has taken an innovative approach to their design and they have stepped up to the customization challenges we have put in front of them. I am looking forward to continuing to work with them as we prove out our research. The team Eileen has assembled with Jeff Parisse, Scott Brown and Bruce Lowry are all first rate and they are a differentiating team in this space. I think Cal UAS offers both great products and services and I look forward to coming back to Ridgecrest to meet with the team again.

I know you are having discussions with Cal UAS now and I just wanted you to know that as a customer, it is nice to see how your city is supporting Cal UAS and helping to make them successful. I am very proud to say that we have the first production Cal UAS Monarch 001.

Thank you

Doug Wink

Eileen Shibley, CEO
Cal UAS, Inc.
760-382-1049

Cal UAS

California
Unmanned
Aircraft
Systems



Monarch

Dual Sensor Aerial Mapping Robot

We created the Monarch™ after working with local farmers and California technology companies to develop the best robotic system for mapping and crop analysis using multi-spectral cameras and software.



Specifications

Weight: 12-15 lbs.
Time Aloft: 30 Minutes
Coverage: 160 Acres
Waypoints: Unlimited
Ceiling: 400' AGL
NIR Formats: NDVI, SAVI
EO Sensor: 16mm, 16Mpx



PixHawk Autopilot

Powerful on-board processing and advanced mission planning software make this the heart of the Monarch™. The PixHawk is the next generation of autopilot from 3DR Robotics, the leader in open source robotics.



TetraCam ADC Micro

Multispectral imaging cameras and technology from TetraCam provide critical data for crop research. The Monarch™ uses the ADC Micro, the smallest NIR sensor, to create NDVI data overlays of crop health.



Sony NEX 5R

The NEX 5 creates highly detailed ortho-mosaic photography and is triggered simultaneously with the ADC Micro for perfect overlays. Both cameras (EO, NIR) are safely housed in a custom payload cushion.



Cal UAS Airframe

Multirotor air vehicles are less affected by wind and can follow a computerized path better than fixed wing airplanes. The Monarch™ is built to take superior photographs and cover at least 160 acres per flight.



California Unmanned Aircraft Systems
P.O. Box 1235
Ridgecrest, CA 93556 - www.caluas.com



Cal UAS

California
Unmanned
Aircraft
Systems

Monarch

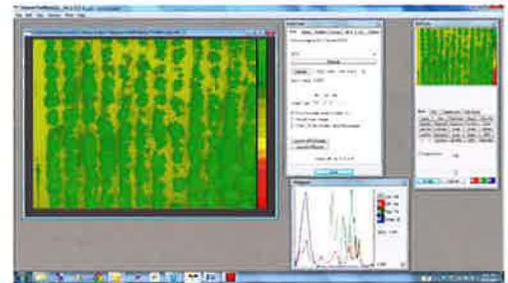


Dual Sensor Aerial Mapping Robot

Mission Planner is the flight control software that helps the operators plan and program an automatic route into the Monarch™ prior to each unique mapping mission. It provides real time flight data including voice alerts that allow the operators to listen to the robot's progress as they watch it perform. Cal UAS provides operators the chance to learn the inner workings of Mission Planner, the software used to control flight, during our three day Monarch™ Operator Course. Operators will learn techniques specific to their needs using the following software packages:



PixelWrench2 from TetraCam is a powerful image editing program that includes tools specific to multi-spectral images. The program accepts NIR/Green/Red or other bands of captured images from the ADC or MCA family of Tetracam sensing systems and aligns, registers and re-combines these according to user-defined or standard algorithms to produce new images that may be used to indicate conditions such as plant stress or the presence or relative abundance of specific monitored compounds.



PixMapper from Pix4D is used to generate orthomosaics, DSMs and Point clouds from aerial and oblique imagery using any camera and lens, including multi-band images. Keep full control over your projects at all times by assessing and editing all tie points (GCPs, Check points, etc.). Use the fully automatic workflow and let the software handle all calibration and processing to achieve survey grade accurate output with centimeter-grade, LiDAR like 3D precision. Cal UAS will help new Monarch™ owners make the most of this application.



Cal UAS follows the Code of Conduct provided by AUVSI. This code is intended to provide those who design, test, and operate UAS for public and civil use, a set of guidelines and recommendations for safe, non-intrusive operations. Acceptance and adherence to this code will contribute to safety and professionalism and will accelerate public confidence in these systems. The code is built on three specific themes: Safety, Professionalism, and Respect.

Please go to: <http://www.auvsi.org/conduct> to review the code in its entirety.

California Unmanned Aircraft Systems
P.O. Box 1235
Ridgecrest, CA 93556 - www.caluas.com



2

ADVANCED TECHNOLOGY
ANALYSIS COMPUTING

&

CHINA LAKE TECHNOLOGIES

Proposal for Industrial Economic Development in Ridgecrest

A proposal submitted by:

Advanced Technology Analysis and Computing

917D Inyokern Road
Ridgecrest, CA 93555
Phone: (760) 371-0609
FAX: (760) 446-2084
Email: atacc1@ridgenet.net

Joined With

China Lake Technologies, LLC

137 W. Drummond Avenue
Ridgecrest, CA 93555
www.chinalaketechologies.org

Introduction

The single most important factor affecting the economic wellbeing of Ridgecrest is its proximity to the Weapons Division of the Naval Air Warfare Center (NAWCWD) at China Lake. The City of Ridgecrest is adapted and accustomed to the type of research, development, and testing routinely carried out at NAWCWD. City leaders have long discussed the payoff of increasing its interactions with the base by providing a welcoming business environment for contractors working with NAWCWD. *Advanced Technology Analysis and Computing* (ATAC) is pleased to join *China Lake Technologies, LLC* (CLT) in this economic development proposal to the City of Ridgecrest.

Our proposal takes a multi-pronged approach to engage emerging technology industries that could bring on the order of 50 new industrial jobs to the City over a five year period. We will target companies whose underlying technology has been established, that have the ability to produce cost competitive products that are successful in the market, and that have dual-use applicability to NAWCWD requirements. We will perform the tasks described in this proposal with the objective of causing at least two (2) specifically identified emerging technology companies to establish a physical presence in Ridgecrest. Furthermore, we will coordinate our efforts with the other City economic development initiatives related to retail and tourism to ensure there is no interference or overlap of efforts.

ATAC/CLT is uniquely qualified to pursue a variety of avenues to bring new industry to Ridgecrest. ATAC has been in business in Ridgecrest for the past 20 years, supplying NAWCWD with experienced engineering talent to tackle an array of problems spanning NAWCWD's scope of responsibility for the Navy. CLT, a wholly owned subsidiary of the NJ-based not-for-profit 501(c)3 foundation, InSitech, Inc., has been a Federal Partnership Intermediary (per 15 USC 3715) to NAWCWD since 2010. The company's seasoned team includes experienced executives who have directed large government programs and R&D labs, led private sector technology firms, led regional and state economic development strategy projects, and been at the forefront of the financial markets. As a non-profit organization the company also acts in cooperation with Kern County and the City of Ridgecrest under existing Memoranda of Understanding.

The Business Environment and Opportunity

While CLT continues a periodic search for partners for NAWCWD to license specific Government intellectual property, its most robust current activity related to the Ridgecrest area is the development of a strategy to create a bioproducts manufacturing industry in Kern County. This year-long project which began in October 2013 is jointly-funded by the US Economic Development Administration and Kern County. The project is proceeding according to plan and the prospect of long-term job creation in the County looks promising. As an offshoot of its Kern County/EDA work and tasking with NAWCWD, CLT is often exposed to companies in emerging industries with DOD and multiple commercial products potential. If the timing and incentives are conducive, such companies may well be interested in coming to the Ridgecrest area.

As an example of what is possible, earlier this year in its EDA project, CLT identified a start-up bioproducts company that indicated in initial discussions that Ridgecrest could be a feasible manufacturing site for them, and in fact such a location would be supported by various synergies. The company creates chemical compounds called terpenes which are further processed into very high energy density fuels for DOD (missiles and UAVs), Civilian Space programs, commercial UAVs, and a range of flavors and fragrances for commercial use. Subsequently, the company indicated they were at least two years away from establishing a domestic production facility that could result in 25 – 50 new industrial jobs. Under this proposed effort, CLT will continue to monitor the company's status and ensure they keep Ridgecrest top of mind as a potential manufacturing location when the time is right for them.

Our other team member, ATAC, proposes to act as an experienced, knowledgeable intermediary between a select class of independently-funded small- and medium-sized companies and NAWCWD. ATAC will contact those companies needing technical help that NAWCWD that can provide and connect them with the right NAWCWD people and organizations. Once a company has been connected with NAWCWD, ATAC will work with CLT to facilitate the integration of those companies into the Ridgecrest, thereby establishing new business in Ridgecrest.

How will ATAC select these companies? The federal government has a long-standing program spread over eleven federal departments to develop small high-tech business throughout the United States. In the most recent funding cycle over \$2.5B has been allocated to this program. Historically, until two years ago, the opportunities for government laboratories to interact with small businesses funded under this government program have been severely limited. During the recent reauthorization process, it was recognized that allowing federal laboratory participation in the program would increase the program's success rate. Many restrictions were relaxed; now the funded small companies can enter into agreements with government laboratories to provide needed assistance of all kinds. This **key** change in the law opens the doors of opportunity for both Ridgecrest and NAWCWD. A successful intermediary in such an endeavor, the "match-maker" must be intimately familiar with both parties. ATAC fills that bill. ATAC personnel are all recently-retired NAWCWD employees with strong contacts on the base. ATAC knows the people, the processes, the capabilities, and the facilities at NAWCWD and can readily represent them to candidate small companies. Furthermore, ATAC understands the underlying federal program that supports the target small companies.

The ATAC/CLT team is an ideal intermediary to identify and attract companies that have the greatest likelihood of establishing a physical presence in Ridgecrest and thereby creating 25-50 high quality local employment opportunities as well as new tax revenues for the city over the next five years.

Proposed Tasks, Deliverables and Funding

A logical division of effort under our proposal emerges based on the particular strengths of the two teams focused on the same goal: attracting new job creating companies to locate in Ridgecrest. Shortly after contract award, ATAC/CLT will hold a start of work meeting with Ridgecrest's Gary Parsons to review the current status of the City's existing economic development efforts and ensure compatibility with this proposed effort on an ongoing basis. At this meeting ATC/CLT will discuss its methodology and approach for identifying and engaging prospective companies in emerging technology industries that would be likely targets for locating a business in Ridgecrest. ATAC/CLT will not offer or mention any economic deals or incentives being offered by Ridgecrest unless permitted to do so. The conclusion of this meeting will produce a working outline with which to move forward. Below we present the specific tasks as they arise from our joint approach in terms of the thrusts of each team member.

ATAC

Because the underlying federally-funded small business program consists of three phases each fiscal year, and because each participating federal agency manages their part of the program differently, we are proposing a minimum one-year business outreach effort. During that period ATAC will contact a number of companies that represent the most probable partners for both NAWCWD and Ridgecrest. Specifically, ATAC will:

1. Screen the small business projects currently funded under the subject federal program to assess their possible need for assistance by NAWCWD (personnel, laboratories, testing facilities, ranges, etc.);
2. Screening will concentrate first on the Navy, Army, Air Force, Marine, and Homeland Defense programs because of their obvious close relationship to NAWCWD capabilities;
3. Contact those companies to outline for them what NAWCWD and Ridgecrest can offer to increase their probability of success in the federal program;
4. Introduce to both appropriate NAWCWD managers and Ridgecrest managers those companies who respond with positive interest in collaboration with the base and/or the city;
5. In conjunction with CLT, participate as needed by the parties involved in discussions leading to contracts, CRADAs, CSAs, or any other agreement deemed useful by the parties to establish a working relationship with NAWCWD, Ridgecrest, or other entity.

CLT

CLT will perform two 180 day cycles of the following search and outreach effort over the proposed one year period of the contract with the city:

1. Perform a search for prospective companies not represented in the special class of companies selected by ATAC and select target(s).
 - a. Provide a prioritized list to the City of target companies with rationale, and with the assurance that the City will not attempt to circumvent CLT's efforts under this proposal.
 - b. Reach concurrence with the City on up to 10 (ten) specific target companies to engage, including those selected by ATAC.
 - c. Engage the target companies to ascertain their interest, likelihood and possible timing of establishing a manufacturing presence in Ridgecrest.

- d. Reach concurrence with the City on which company to pursue per the further tasking below. (Note that CLT can pursue multiple companies if project funding can be increased to accommodate.)
2. Work with appropriate industry and government experts to size a manufacturing facility based on anticipated market and the technology constraints we have identified.
3. Identify potential industrial sites in Ridgecrest based on availability of utilities, environmental considerations, if any, and logistics needs. Both existing available sites and possible new construction sites will be considered.
4. Estimate the cost and timing of construction, and the time to start of operation and when Capital Expenditure investment is returned.
5. Synchronize project timing with the evolution of additional products we will be tracking for market introduction.
6. Identify interested strategic partners as well as funding mechanisms for facility construction.
7. Identify the most suitable site in Ridgecrest.
8. Package all of the above into an investor grade Business Plan for presentation to Ridgecrest. CLT would also be interested in implementing the Plan in a subsequent Phase if Ridgecrest so desires.

Throughout the duration of this project ATAC/CLT will remain vigilant for other industrial economic development opportunities and bring them to the City's attention as they arise.

Deliverables

Upon contract execution and payment of the first \$40,000 fee, ATAC/CLT will schedule a start-of-work meeting with appropriate Ridgecrest officials. On or about Days 60, 120, 240, and 300, ATAC/CLT will deliver Progress Reports for review by Ridgecrest officials. The format/content of these reports will be agreed at the start-of-work meeting, and Ridgecrest may elect to terminate the project at any of these points if progress is deemed to be unsatisfactory.

The Day 60 (CLT cycle 1) and 240 (CLT cycle 2) Progress Reports will include search results for prospective target companies; the interest, likelihood and possible timing of establishing a manufacturing presence in Ridgecrest for those companies; and the specific company(ies) to be pursued.

The Day 120 (CLT cycle 1) and 300 (CLT cycle 2) Progress Reports will include manufacturing facility sizing and potential sites/locations to establish it in Ridgecrest, details about facility timing, financing and investment parameters, and any information at that point in time related to potential strategic partners and funding sources. They will also include results of the search for compatible businesses discovered in the federal small business program.

At the conclusion of each 180 day cycle of the project, ATAC/CLT will deliver a final Business Plan aimed at creating the new businesses in Ridgecrest, to include specific steps for implementing the Plan.

Upon request from the city, ATAC/CLT will also furnish the following project artifacts as they are available: representative copies of the outreach materials used; reports of successful introductions of company representatives to NAWCWD and City personnel; reports of issues and opportunities that arise during these interactions; non-confidential financial reports; a summary project report at contract end.

As a proposed measure of the effectiveness of our planned outreach efforts, we will consider our Industrial Economic Development outreach to have been a success if, by the end of this project, the delivered Business Plan(s) is/are judged to be implementable based on the associated go-forward steps highlighted by CLT. The ultimate goal is for the target company to make a commitment either during the time frame of this project or within one year of its completion to establish a manufacturing facility within the City of Ridgecrest. It is envisioned that if successful this project will serve as a model for future, similar industrial economic development initiatives to be undertaken by CLT on behalf of the City of Ridgecrest.

Project Funding

ATAC/CLT proposes the following timeline and payment schedule for this targeted Industrial Economic Development project if such a payment schedule is supported by the TAB grant rules:

| | |
|---|-----------------|
| Day 1 – Execution of contract between City of Ridgecrest and CLT | \$40,000 |
| On or about Day 60 – Review of progress to date and City decision to proceed | \$20,000 |
| On or about Day 120 – Review of progress to date and City decision to proceed | \$45,000 |
| Day 180 – Delivery and presentation of final Business Plan: | \$20,000 |
| Day 180 – City decision to proceed with second cycle of outreach | \$40,000 |
| On or about Day 240 – Review of progress to date and City decision to proceed | \$20,000 |
| On or about Day 300 – Review of progress to date and City decision to proceed | \$45,000 |
| Day 360 – Delivery and presentation of final Business Plan: | <u>\$20,000</u> |
| TOTAL: \$250,000 | |

Note that the above pricing includes two trips for NJ-based CLT team members to Ridgecrest for face-to-face discussion over the one year period.

If a targeted company makes a commitment either during the time frame of this project or within one year of its completion to establish a facility within the City of Ridgecrest, then the City may engage ATAC/CLT to assist with coordination and oversight activity for a period of 90 days and an additional professional services fee of \$45,000.

June 3, 2014

City of Ridgecrest
Attn: Gary Parsons
100 W. California Ave.
Ridgecrest, CA 93555

SUBJECT: Response to Request for Additional Information

Dear Mr. Parsons:

Below please find our responses (underlined) to the questions you asked about our proposal in your letter dated April 16, 2014, pursuant to utilization of the city's Tax Allocation Bond (TAB) funds.

1. The number of new jobs you feel will result should the council fund your proposal
After year one 5, with an average employee salary level of \$100,000 (initially all executives)
After year five 50, with an average employee salary level of \$45,000 (management + blue collar)
2. If you plan on selling items/products from your Ridgecrest location, how much would the annual taxable sales be in year one \$0 and in year five \$1.5 million.
3. If your proposal would result in the establishment of a location in Ridgecrest, how much land and/or building space would you utilize in square footage? Land: We would seek to purchase/utilize existing light industrial space with offices Building: about 40,000 SF by year 5
Additionally, what amount of property improvements and/or property tax would you estimate you will be paying annually for facilities in Ridgecrest? Estimate \$10,000 annually by year 3-4.
4. If your proposal would result in people traveling to Ridgecrest and requiring overnight stays, how many people would you estimate that to be: 2 to 3 people engaged in negotiations and starting up.
Additionally, how many hotel nights would be needed and result annually from these visitors? We estimate a total of 45 hotel nights per year.

The minimum amount of funding we feel is needed from the city to make our proposal successful is \$75,000. We will seek to partner with state/federal/local economic development funds and prospective corporate/private investors as complementary sources of project funding. We will also leverage our multi-year economic development and other engagements in Kern County and its surrounds, as well as our broader corporate network, to drive partnerships that support our project.

We appreciate the city's consideration of our proposal. Please don't hesitate to contact me on (973) 659-3334 with any questions.

Sincerely,



Alex Cocozziello

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3

EH Group



The Ridgecrest Energy Project

The Ridgecrest Energy Project ... **creating economic development that will:**

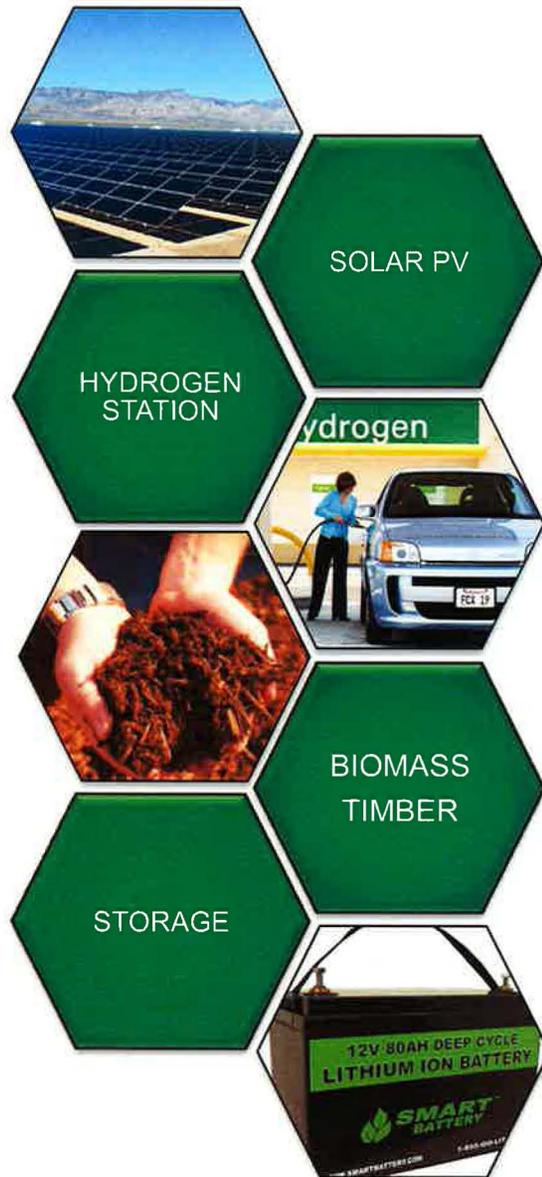
- **Create thousands of local jobs over the next several decades**
- **Compliment/build from the community's extensive technical engineering workforce**
- **Draw (\$)Billions in private sector investment to the region**
- **Establish revenue balance and economic resiliency for the community**

Initial required investment from city of Ridgecrest = \$1,450,000

EH Group is a strategic development company specializing in projects that combine strong technology solutions with innovative approaches.

- We match technology with possibility, and we have a track record of outstanding results
- We are a global team, immersed in cultures and climates that make us uniquely suited to understand the art of adaptation
- We take pride in promoting projects that contribute to the green environment, health, and security of the global community
- EH Group is a Veterans Administration Certified Service Disabled Veteran Owned Small Business and committed to supporting veterans with their transition to the civilian workforce

- Conduct Project Economic Analysis
 - Analyze resources
 - Create a short list of potentially feasible energy projects
 - Determine projected income generation
- Provide Active Government, Community and Business engagement
 - Generate dialogue on utility service, energy, renewable and conventional, generation issues
 - Develop and discuss alternative paths for existing infrastructure and renewable energy development plans
 - Provide for community input
- Provide A Transparent Evaluation Process
- Develop & Manage Specific Projects



Projected impacts through 2025:

- Project Portfolio: Solar PV, Solar Thermal, Biomass Timber, Biomass Waste, Hydrogen Station, Storage
- Total jobs created: 1,675
- Total land used: 1,145 acres
- Renewable Energy Conference Hub
- Eco-Tourism

- California population expected to reach 52.7 million by 2060, nearly doubling current energy requirements
- California Assembly Bill (AB) 32
 - Statewide greenhouse gas reduction program
 - Requires state to achieve 33% clean energy power generation by 2020
- Governor's goal of reaching approximately 14,000 MW of renewable sourced energy by 2020
- Projected 18% in opportunity rate for larger (<20 MW) renewable energy projects through 2016

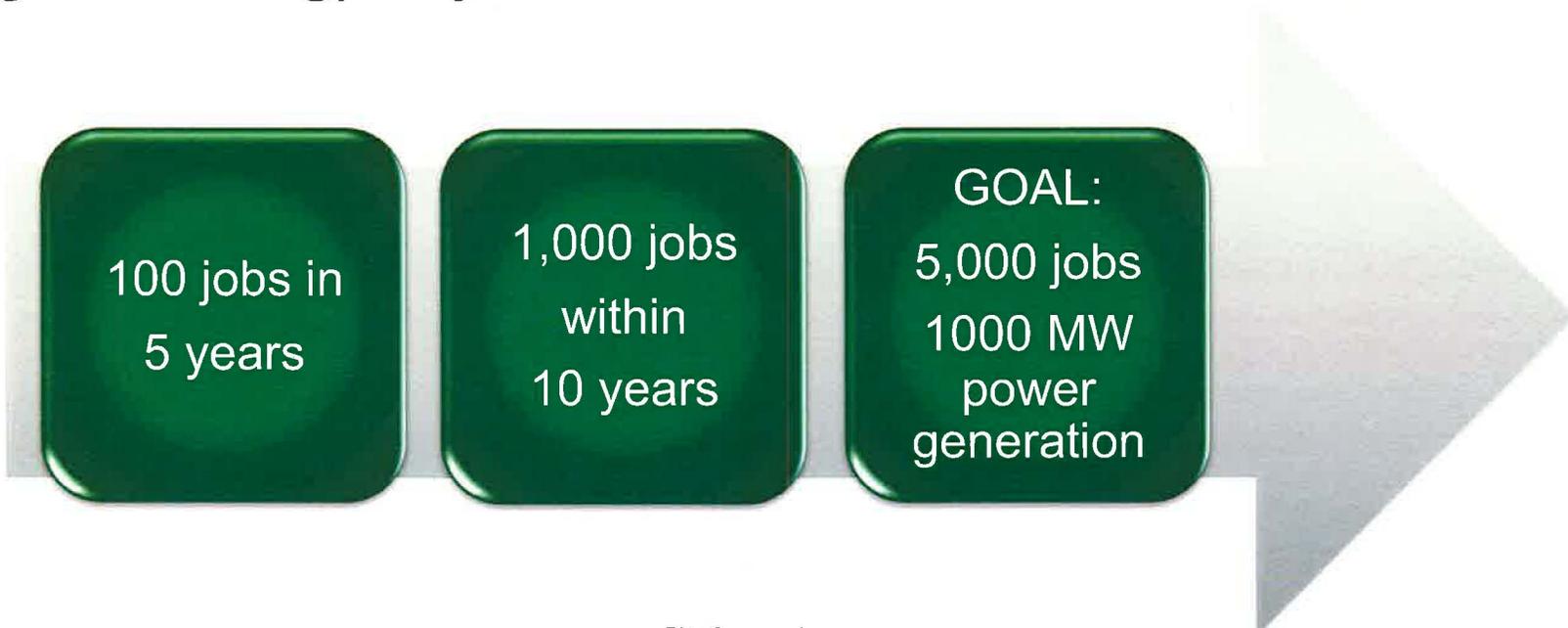


Leveraging funds from state and federal programs, private foundations, and commercial investment, the Ridgecrest Energy project will establish a blended renewable energy portfolio that balances across the strengths of each technology:

- Solar
 - Power generation: 1,000 MW
 - Job creation: 1,000
- Biomass
 - Power generation: 40 MW
 - Job creation: 400
- Hydrogen
 - Hydrogen Fuel Station
 - Job creation: 25
- Storage:
 - Capacity (TBD)
 - Job creation: 30



- Renewable energy technologies create more jobs per average MW of power generated, and dollar invested compared to coal or natural gas
- Estimates of job creation per year per MW for:
 - Biomass: 11.48
 - Solar PV (utility scale): 5.92
- Ridgecrest Energy Project will create:



- **Academia:** research and development projects will bring researchers to the community
- **STEM Program:** Sierra Sands School District renewable energy STEM programs
- **Professional Conferences:** Ridgecrest will become a hub for professional forums that address the science, engineering, environmental, and business practices of renewable energy equilibrium
- **Ecotourism:** continuous flow of visitors to the area



- Immediately pursue more funding at State & Federal levels
- Provide economic balance and resiliency by adding a private sector developed industry to the federal government funded defense industry
- Manage construction work opportunities to avoid periods of temporary surge workforce levels from out of the area
- Create technical jobs consistent with the current workforce
- Provide employment opportunities to attract new residents
- Allow adequate time for analysis of impacts affecting natural, historical and cultural resources across the Valley
 - Ecosystem stewardship
 - Water
 - Plant and wildlife populations

- Critical to the overall success of the project
- EH Group is proactive in engagement that seeks to include community members, organizations, and the local business community
 - We will work together with the City Council and City Staff to engage in an ongoing dialogue across the community.
- EH Group will engage the County, State, and Federal Governments on the project



Ed Hackett

President, EH Group Inc.

703.943.7205

edhackett@ehgroupinc.com

May 12, 2014

To: City Of Ridgecrest, CA
Mr. Gary Parsons
100 West California Ave
Ridgecrest, CA 93555

Re: Economic Development Initiative

This letter and the enclosed proposal from the EH Group, Inc. regard the previous meetings from this year, the letter from your office dated April 16th and subsequent follow on emails.

The City Of Ridgecrest is exploring economic development initiatives. To that end, the offeror's technical capabilities, past performance on relevant projects, and pricing are of paramount importance.

The EH Group, Inc. brings extensive experience in Strategic Development markets for delivering the most advanced technologies to the forefront. The City of Ridgecrest's objectives for a healthy and vibrant economic development initiative could well be accomplished through a growth path in renewable energies.

Table 1 in the attached proposal provides a broad breakdown for job development that could be captured over the next several decades. In direct reply to your request for more detailed information:

1. EHG projects the creation of well over 100 jobs after five years and over 1600 jobs in the first 10 years. Numerous estimates place average salary in the renewable energy sector around \$70,000.
2. Our business plan will provide better fidelity toward taxable revenues. Investment in the region will be greater than \$1B over the lifecycle of the project.
3. We estimate the need for a minimum of 6 new buildings for maintenance, storage and repair operations. We also preliminarily estimate that over 5,000 acres could be used to support the Ridgecrest Energy Project.
4. The hotel and restaurant sector in Ridgecrest would flourish under the Ridgecrest energy project. EH Group estimates that across the 5-10 year outlook, the annual hotel use will increase by 2,000-3,000 room nights (annual) for conferences, research and ecotourism.

The combination of EH Group's technical capabilities and excellent associated past performance suggest that the company will deliver the proposed contract in a timely and efficient manner, exceed The City of Ridgecrest's expectations, and achieve outstanding results. If you have any questions, please contact me at any time.

Sincerely,

A handwritten signature in cursive script that reads "Edward Hackett".

Edward Hackett
President, EH Group, Inc.

Use or disclosure of data on this sheet is subject to the restriction on the title page of this proposal.

The Ridgecrest Energy Project

Introduction

The City of Ridgecrest evolved from a federal government investment in the Indian Wells Valley that exploited the vast land resources and relative isolation for the expanding defense industry. Today, decades later, the Ridgecrest community is positioned to again leverage the valley's abundant natural resources to become a leader in the California energy sector.



The EH Group, Inc. proposes the Ridgecrest Energy Project: the strategic development of a commercial clean energy program that will establish Ridgecrest as the Silicon Valley of Renewable Energy. The Ridgecrest Energy Project will produce electrical power and liquid fuels entirely generated from renewable solar, bio-mass, and hydrogen resources. The Ridgecrest Energy Project will be designed with adaptive capacity to support emerging technologies in the rapidly expanding renewable energy sector. Over the next several decades the Ridgecrest Energy Project infrastructure will iteratively develop and ultimately create a true net-zero carbon emission energy footprint. Not to be mistaken for a prototype or demonstration project, the Ridgecrest Energy Project will be a fully commercial Investor Owned Utility (IOU) system serving as a strategic energy production center for the State of California.

Foremost, the objective of the Ridgecrest Energy Project is to **create economic development** that will:

- Create thousands of local jobs over the next several decades
- Compliment/build from the community's extensive technical engineering workforce
- Draw (\$)Billions in private sector investment to the region
- Establish revenue balance and economic resiliency for the community

The initial investment required for the Ridgecrest Energy Project from the city of Ridgecrest is \$1,450,000. This investment will be used to further capture and direct massive State and Federal investment in renewable energy initiatives to the local area and open the door to a multitude of balanced private sector development projects across the renewable energy sector.

Company Background

EH Group is a strategic development company specializing in projects that combine strong technology solutions with innovative approaches. We marry technology with possibility, and we have a track record of outstanding results. We are a global team, immersed in cultures and climates that make us uniquely suited to understand the art of adaptation. At the EH Group, we take pride in promoting projects that contribute to the green environment, health, and security of the global community. The EH Group is



also a Veterans Administration Certified Service Disabled Veteran Owned Small Business and committed to supporting veterans with their transition to the civilian workforce.

Scope Of Work

EH Group will research, analyze, and establish best usage of regional resources for renewable energy projects. EH Group will create a commercial project office for the investment and development in prospective renewable energy projects, and manage selected projects to generate revenue, build infrastructure and create job opportunities in the Ridgecrest community. The EH Group will develop and execute a business plan that will:

1. Project Economic Analysis. EH Group will develop a detailed analysis for the most viable renewable energy projects. EH Group will conduct the following:

- Analyze resources regarding best usage for renewable energy projects.
- Create a short list of potentially feasible energy projects
- Determine projected income generation from these energy projects

2. Provide active Government, Community and Private Sector consultation. The success of the Ridgecrest Energy Project is highly dependent on cooperative Government interaction, extensive community support, and significant private sector investment. The EH Group will develop a plan to provide stakeholders:

- Information on utility service, energy, renewable and conventional, generation issues
- Insights into existing infrastructure and renewable energy development plans
- Insights into possible energy project types, locations and economics
- Opportunities to provide input about development plans, and land usage for renewable and/or alternative energy projects

3. Provide a transparent evaluation process. Once the land areas and energy projects for those land areas are identified, the EH Group will develop evaluation criteria for the selection of the most responsive and responsible private sector investment for a renewable energy project.

4. Manage specific projects. The EH Group, under the Ridgecrest Energy Project, will manage the evaluation, selection and implementation of specific energy projects.

Impact Summary

Table 1 provides a projected overview for the economic development that would be brought to the Ridgecrest community through a comprehensive renewable energy development project. Job creation calculations were derived from estimated system capacity using California Energy Commission renewable energy job production ratios. Job calculations include both construction and sustained operations.

Table 1. Ridgcrest Energy Project Impact Summary

| Operating Site | | 2015 | 2016-2020 | 2020-2025 | Notes |
|-------------------------|-----------------|-----------|-----------------|-----------------|------------|
| Management Office | Jobs | 5 | 15 | 20 | Cumulative |
| | Land | | | | |
| | Office/Building | 1750 sqft | 3,000 sq ft | 5,000 sq ft | |
| Solar PV | Jobs | | 50 | 1000 | Cumulative |
| | Land | | 50 acres | 1000 acres | |
| | Office/Building | | Maint Bldg | Maint Bldg | |
| Solar Thermal | Jobs | | 20 | 200 | Cumulative |
| | Land | | 20 acres | 20 acres | |
| | Office/Building | | Maint Bldg | Maint Bldg | |
| Biomass Timber | Jobs | | 20 | 200 | Cumulative |
| | Land | | 10 acres | 10 acres | |
| | Office/Building | | Maint Bldg | Maint Bldg | |
| Biomass Municipal Waste | Jobs | | 20 | 200 | Cumulative |
| | Land | | 10 acres | 10acres | |
| | Office/Building | | Maint Bldg | Maint Bldg | |
| Hydrogen | Jobs | | 25 | 25 | Cumulative |
| | Land | | 5 acres | 5 acres | |
| | Office/Building | | Fueling Station | Fueling Station | |
| Storage | Jobs | | 5 | 30 | Cumulative |
| | Land | | 5 acres | 10 acres | |
| | Office/Building | | Building | Building | |
| Annual Hotel | Room Night Yr | 100 | 2000 | 3000 | |

Background Information

The Demand For Renewable Energy In California

California has a current population of approximately 38 million people, and will cross the 50 million mark in 2049 and grow to nearly 52.7 million by 2060, according to population projections of the California Department of Finance Report January 2013. The energy demands of that expanding population will nearly double from what is in use today.

California Assembly Bill (AB) 32: The Global Warming Solutions Act of 2006, or AB 32, is a California State Law that fights climate change by establishing a comprehensive program to reduce greenhouse gas emissions from all sources throughout the state. As the California population continues to grow, energy production must continue to rise to meet demand. However, AB 32 was deliberately established to constrain the use of fossil fuel generated energy and set a requirement for the State to achieve a 33% use in clean energy fuel sources making the renewable energy sector the emerging player in meeting California's Greenhouse Gas emissions mandated by State legislation.

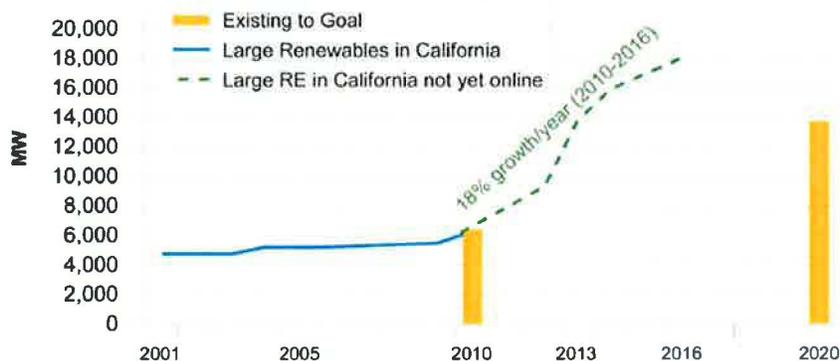
California Current and Future Renewable Energy Sources: Figure 1 shows a 2012 comprehensive distribution of energy sources for the state of California as reported by the California Energy Commission. Currently, renewables account for only 15% of the total system power generation.

Figure 1. Current Distribution of Energy Generation in the State of California

| 2012 Total System Power in Gigawatt Hours | | | | | | |
|---|--------------------------------------|---|-------------------------|-------------------------|----------------------------|------------------------------|
| Fuel Type | California In-State Generation (GWh) | Percent of California In-State Generation | Northwest Imports (GWh) | Southwest Imports (GWh) | California Power Mix (GWh) | Percent California Power Mix |
| Coal | 1,580 | 0.8% | 561 | 20,545 | 22,685 | 7.5% |
| Large Hydro | 23,202 | 11.7% | 12 | 1,698 | 24,913 | 8.3% |
| Natural Gas | 121,716 | 61.1% | 37 | 9,242 | 130,995 | 43.4% |
| Nuclear | 18,491 | 9.3% | - | 8,763 | 27,254 | 9.0% |
| Oil | 90 | 0.0% | - | - | 90 | 0.0% |
| Other | 14 | 0.0% | - | - | 14 | 0.0% |
| Renewables | 34,007 | 17.1% | 9,484 | 3,024 | 46,515 | 15.4% |
| Biomass | 6,031 | 3.0% | 1,025 | 23 | 7,079 | 2.3% |
| Geothermal | 12,733 | 6.4% | - | 497 | 13,230 | 4.4% |
| Small Hydro | 4,257 | 2.1% | 204 | - | 4,461 | 1.5% |
| Solar | 1,834 | 0.9% | - | 775 | 2,609 | 0.9% |
| Wind | 9,152 | 4.6% | 8,254 | 1,729 | 19,135 | 6.3% |
| Unspecified Sources of Power | N/A | N/A | 29,376 | 20,124 | 49,500 | 16.4% |
| Total | 199,101 | 100.0% | 39,470 | 63,396 | 301,966 | 100.0% |

Figure 2 is taken from the California Clean Energy report that displays existing renewable energy levels (generated by systems greater than 20MW) in California and the Governor’s goal of reaching approximately 14,000 MW of renewable sourced energy by 2020. Additionally, the potential contracts for large renewable projects, greater than 20MW, are shown with a projected opportunity growth rate of 18% currently through 2016.

Figure 2. Large Scale Renewable Energy In California



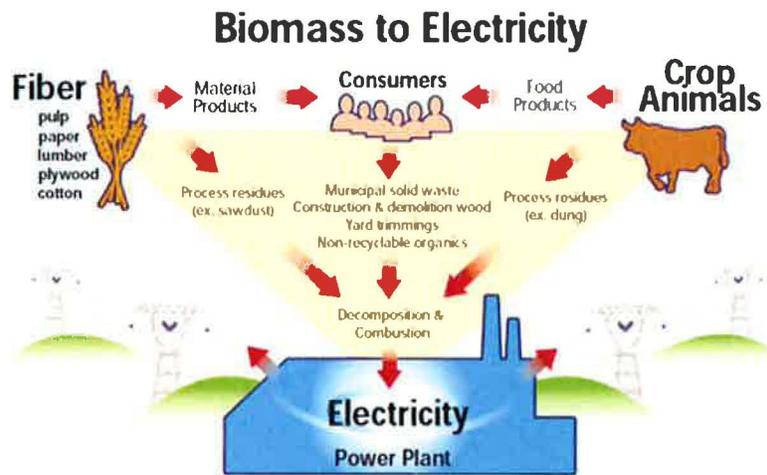
Solar Photovoltaic (PV) will need to play a significant role in the world’s energy expansion through 2050 to help achieve global climate change goals at the lowest cost. According to the International Energy Agency, by 2050, solar power is expected to provide 11% of annual global electricity production, with roughly half generated from PV (6%) and the remaining from concentrated solar power.

Biomass: “Biomass” – biologically-derived renewable materials that can be used to produce heat, electric power, transportation fuels, and other value-added products and chemicals – is found in abundance in California and represents a significant renewable energy resource. As California pursues increases in the use of renewable energy, bioenergy in the form of **biomass power (biopower)**, and **biomass-based fuels (biofuels)** will be important contributors.

Biomass, unlike any other renewable or conventional energy resource, requires unique cooperation and collaboration among a range of industries in order to be widely deployed. These industries include agriculture, forest products, electric power, waste management, chemicals/petrochemicals, oil and gas, and automobile manufacturers. To take biomass to the next level of development may require new partnerships and business models among these industries, and will also likely require government involvement in the near term.

Biopower (Biomass power) is drawn from combusting or decomposing organic matter. There are about 132 waste-to energy plants in California, with a total capacity of almost 1,000 megawatts. These plants power our homes and businesses with electricity from waste matter that would have been released into the atmosphere, added fuel to forest fires, and burdened our landfills.

Figure 3. Biomass Conversion To Electricity (Biopower)



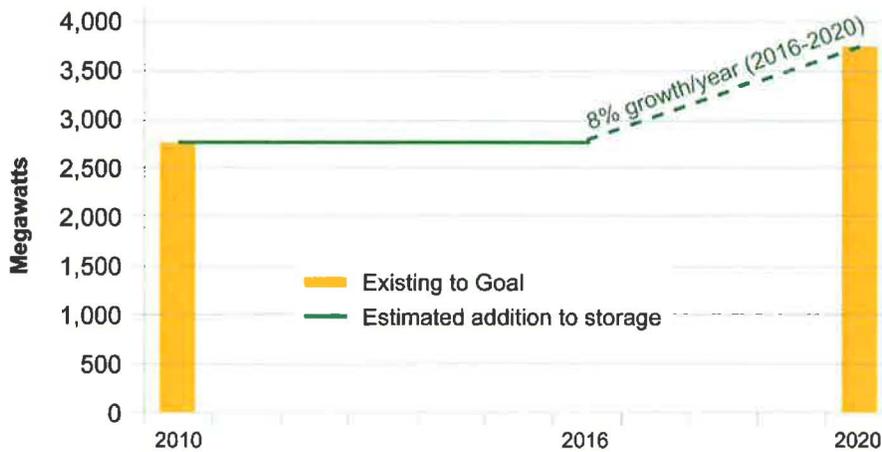
Californians create nearly than 2,900 pounds of household garbage and industrial waste each and every second; a total of 85.2 million tons of waste in 2005 (according to the California Integrated Waste Management Board) Of that, 43.2 million tons is recovered and recycled or used to make energy, but 42 million tons has to be disposed in landfills.

Biofuels (biomass-based fuels) are alternative liquid fuels developed from the processed conversion of biomass feedstock. Crop and forest residues, perennial grasses, urban-derived waste materials, and other sources, are less likely to directly compete with food and animal feed. Although still in the early stages this conversion creates great leap ahead potential for the Ridgecrest Energy Project, and a strong partnering area for working with the US Department of Agriculture and the Western Kern County agricultural community.

Hydrogen: The efficiency and cleanliness of the hydrogen and electric powertrains are much greater than the traditional petroleum-based solutions. Currently, California is the leader in hydrogen fueling and hydrogen fuel cell vehicle projects. Still, the network of stations is sparse. There remains a chicken-and-egg status for hydrogen fuel cell vehicles. Until there's enough infrastructure to support hydrogen refueling, consumers will be unlikely to embrace the technology. Until consumers are ready to embrace the technology, manufacturers will be unable to achieve the economies of scale that will bring prices to reasonable levels. On the infrastructure side, investors are unwilling to build and install fueling stations until there's more demand. That's the chicken-and-egg scenario.

Storage: The California Energy Commission has stated that distributed storage at the community scale can help maintain reliability on distribution circuits, and help ensure that electricity is available during peak loads times on the local distribution level by creating a load balance within the system. The amount of distributed storage has also become one of the State’s leading initiatives to manage renewable distributed generation variability. Figure 4 displays the projected 8% growth path for electrical storage in the state of California.

Figure 4. Electrical Storage in California



Job Creation in the Renewable Energy Sector

The Ridgecrest Energy Project will create new jobs, and many of them. This renewable energy sector work force analysis has been painstakingly reported for many times over within California. As one California center aptly surmised:

“According to an analysis of **13 independent reports and studies** of the clean energy industry by UC Berkeley’s Renewable and Appropriate Energy Laboratory (RAEL), renewable energy technologies create more jobs per average megawatt (MW) of power generated, and per dollar invested in construction, manufacturing, and installation when compared to coal or natural gas. Over the course of a 10-year period the solar industry creates 5.65 jobs per million dollars in investment, the wind energy industry 5.7 jobs, and the coal industry only 3.96. In the case of coal mining, wind and solar energy generate 40 percent more jobs per dollar invested.”

Figure 5 is a comprehensive presentation from two economic models for California job creation estimates developed for renewable electricity and, for comparison purposes, are also provided for nuclear, natural gas, and coal. The estimates are based on: 1) the National Renewable Energy Laboratory’s (NREL) Jobs and Economic Development Impact (JEDI) model; and 2) analysis by Max Wei, Shana Patadia, and Daniel Kammen (Wei analysis) at the University of California, Berkeley Energy Resources Group.

Figure 5. Estimate of job-year creation from renewable and conventional technologies

| Energy Technology | Job-years/MW _a | Job-years/GWh | Primary source |
|------------------------------|---------------------------|---------------|--------------------|
| Biomass/Landfill Gas | 11.48 | 1.31 | Wei Patadia Kammen |
| Geothermal | 6.21 | 0.72 | Wei Patadia Kammen |
| Small Hydro | 6.65 | 0.77 | Wei Patadia Kammen |
| Solar PV Utility Scale | 5.92 | 0.69 | NREL JEDI (CA) |
| Solar PV Residential (< 1MW) | 11.19 | 1.31 | NREL JEDI (CA) |
| Solar PV Large Commercial | 8.25 | 0.97 | NREL JEDI (CA) |
| Solar Thermal - CSP | 3.28 | 0.41 | NREL JEDI (CA) |
| Wind | 0.85 | 0.10 | NREL JEDI (CA) |
| Natural Gas | 0.35 | 0.04 | NREL JEDI (CA) |
| Nuclear | 3.58 | 0.42 | Wei Patadia Kammen |
| Coal | 0.80 | 0.11 | NREL JEDI (CA) |

Source: California Energy Commission analysis based on NREL's JEDI model; Wei, Patadia, Kammen's analysis published in the journal *Energy Policy* (2010) for direct jobs. Energy Commission staff added indirect and induced jobs using multipliers in NREL's JEDI model.

The Ridgecrest Energy Project project will create 100 new jobs within the first 5 years, 500-1000 within the first 10 years, and continue to grow beyond the 5,000 job level as Ridgecrest grows to provide 1,000 MW_a of renewable power generation for the State of California.

A Technical Approach That Creates Impact

Development Goals

The Ridgecrest Energy Project will produce electrical power and liquid fuels generated from solar, hydrogen, cellulosic biomass, and municipal waste. The project will also concentrate on commercial technologies for energy storage. Leveraging funds from state and federal programs, private foundations, and commercial investment, the Ridgecrest Energy project will establish a blended renewable energy portfolio that balances across the strengths of each technology:

Solar: In order to meet the California goal of 33 percent renewable energy by 2020, a total of 48 terawatt-hours of new renewable energy must be generated, some of which is likely to come from utility-scale solar energy facilities. Given the current political climate, in which both federal and state governments are prioritizing renewable energy, the community of Ridgecrest is positioned to initiate utility-scale solar development.

For Solar development the Ridgecrest Energy Project will:

- ❖ Initiate the development of net 1,000 MW_a solar system over a 10 year period.
- ❖ The mix systems will be heavily Solar PV with some Solar Thermal.

- ❖ Projected job growth will exceed 1,000 jobs in the first 10 years

Biomass: Since 2005, the Forest Service's woody biomass utilization grant program has helped start more than 160 woody biomass projects that support rural economies and have created hundreds of new jobs. In 2012 and 2013 alone, the program funded the start-up costs of 30 facilities across the United States. These projects remove and use excess wood – the same trees and brush that fuel the catastrophic wildfires we've seen in the last several years – from our nation's forests.

For Biomass development the Ridgecrest Energy Project will:

- ❖ In concert with county, state and federal agencies - secure woody mass and agriculture waste feedstock agreements to develop commercial investment of biopower systems up to 40 MWa.
- ❖ Initiate the development of a municipal waste to biofuel system in collaboration with the Kern County regional landfill.
- ❖ Projected job growth coupled to the Biomass system(s) will be approximately 400 in the first 10 years.

Hydrogen: California is the leader in hydrogen fueling and hydrogen fuel cell vehicle projects. Still, the network of stations is sparse. According to a recent article (April, 2104) in Forbes magazine, there are only 9 public stations currently in operation in California today, with 19 additional stations scheduled to open in the next 18 months. There are 200 fuel cell vehicles operating on California roads, including cars, busses and heavy-duty trucks.

For Hydrogen development the Ridgecrest Energy Project will:

- ❖ Develop the Ridgecrest area hydrogen fueling station.
- ❖ Leverage the Solar Thermal and Biomass generation systems for hydrogen output.
- ❖ Leverage grant funding to establish a hydrogen vehicle cottage community with city, state, federal and private sector interests.
- ❖ Projected job growth for the hydrogen systems is approximately 25.

Energy Storage: California has enacted laws that make energy storage more viable from a cost and regulatory perspective and give the California Public Utilities Commission (CPUC) the power to mandate certain regional penetration levels of storage. The CPUC recently mandated that 50 MW of storage be installed in the Los Angeles Basin by 2020, as well as a top-line mandate of 1.3 GW of storage for the entire state.

For Storage development the Ridgecrest Energy Project will:

- ❖ Develop a deliberate entry path for the project to create a near term and long term strategy for commercialized cost competitive storage capacity solutions.
- ❖ Due to the nascent phases that the Storage sector is in, this is one area that has potential for even bringing a manufacturing footprint to the area.
- ❖ Projected job growth in the storage sector is approximately 30 (without counting any manufacturing initiative).



Methodology

The EH Group proposes a sustained and deliberate growth path for the Ridgecrest Energy Project. Unlike numerous fast track energy projects, the Ridgecrest Energy Project is envisioned to incrementally develop in order capture and adapt emerging technologies - maintaining peak commercial relevancy. Additionally, this incremental path will:

- Allow adequate time for analysis of impacts affecting natural, historical and cultural resources across the Valley.
- Provide more consistent construction employment for the local business community by avoiding periods of temporary surge workforce levels from out of the area.
- Provide operations and management technical jobs consistent with the current workforce in the Ridgecrest community.
- Provide employment opportunities to attract new residents into the community
- Provide economic balance and resiliency to Ridgecrest by adding a private sector developed industry to the current federal government funded defense industry.

Challenges That Create More Opportunity

As a desert community we are all conscious of fine balance that exists across the eco-system we live in.

- **Water.** Due to the limited amount of water resources in the California desert, the issue of water use by utility-scale, energy facilities is highly contentious in the views of environmentalists, communities, developers, politicians, and land managers.
- **Wildlife and Plant Populations.** Utility-scale renewable energy projects have direct effects on the surrounding desert ecosystem. The type and severity of the potential impacts that individual project development may have on an ecosystem are also influenced by technology type, and therefore certain design variables also play a key role in determining the ecological impacts of a project.

The Ridgecrest Energy Project will be our opportunity, as a community, to create an environmental stewardship initiative that works in concert with building an energy ecosystem.

The Extended Economic Impact

The Ridgecrest Energy Project will establish a model ecosystem that will draw thousands to the city every year for a wide variety of interests:

- **Academia:** The project will create a broad opportunity for research and development projects that will bring top researchers to the community.



- **STEM Programs:** The project will provide opportunity for students in the Sierra Sands School District to participate in renewable energy STEM programs.
- **Professional Conferences:** Ridgecrest will become a hub for professional forums that address the science, engineering, environmental, and business practices of renewable energy equilibrium. Federal, State and County offices will showcase the project as the model for the future. International communities will visit to gain understanding and establish partnering opportunities.
- **Ecotourism** will spark a continuous flow of visitors to the area increasing occupancy at local hotels and patronage in restaurants and stores.

Communications

Community engagement is critical to the success of this endeavor, and most important in the initial stages. EH Group believes in a proactive engagement that seeks to include community members, organizations, and the local business community. We will strive to provide clarity and transparency in the outreach process to develop awareness, build understanding and earn the community's support for the Ridgecrest Energy Project. EH Group will work together with the City Council and City Staff to engage in an ongoing dialogue across the community.

External to the community, EH Group will also engage with elected officials and staff from the County, State, and Federal Governments on the project. EH Group will also brief agency staff at the County, State, and Federal levels that will have jurisdiction over any aspect of this project. Proactive engagement with policy makers will continue from pre-development to operations of this project.

The outreach is such a critical element that we will bring to the project one of our strategic allies, the Cirlot Agency, to help shape the integrated communications for this economic development initiative. Cirlot's depth in working with community's on economic development initiatives is highlighted in the attached overview we've asked them to prepare for this project.

Qualifications

A summary of Qualifications will be provided.

Contact Information

Point of Contact:

Edward Hackett, President
EH Group, Inc.
270 Point Road
Eclectic, AL 36024

Business Classification:

Service Disabled, Veteran Owned, Small Business
DUNS Code: 809220622
Cage Code: 55TH7
TIN (or EIN): 26 0257934

CITY OF RIDGECREST,
CALIFORNIA

AGENCY CAPABILITIES

MAY 2, 2014

EH  **GROUP** 



THE CIRLOT AGENCY

INCORPORATED

ECONOMIC DEVELOPMENT EXPERIENCE

INTERNATIONAL

Mississippi World Trade Center, Jackson, MS

NATIONAL

AMT (Ardillo, McCullough & Taggart, LLC), Jackson, MS

The City of Madison Chamber of Commerce, Madison, MS

The City of Moss Point, Moss Point, MS

Greater Jackson Chamber Partnership, Jackson, MS

Jackson County Area Chamber of Commerce, Pascagoula, MS

Jackson County Economic Development Authority, Pascagoula, MS

Madison County Chamber of Commerce, Madison, MS

MetroJackson Economic Development Alliance, Jackson, MS

Mississippi Power Economic Development, Gulfport, MS

Mississippi Technology Alliance, Jackson, MS

Natchez/Adams County Economic Development Authority, Natchez, MS

Rankin County Economic Development Authority, Brandon, MS

Southwest Mississippi Economic Development Council, Natchez, MS

Vicksburg Downtown Merchants Association, Vicksburg, MS



MISSISSIPPI POWER ECONOMIC DEVELOPMENT

Situation Analysis: Mississippi Power Economic is a nationally recognized development group, which assists in finding and evaluating the ideal location for businesses – whether manufacturing, warehousing or distribution. The group represents Southeast Mississippi, a region situated on the northern rim of the Gulf of Mexico between New Orleans, LA, and Mobile, AL, and extending northward to include Hattiesburg and Meridian. The Cirlot Agency was hired to develop an integrated communications plan focused on expansion, recruitment and retention.



Integrated Strategy & Implementation: The Cirlot Agency held a Strategic Planning Session with the Mississippi Power Economic Development Team in October of 2010. From the session, The Cirlot Agency developed a comprehensive 18-month Economic Development Expansion, Recruitment & Retention Strategic Plan.

Upon execution of the plan, The Cirlot Agency researched potential names to brand the communication efforts including a new website, soon to be developed and launched. The name Mega Mississippi was established and incorporated throughout all marketing materials. The website featured the new branded look, designed by The Cirlot Agency, and reflected updated information and statistics regarding Southeast Mississippi.

Among the many recommendations included in the plan, a top priority was to create a Business Development System to raise the awareness of offerings in Southeast Mississippi. This was accomplished through a series of direct mail pieces highlighting the strengths of the area.

Results: The Cirlot Agency understood many of the issues Mississippi Power Economic Development was facing, including the continuing need to build awareness of Southeast Mississippi, competing with the assets and incentive programs offered in contiguous states. The Cirlot Agency successfully positioned Mississippi Power Economic Development and Southeast Mississippi as the “location” answer to many companies who were looking to expand, relocate or open a new facility.

CREATIVE EXECUTION



MISSISSIPPI GULF COAST ALLIANCE

Situation Analysis: The Mississippi Gulf Coast Alliance is a partnership of three counties, Hancock, Harrison and Jackson. The purpose of the Alliance is to highlight the Mississippi Gulf Coast, which is part of the I-10 Corridor, an urbanized region that spans portions of four states. It has six contiguous metropolitan areas – seven under the 2003 federal definitions – composed of 20 counties. The region's infrastructure includes 150 federal and university research units, hundreds of innovation companies, research parks, incubators and more. The region also has a large and growing defense corridor with more than two-dozen bases. The largest defense contractors have operations, some of them multiple operations, along the 300-mile area between the Fort Walton Beach MSA and Baton Rouge MSA. A portion of the Mississippi Gulf Coast is also part of the I-59 Technology Corridor, which is anchored by the Stennis Space Center in Hancock County and crosses through Pearl River County on its way to Hattiesburg and beyond. The Cirlot Agency was hired to develop and execute an integrated communications strategy to raise awareness of offerings along the I-10 Corridor.



Integrated Strategy & Implementation: The Cirlot Agency held a two-day Strategic Planning Session with the Mississippi Gulf Coast Alliance to lay the foundation for current and future marketing plans. From the session, the Agency developed a comprehensive 18-month Economic Development Strategic Plan. Tactics employed included a new website, trade show materials, brochures, as well as a Business Development System.

Results: Efforts from the launch of the 18-month strategic plan, to current time, have resulted in a massive awareness of the I-10 Corridor to the target audiences of MS Gulf Coast Alliance resulting in new businesses growth located in the area.

CREATIVE EXECUTION



PROJECT CRYSTAL CLEAR

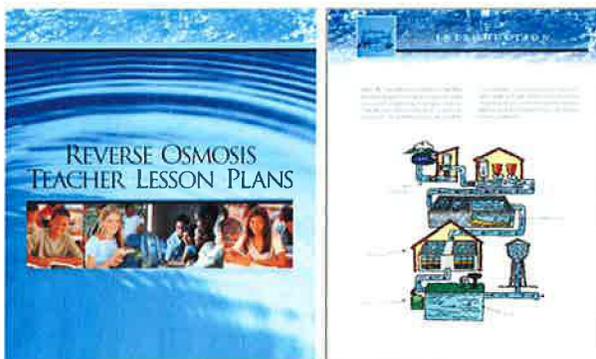
Situation Analysis: Rohm and Haas Company, one of world's largest manufacturers of specialty chemicals and salt, purchased an existing facility, which was subsequently found to have prior environmental offenses. Upon reaching a \$38 million settlement with the government, Rohm and Haas decided to pursue an alternative Supplemental Environmental Project (SEP), which would be the construction of a reverse osmosis plant designed to remove the naturally occurring excessive color, taste and rotten egg odor from the city's drinking water. The Cirlot Agency was called upon to handle the governmental affairs, news conferences, public education, live demonstrations and all other integrated communications efforts.



Integrated Strategy & Implementation: The Agency's initial strategy included planning and executing a Groundbreaking Event, at which then-Senator Trent Lott acted as keynote speaker, as well as creating and distributing a Reverse Osmosis Educational Program, featuring teacher lesson plans on reverse osmosis, to schools in the affected area. The Agency also implemented a governmental affairs strategy.

Results: The Cirlot Agency success-fully positioned Rohm and Haas as a positive corporate steward within the community. The Agency distributed the Rohm and Haas story and showed how the company turned a bad situation into a positive impact by investing in the community and providing the osmosis plant, giving people clear water for the first time. Also, nearly 3,000 students learned first-hand how the process of reverse osmosis works. One of the most important results was that the students did not learn through theory, but instead learned hands-on lessons with the kits Rohm and Haas purchased.

CREATIVE EXECUTION



GULF LNG CLEAN ENERGY

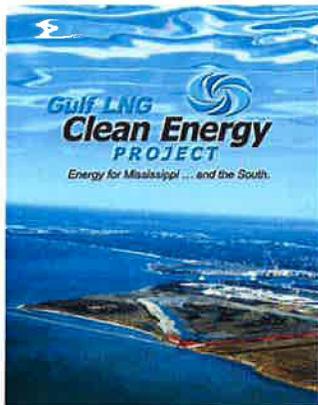
Situation Analysis: When Gulf LNG proposed the construction of a Liquefied Natural Gas (LNG) Terminal, various groups voiced their opposition and fear that this was a deadly substance. The Cirlot Agency was hired to educate the public and address any concerns and misinformation.



Integrated Strategy & Implementation: Tactics employed by the Agency included an Open House, where residents had an open forum to ask questions and voice concerns. A live community demonstration was also held, during which actual LNG was poured out and exposed to an open flame. This was considered the turning point of public opinion. Hundreds of thousands of citizens viewed the demonstration on the evening news, read the numerous newspaper accounts and saw the photos graphically illustrating the safety of LNG.

Results: The Cirlot Agency's contributions in guiding Gulf LNG through educating the public was deemed a success by not only the client, but was also cited by the Federal Energy Regulatory Commission as a "model of how to initiate and sustain a public awareness campaign."

CREATIVE EXECUTION



AEROSPACE ALLIANCE

Situation Analysis: The Aerospace Alliance hired The Cirlot Agency to develop and execute a communications strategy to establish the Gulf Coast region as a world-class aerospace, space, and aviation corridor. The first priority of the Aerospace Alliance was to help secure the KC-45 aerial tanker program for the region.



Integrated Strategy & Implementation: The Agency developed and implemented a social media strategy targeting industry media and key decision makers. For three months, multiple daily social media posts helped keep reporters and leaders “in the know” about the tanker program. The Agency also wrote white papers and feature stories about The Alliance and pitched them to nationwide media outlets. In addition, The Cirlot Agency created and placed television and radio spots, as well as print advertisements.

Results: The campaign was successful in establishing The Aerospace Alliance as the go-to resource for journalists seeking information on the KC-45 tanker program. Dozens of journalists followed all of The Aerospace Alliance’s social media pages and used those pages as contacts for more information.

CREATIVE EXECUTION



INTEGRATED COMMUNICATIONS CAPABILITIES

BRAND AND MESSAGE DEVELOPMENT

The Cirlot Agency takes a hard look at where our clients are ... and envision where we can take you. We bring every advantage to you to establish, enhance and protect your corporate image and position you in your marketplace. Simply put, we are business development strategists and consider ourselves our clients' strategic partner with the sole objective of creating demand for our clients' products and services.

The Cirlot Agency's brand development system is a proprietary process developed over a number of years. This process is led by the Agency's CEO, Liza Looser, who graduated with an advanced degree from Harvard Business School. Our branding process is the first step we take with any new account.

The Cirlot Agency's comprehensive Brand Development System offers strategic and creative methodology for bringing your vision to life. By exposing your potential, we turn your vision into actionable strategy that brings the brand ... and the DNA that makes it unique ... to life.

Over the years, The Cirlot Agency has amassed experience in branding products and services, as well as entire corporations. Also of note, we have been hired to facilitate this branding process by Fortune 100 to 500 companies all across the country.

For nearly three decades, The Cirlot Agency has helped companies of every size, from small businesses to major global corporations, find and define their identities/brands. We are adept at extracting the main differentiating factors of a business and creating a plan for sharing those differences with the business's various audiences. Put simply, we position companies for growth. We help businesses define how to compete in a given marketplace and give them the tools necessary to do so. This area of practice is a foundational necessity for most everything we do, which means we do it well.

The Cirlot Agency offers a proprietary, customized brand development program that differentiates an institution from its competition and establishes a foundation of communication strategy designed to increase momentum year after year. Brand management incorporates every aspect of marketing: research, strategic marketing planning, advertising, media placement, public relations, internal and external communications, training programs, etc. Our forté is coordinating all of these methods so that the client is positioned in the best possible light and the central line of communication is established and reinforced. It is also our responsibility to function as the watchdog of the brand. We constantly lend an objective eye to the brand, whether through continually updating research or by making sure there's a strand of consistency running throughout all communications elements, from the company's correspondence to its high-profile advertising.



PUBLIC RELATIONS

The Cirlot Agency has provided Public Relations Services for clients on a regional, national and international scale. These accounts include some of the largest publicly traded and privately owned businesses in the nation, such as Northrop Grumman Ship Systems, Raytheon Electronic Systems, and Bush Brothers & Company, as well as various public and private entities who require non-disclosure of information regarding public relations work done for them. Public Relations services offered by The Cirlot Agency include, but are not limited to the following: crisis management; media relations; media/press releases; video & audio news releases; media/press kits; feature articles; spokesperson training; political elections; industry/trade communications; consulting; speechwriting; government/legislative communications; new product/service introduction; new market introduction; corporate culture development; internal communications plans; employee benefit communications; corporate standards manuals; employee training/incentives; and newsletters.

SOCIAL MEDIA

Social Media is as much about where to find your audience (which outlets are they frequenting) as it is what to say to them. The Cirlot Agency evaluates the demographics of each social network and caters our strategy to best connect with our client's target audience. The strategy includes a calendar of scheduled non-time-sensitive posts, an audience growth strategy and a governance document to explain how to connect and communicate through each social media channel.

DIGITAL MEDIA/WEB

The Cirlot Agency takes a fully integrated approach to interactive strategies with the goal of driving traffic to a branded easy-to-navigate website, which results in connecting with prospects and influencers. To provide our clients with the most recent, cutting-edge tools, our team of experts remains abreast of the latest trends regarding online integrated communications. The Cirlot Agency's expertise in developing and executing integrated interactive strategies gives our clients an advantage in each one's respected industry.

RESEARCH

Understanding that all organizations are unique, The Cirlot Agency will take a hard look at how Mississippi Power is perceived among its audiences, administration and staff. The Cirlot Agency will evaluate, track and monitor exposure, impressions and the overall success of all communication efforts. Additional market research to track market positioning through consumer awareness will also be conducted on a regular basis.



REPUTATION MANAGEMENT

A detailed reputation/crisis management plan must be in place for Mississippi Power to successfully handle unforeseen events. The Cirlot Agency will create a plan that covers the proper responsibilities and actions of management, as well as Mississippi Power employees in the event of a crisis. The Cirlot Agency will also work with Mississippi Power to develop and deliver messaging needed to keep Mississippi Power's reputation in highest regard, including online avenues such as social networks, forums, blogs and other forms of online communication and information sharing.

GRASSROOTS

The true definition of a grassroots effort is, "a movement that is natural and spontaneous." The Cirlot Agency knows that, unlike a video on the Internet that "goes viral," grassroots efforts don't just happen. Great grassroots efforts are based on solid strategic plans that contain executable initiatives. The Cirlot Agency has managed grassroots efforts for clients in the medical industry, industrial chemical industry, defense industry and for economic development projects, just to name a few. Those efforts have been executed on a regional level, community level, neighborhood level and, at times, on a street-by-street level. While working with community leaders, community activists and federal regulatory agencies, The Cirlot Agency has planned and executed intricate efforts without drawing attention to ourselves.

ADVERTISING

The Cirlot Agency takes a targeted approach to all avenues of advertising to ensure the right message and outlet is utilized. As a full-service agency, we are adept at conceiving, producing, executing, and distributing all forms of advertising from print, to broadcast, to web.

MEDIA SUPPORT

STRATEGIC MEDIA BUYING AND PLANNING

The Cirlot Agency's media staff has over 80 years of combined experience in placing media across the globe. Not only have we placed media on a statewide, regional, national and international scale, but, more importantly, we have built long-lasting media relationships with pertinent individuals that provide us with the resources we need to place media effectively and efficiently for our clients. The Cirlot Agency uses an analytic, ROI-driven approach to media buying and is dedicated to improving our clients' marketing and advertising campaigns by applying a combination of customized, creative media objectives and strategies with effective executions. The Cirlot Agency specializes in negotiation of ad rates and placement, in addition to important sponsorship opportunities. Our combined leverage, relationships, experience, and negotiation expertise make it possible to secure placement in both a timely and cost-efficient manner.



CREATIVE DEVELOPMENT

ALL ADVERTISING

From concept to execution, The Cirlot Agency's work is solid, effective and designed to communicate your message in a crystal-clear manner. Our work is revered ... it is rewarded ... but most importantly, it works.

Our strategy is based on a solid foundation – the brand. Armed with branding messages that speak directly to your audiences, the Agency's creative department discerns the best techniques to deliver those messages cogently, concisely and, of course, creatively.

COLLATERAL MATERIALS

The Cirlot Agency has created collateral materials, ranging from high-end corporate image pieces to workhorse spec sheets, for clients in a variety of industries. The Cirlot Agency manages all aspects of the development of collateral materials, from concept and design to production and delivery. As technology has evolved, these pieces have also evolved to now incorporate many advanced techniques including the use of QR codes and enhanced printing capabilities.

DIRECT MAIL

The Cirlot Agency's direct mail pieces provide creative and unique methods for connecting with the targeted audiences. Each piece will be designed with specific messaging to positively influence the consumer, as well as inform them of pertinent information regarding Mississippi Power.

PUBLIC RELATIONS

The Cirlot Agency's creative department consistently supports public relations efforts through supplying materials for press conferences, special events, public forums, etc. During larger events, such as the 2008 Presidential Debate at Ole Miss and the current Sanderson Farms Championship, the creative staff is involved from day one and brings its expertise to everything from ticket designs to step-and-repeat backgrounds and on-site environmental graphics.





**GREG
GILLILAND**

*V.P., DIRECTOR OF
INTERACTIVE MEDIA*

Greg oversees and implements Internet architecture, design and development; digital presentations and interactive creative. In addition, Greg acts as art director for select print and collateral works requiring advanced composited renderings.



**LYNDA
LESLEY**

*V.P., CREATIVE
DIRECTOR*

Lynda concepts, writes and executes creative work ranging from brochures and print ads to television commercials and interactive media for regional, national and international accounts.



**MEREDITH
CHASE**

*DIRECTOR OF BRAND
STRATEGY*

Meredith develops and executes integrated marketing programs that support brand growth, business development, and strategic priorities for defense and commercial corporations. She also works with media outlets throughout the U.S., Europe, Asia, the Middle East and Latin America.



**LISA
COMER**

*DIRECTOR OF
MARKETING SERVICES*

Lisa serves as the direct liaison between the client and the Agency's creative, market research, media and public relations departments to develop effective marketing results for her clients on time and within budget.



**LUKE
EATON**

*EXECUTIVE ART
DIRECTOR*

Luke executes creative concepts; brand and logo development; art direction; print ad, trade show and collateral material design and development; photo composites and retouching; video edit supervision; and interactive design.



**MARY
HAMPTON
NICHOLAS**

*PUBLIC RELATIONS
STRATEGIST*

Mary Hampton manages public relations efforts for multiple accounts, including writing and pitching stories, organizing and managing media relations, and developing integrated communication strategies.



EHOGROUP
TOTAL IMMERSION STRATEGISTS

 THE CIRLOT AGENCY
INCORPORATED

4

Pertexa

City of Ridgecrest
Economic Development Manager
100 W. California Ave.
Ridgecrest, CA 93555

5th May 2014

RE: Proposal 'RoboDoc Assembly in Ridgecrest'

Dear Gary,

Firstly I would like to thank you for your time, guidance and various creative options available to us allowing serious consideration to base our Project in the City of Ridgecrest.

I have pleasure in submitting our proposal.

This is predicated on having a '**Free Trade Zone**' which clearly changes the dynamics for assembling our unit in Ridgecrest, provide the 'Value Add' with our unique software and then deploy it in such a way that it attracts **Sales Tax** at the point of sale (Ridgecrest) as opposed to 'Port of Entry' (LA).

I would like to bring out 10 key points:

1. The proposed 'Free Trade Zone' would not only benefit Pertexa but also form a basis for other potential companies looking for similar environment.
2. The Sales Tax Revenues are based on a medium growth trajectory and can be flexed based on financial support available. At 1% of Sales Tax represents \$350 per unit directly to the City of Ridgecrest.
3. Additional Tax revenues would flow from the use of building premises where an assembly and operational office space would be required.
4. All the key items are in place, including import licenses, freight companies and our unique software, and key partners.
5. Even during a pre-launch – we have been very well received from the community and especially those connected with Healthcare and Education.
6. The most likely volume of jobs is going to be based in the semi-skilled category (\$15- \$25 p/h) and projected to grow to at least 550 over the next 5 years. A smaller volume of jobs would be in the \$40- \$150 p/h range.
7. The semi-skilled jobs will mainly be in the assembly, support, call center and admin areas.
8. Additional collaboration with local entities will continue to create innovative solutions yielding other spin offs for Pertexa or other companies thus benefiting the City of Ridgecrest in terms of additional jobs and Tax revenues.
9. Additional Net income and spending by the local community will help attract other support and services in areas (restaurants, housing, social and leisure)
10. Our Unique application will help place Ridgecrest on the map as a center of innovation attracting other companies seeking similar environments. Not all high technology companies want to be in areas of 'Silicon Valley' where they could be prone to commercial predatory, Intellectual Property (IP) theft and high staff attrition.

We have received a very positive and active support from the local and surrounding community. There is growing momentum and the Company feels that this more than off-sets the increased compliance costs of traditionally doing business in California.

Expediency is one of our criteria's and as such have suggested that City of Ridgecrest consider financial support in phases, this we hope will allow you to move flexibly and at the same time allow the City of Ridgecrest to see progress.

1. **\$250K** Initial - This will allow Pertexa to make certain commitments
2. **\$250K** Second payment after 60 days allowing City of Ridgecrest to see some progress and give time to get the 'Free Trade Zone' underway
3. **\$375K** on successful deployment of 1st Rob-Doc unit (estimated at 6 months from initial start date)
4. Subsequent release of funds can be phased and be mutually determined

Although the financials show a requirement in region of \$1.5M, Pertexa would consider viability **between \$875K to \$1.2M.**

Based on the support from the City, adjustments to the growth projections would need to be made based on flexing of financials with additional and other forms of financing.

I would also like to stress that the company is viewing this a '**Long Term Partnership**' with community support (Hospitals, Medical Clinics, Community Colleges, Local Businesses), Private Equity (Consortium of Physicians, individuals), Pertexa (Having been in the City over last few years) and the City of Ridgecrest.

We are working towards some aggressive milestone with Cerro Coso Community College, surrounding Hospitals and medical clinics. Ideally we need to act with speed as this will go a long way in achieving some of our key milestones and addressing the immediate market needs, ultimately benefiting the City in terms of jobs and Sales Tax revenues.

I look forward in hearing from you at the earliest, should you have any questions, please do not hesitate to contact me personally where I would be more than happy to answer your questions in person.

Yours sincerely



Kishor Joshi
President
Kishor@Pertexa.com
T: 520-204-5957 (Direct)



“Part of Future Medical landscape”

Final device will differ from above example.



“ROBO-DOC ASSEMBLY”



| Document Number | Document Purpose | Version Number | Release Date |
|------------------------------------|---|----------------|------------------|
| 1.6 | Robo-Doc Assembly in City of Ridgecrest for National Telemedicine rollout | 1.6 | May 2014 |
| Review | Designation | Comments | Date of Review |
| Kishor Joshi | President | | 2014 |
| Review | Designation | Comments | Date of Review |
| Dr. Earl Ferguson | Board Member | | 2014 |
| Contribution by | Designation | Comments | Date of Review |
| Dr. Tim Dawson Dr. Robert Gross | Technical Engineer Medical Advisor | | 2014 |
| Delivered to | Designation | Comments | Date of Delivery |
| Gary Parsons | City of Ridgecrest Economic Development Manager | | April 2014 |
| Document Path Key Words | Medicare – Medscribe - Robo-Doc Assembly for Telemedicine | | |

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EASE OF USE AND OUR USP

ASSET COST OF ROBO-DOC

1. INTRODUCTION

In 2005 Pertexa Healthcare Technology Inc. was formed to address the needs for growing demands in Healthcare Software Technology in areas of Revenue Cycle Management (RCM), Electronic Healthcare Records (EHR) and Business Intelligence (BI).

Pertexa has successfully completed its RCM module and recently the EHR module also known as 'Radekal'.

As the company moved forward it decided to look at the viability of Ridgecrest as a base for its long term strategic plans. The required Business, Profession and Trade Permits was applied back in 2011 in the category of Retail Sales and Service.

In 2013 it was identified that Ridgecrest had the core foundations and further market entry steps were taken including show casing the unique product and its applications to some of the medical community in and around Ridgecrest.

Within 1 month of a pre-launch (sampling of support)

Dr. Earl Ferguson "I picked this up in 20 mins and am 40% more productive over using the current system ... a truly Disruptive Technology"

Lee Baron (CEO and CFO) of Lone Pine Hospital, President of California Rural Healthcare Association "A very impressive easy to use system, If you was ready today, you could be looking at 1,000 users"

Dr. Robert Gross "First time I have seen such a simple application, this now makes my vision of Telemedicine possible"

Jill Board (President) Cerro Coso Community College "My son is a Physician, I understand the problems you describe and hear those issues from him... The market needs you.... How fast can we get the Training program going?"

3 Hospitals and a number of clinics see the benefits and are in the pipeline for deployment.

In October 2013, with support from **Jim Suver (CEO)**, Ridgecrest Regional Hospital provided office and working space from which to further refine approach and technology.

January 2014 **Dr. Tim Dawson** started to look at the Robo-Doc assembly installed with the Radekal EHR application to bridge a growing need in the Telemedicine market.

February 2014 Dr. Gross expands the Telemedicine requirements to local and remote Medical Scribes using the Robo-doc device.

February 25th 2014, Earl Ferguson, MD, PhD agreed to join the Pertexa Board to help in its National Growth.

2. PROBLEM: SOLUTION – BEFORE AND AFTER

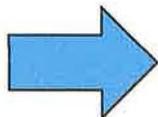
Telemedicine is expected to be one of the largest healthcare growth segments which grew to \$4.2B in 2007, \$10B in 2012, \$14B in 2013 and expected to surpass \$20B in 2014. Driven by:

- Aging population
- Increased healthcare costs
- Advancing technologies
- Increased Telecommunications
- Shortage of Physicians (e.g. 30 Primary care Physicians per 100,000 population in the USA compared to 80 in the UK and 150 in Germany)

Application and use in a range of facilities:

- Hospital
- Critical Access
- Rural Clinics
- Nursing Home
- Prisons
- Rehab Centers
- Offices – For Employees
- Universities/Schools
 - Obesity
 - Diabetes etc.
- Home Consults – Specific range

Currently Telemedicine is practiced generally using push carts, these need to be manually pushed/pulled into the consult rooms and after considerable time and effort in the set-up, the Physician consult takes place.



BEFORE

AFTER

Pertexa would replace the hand pushed carts with State of the art remote controlled Robotic device as if the specialist was present for the consult. Easy touch screen connections linked to the Physicians command center would enable that specialist to carry out the consult saving considerable time, costs with increased patient care.

3. ROBO-DOC ASSEMBLY

The core manufacturing would take place in China.

Import process, licenses and Freight Company has already been identified. In this scenario, the taxes would be paid upon port of entry to the port Authorities.

Upon consultation with the Ridgecrest Economic Development Manager (Gary Parsons), various options were put forward to Pertexa including the possibility for City of Ridgecrest to become a '**Free Trade Zone**'

This would allow Pertexa to import the 'parts' **Tax Free** to Ridgecrest. Allow Pertexa to assemble the major sections of Robo-Doc, 'Value Add' to the device by installing its software application and carry out the Quality Assurance before dispatch.

Since there is no Sales Tax on Software, but there is on Physical Hardware, then in the final 'Product' the City would gain from the **Sales Tax** revenues of the combined Value Added unit. In this scenario, Pertexa would only need to pay Sales Taxes at the time of sale not at the time of import thus aiding Pertexa cash-flow.

By having an Assembly base in the USA/Ridgecrest would allow a higher level of Quality Assurance to be done thus reducing field support calls improving customer satisfaction.



4. FACILITIES REQUIRED WITHIN RIDGECREST

Free Trade Zone:

Pertexa would require City of Ridgecrest to establish a 'Free Trade Zone' at least within 6 months of commencing operations.

Infrastructure:

- High Speed internet being fed into the City is a primary requirement.
- Good power supply with well served utilities.
- Good Roads for freight and logistic transportation. National transportation and delivery companies (Fedex, UPS, USPS)
- Operating offices, approx. 4,000sqft
- Call center and support offices, approx. 12,500 sqft which may be combined with the operating offices.
- Assembly, Testing and dispatch facilities, approx. 20,000sqft
- Variety of Hotels and Lodging. It is not anticipated to have high volumes of visitors, however certain face time meetings with Engineers, designers, Healthcare Professionals and potential clients is expected.
 - On a conservative basis this is estimated at between 80-100 individuals per year.
- Captive manpower to help reduce staff attrition and hence training

Local Community College.

Cerro Coso Community College has embraced the Scribe services that could be performed as a remote option via the Robo-Doc unit. The President (Jill Board) has already identified the required skilled personnel to work with Pertexa and its application. Once ready CCCC will distribute the course nationally via its education Network opening up further markets for Robo-Doc.

Employment, Manpower and skill levels

| Skill Level | Estimated Hourly Range | Average Employee Salary | Estimated number of new Jobs : Year 1 | Estimated number of new Jobs : Year 5 |
|------------------|------------------------|-------------------------|---------------------------------------|---------------------------------------|
| Semi-Skilled | \$15-\$25 | \$30K - \$50K | 25 | 550 |
| Engineering Team | \$40 - \$150 | \$80K - \$300K | 10 | 35 |

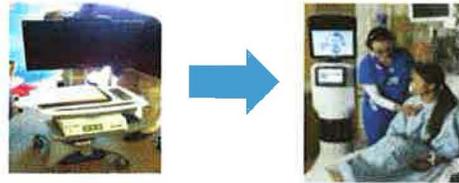
Semi-skilled and High School graduates at entry levels of \$15 – 25 p/h range. Estimated number of jobs, approx. 550 jobs within Year 4/5.

A small number CAD/CAM, Technical and Assembly Technicians, Quality Assurance Engineers and Management at remuneration levels of \$40-\$150 p/h range. Dr. Tim Dawson has a number of individuals identified for the requirements as Pertexa expands. Estimated number of jobs, approx. 35 within Year 4/5.

5. ROBODOC FINANCIAL PROJECTIONS

Some Examples for Market :

| | |
|---|---------|
| Number of Certified Nursing Homes in USA | 15,465 |
| Number of Federal Prisons | 4,500 |
| Number of Hospital | 5,700 |
| Number of Physician Practices in The USA | 230,187 |
| Walgreens/CVS/Walmarts/Etc | |
| Schools/Sports/Natural Disastors/Other Uses | |



OLD TELE-MED PUSH CART NEW TELE-MED ROBODOC

Projected Sales Units

Expected Sales Cost per Unit

8.25% **\$ 35,000**

Sales Tax - to City of Ridgecrest 1.00%

Economic Development Fund (or Combinations)
Cummulative Return to City of Ridgecrest

\$ 1,459,050

| Y1 | Y2 | Y3 | Y4/Y5 |
|---------------|---------------|----------------|----------------|
| 750 | 2500 | 4500 | 8000 |
| \$ 26,250,000 | \$ 87,500,000 | \$ 157,500,000 | \$ 280,000,000 |
| \$ 262,500 | \$ 875,000 | \$ 1,575,000 | \$ 2,800,000 |
| \$ 262,500 | \$ 1,137,500 | \$ 2,712,500 | \$ 5,512,500 |

Expected Jobs Within Ridgecrest

Engineering and Core Team (\$40 - \$150 p/h Range)
Support & Services (Call Center: \$15-\$25 p/h Range)

Total

| | | | |
|-----------|------------|------------|------------|
| 10 | 16 | 25 | 35 |
| 25 | 150 | 350 | 550 |
| 35 | 166 | 375 | 585 |

Average Investment Per Job

\$ 41,687 \$ 8,789 \$ 3,891 \$ 2,494

| Other Benefits to CoR | Key Points |
|--|---|
| Main R&D Center Assembly/Activation Center | Jobs within Ridgecrest Other Spin offs , Greater Options in 'Tax Trade Zone' |
| Call Center | Support, of application, Rob-Doc, Medscribe Core Team for Engineering, Assembly, Packig and Deployment. A larger number in a 'Call Center' Environment |
| Collaboration with Cerro Cosso Community College | Med-Scribe Training - Already in discussions with Jill Board - President |
| Collaboration with RRR - Innovation Center | Can be Pilot and Beacon for National Rollout with Medscribe |
| Attraction for other Businesses | Increase Job growth, other spin offs, employment, lifestyle, population retention and Tax Revenues |

Pull from :

| | | |
|--------------------------------------|--------|--|
| Toledo - OH (Tom) | HIGH | Has one of the fastest growing Economic Development Zones in USA |
| Phoenix - AZ (Paul) | MEDIUM | Great HUB for Flights |
| Austin - TX (Taylor) | LOW | More of a Software Center- Software Development will stay in TX and UT. |
| Honolulu - HI (Scudder) | LOW | Difficult Logistics |
| Ridgecrest - CA (Kishor - President) | HIGH | President happens to be in Ridgecrest and has evaluated Pros/Cons. Not the best Overall State to do Business in but good Core Team with Innovative Thinking Good place to base RoboDoc Assembly and deployment - Conditional on 'Trade Zone Setup' |

Proposal to City:

| | Milestone Based | |
|--|-----------------|---|
| Total Requirements | \$ 1,459,050.00 | Can be flexed based on growth plans |
| Initial Commitment - Month 1 | \$ 250,000.00 | Start of Operations |
| Second Installment - 60 Days from Start | \$ 250,000.00 | Infrastructure Set-up |
| Third Installment - when 1st Robo-Doc deployed | \$ 375,000.00 | On Succesful deployment of 1st Robo-Doc. Expected from 6 months from start. |
| Forth Installment - TBA | \$ 584,050.00 | Expansion - Terms can be agreed |

Other Support/Momentum

| | |
|----------------------------------|------------------------|
| Ridgecrest Regional Hospital | Earl Ferguson, MD, PhD |
| Cerro Cosso Community College | Jill Board - President |
| Kern Valley Hospital | Robert Gross, DO |
| Dinuba Clinic (10 Providers) | CEO |
| Burroughs High School - Robotics | Damien Jacotin |
| AP-Engineering | Dr. Tim Dawson |
| Tax Time - CPA | Barbara Aggerton - CPA |
| Lone Pine Hospital | Lee Baron - CEO/CFO |

Additional Local Support from:

Dr. E. Ferguson
Dr. R. Gross
Dr. K. Chamas
Dr. J. Kumar
Dr. W. Cannata

6. OTHER DETAILS

The company is debt free. Main investors from principles and others predominantly in the medical support and services. Private Investors and Private Placements currently account for the majority of the working capital requirements.

It is estimated that a working capital of approximately \$350K - \$500K would be required and is being meet by a consortium of Physicians.

Once Robo-Doc and the Medical Scribing has been established, further financing for expansion would be viable including banks, Asset financing and factoring.

Pertexa would propose to Lease Finance the Robo-Docs to the hospitals and clinics.

At an average expected unit cost of \$35K, these units would be leased at an average cost of \$750 p/m to facilities. Conducting approximately 2 medical consults per month would provide the medical facility an ROI, improved patient care and reduced costs.

This would also allow a faster rate of Robo-doc unit sales with high margins would allow re-investments into further growth.

7. SUMMARY

Robo-Doc combined with our unique application makes it one of the most cost effective Telemedicine solutions on the market.

Other spin offs and device enhancement would be possible including areas of home health especially in rural healthcare.

Pertexa proposes a phased approach:

1. **\$250K** Initial entry - This will allow Pertexa to make certain commitments
2. **\$250K** Second payment of after e.g. 60 days allowing City of Ridgecrest to see some progress and give time to get the 'Free Trade Zone' underway
3. **\$375K** on successful deployment of 1st Rob-Doc unit (estimated at 6 months from initial start date)
4. Subsequent release of funds can be phased and be mutually determined

Although the financials show a requirement in region of \$1.5M, Pertexa would consider viability **between \$875K to \$1.2M**.

Adjustments to the growth projections would need to be made based on flexing of financials with additional and other forms of financing to be planned for.

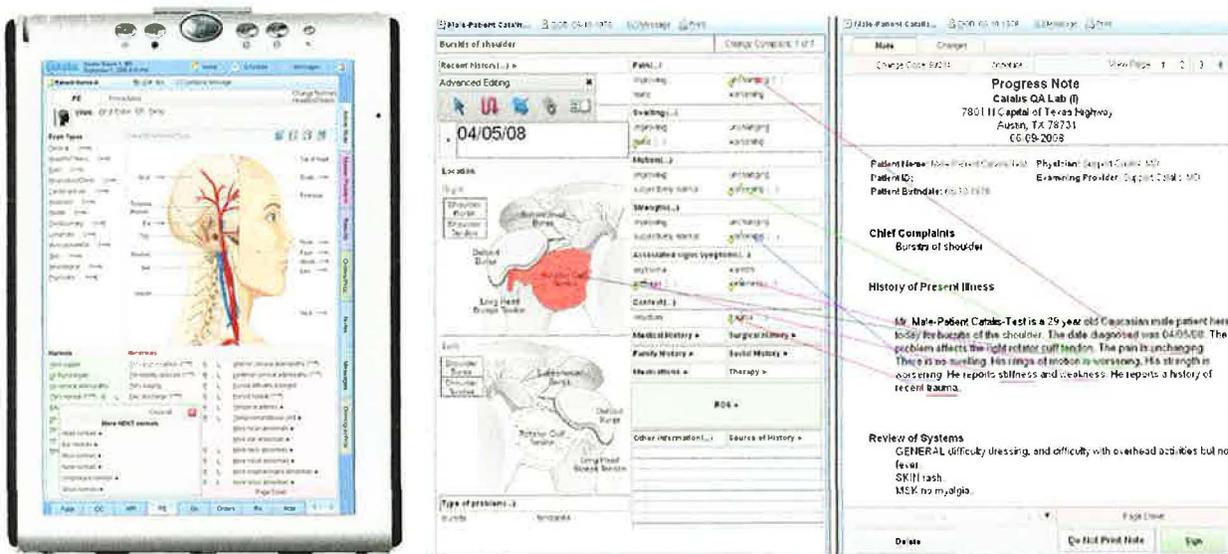
APPENDIX

COMPETITION AND OUR USP

Pertexa has a **unique** offering:

- No other company has the level of **Dynamic Anatomical** drill down drawings.
- Natural Language generator creating unique progress notes for every patient
- Designed by Physicians in the way they were trained at Medical School
- Ease of Use giving it a faster adoption and reduced training costs

- Competitively priced
- Point and click, Tablet PC's, Voice, and handwriting recognition option.
- Pre-Loaded with ICD-10 with use of Anatomical Graphics for code selections
- Integrated with ICD-10 Practice Management System for Billing



Proposal to integrate with RoboDoc for Dual Purpose

- Optional Remote Medscribe Services
 - Pre-Loaded with EHR, ICD-10
 - Provider can have on-site or remote using Robo-Doc device

- Tele Medicine for remote consults
 - Increased patient care
 - Increased Practice revenue

Asset Costs

| ROBODOC | | | | |
|--|--------------|------------------|--------------------|--|
| VALUE ADDED SHOP COSTS | | | | |
| | | | | |
| BUILDING AND OFFICE SPACE | Units | Unit Cost | Final Cost | Notes |
| Production and Assembly Facilities | 1 | \$0.65 | \$156,000 | 20,000 sqft ,1 yr Lease (5 Yr Lease Agreement most likely) |
| Conference Room and Office Facilities | 1 | \$0.95 | \$45,600 | 4,000 sqft, 1 yr Lease (5 Yr Lease Agreement most likely) |
| Call Center Facilities | 1 | \$1.50 | \$225,000 | 12,500 sqft (Capacity to 50 Employees with built in cost) |
| Production Cubicles | 5 | \$3,000 | \$15,000 | For Engineering |
| Production Furnitute | 5 | \$2,000 | \$10,000 | For Engineering |
| Office Cubicles | 8 | \$3,000 | \$24,000 | For Sales and Support |
| Office Furniture | 8 | \$2,000 | \$16,000 | For Sales and Support |
| Call Center Installation | 1 | \$10,000 | \$10,000 | |
| Shop Floor Installation | | | \$30,000 | Includes computing, Internet and Certifications |
| Sub-Total | | | \$531,600 | |
| | | | | |
| INTERNET & COMPUTING | Units | Unit Cost | Final Cost | Notes |
| Cable/Dsl Modem | 7 | \$200 | \$1,400 | Could be free with contract |
| Wireless Access Point | 7 | \$150 | \$1,050 | For wireless internet access |
| IP Phones+intrastructure | 1 | \$10,000 | \$10,000 | Phone system/w 20 phones |
| Security appliance/firewall | 2 | \$1,000 | \$2,000 | Sonicwall or Juniper |
| Gigabit switch 24port | 2 | \$300 | \$600 | Cisco |
| HP Proliant Server | 2 | \$2,000 | \$4,000 | For Domain/Fileshare |
| Windows Smalll Business Server Software | 2 | \$1,050 | \$2,100 | Server software w/5 licenses |
| Server 5 licenses | 3 | \$500 | \$1,500 | 5x3 = 15 licenses |
| Battery Backup | 2 | \$500 | \$1,000 | Server Power backup |
| Backup Drive/s | 2 | \$150 | \$300 | Databackup |
| Mid End Desktop | 7 | \$600 | \$4,200 | Administrative etc workstations |
| High end Desktop | 5 | \$1,000 | \$5,000 | Engineering etc workstations |
| Monitors | 15 | \$150 | \$2,250 | Display and Control devices |
| Windows 7 Prof. Software | 15 | \$130 | \$1,950 | Operating system for desktops |
| Microsoft Office | 12 | \$200 | \$2,400 | Administrative software |
| Other misc software | 12 | \$75 | \$900 | Accounting, graphics etc |
| CAD Software | 2 | \$10,000 | \$20,000 | Does not Include Support and Maintenance |
| Color Laser Printer | 2 | \$700 | \$1,400 | General Office printers |
| Network setup costs | 1 | \$10,000 | \$10,000 | Initial Setup of equipment |
| Wiring | 1 | \$8,000 | \$8,000 | |
| Sub-Total | | | \$80,050 | |
| | | | | |
| SHOP & TEST EQUIPMENT: | Units | Unit Cost | Final Cost | |
| Robot, Kuka KR 200 | 2 | \$75,000 | \$150,000 | |
| Robot, Kuka KR 100 | 2 | \$50,000 | \$100,000 | |
| Conveyer Automation System | 2 | \$30,000 | \$60,000 | |
| Pick and Place Robot, KR90 R2700 | 2 | \$25,000 | \$50,000 | |
| Part Feeders, Funic M-KiAT | 2 | \$40,000 | \$80,000 | |
| Packaging Dispenser | 1 | \$10,000 | \$10,000 | |
| Boxing Machine | 1 | \$50,000 | \$50,000 | |
| Accessory Tooling and Attachments Kits | 1 | \$37,500 | \$37,500 | |
| Overhead Crane | 1 | \$36,500 | \$36,500 | |
| Oscilloscope | 2 | \$1,200 | \$2,400 | |
| Signal Generator | 2 | \$500 | \$1,000 | |
| Hand Tools | 1 | \$4,000 | \$4,000 | |
| Shop Installation & Setup | | | \$15,000 | |
| Scissor Lift Pallet Jack | 1 | \$2,500 | \$2,500 | |
| Machine Lathe | 1 | \$14,500 | \$14,500 | |
| Milling Machine (Bridgeport) | 1 | \$15,000 | \$15,000 | |
| Sub-Total | | | \$628,400 | |
| | | | | |
| EQUIPMENT & ENVIRONMENTAL CONTR | Units | Unit Cost | Final Cost | |
| Container Moving-Stacking Machine | 1 | \$15,000 | \$15,000 | |
| Forklift-(electric) | 1 | \$10,000 | \$10,000 | |
| Compressor | 2 | \$2,000 | \$4,000 | |
| Air Filtration System | 1 | | \$35,000 | |
| Clean Room Facility (300 Sqft) | 1 | | \$110,000 | |
| Industrial A/C Units | 1 | | \$45,000 | |
| Sub-Total | | | \$219,000 | |
| | | | | |
| TOTAL ASSET COSTS | | | \$1,459,050 | |

5

Weda



Helping you...

CLOSE THE D.E.A.L.

Develop
Engage
Access
Locate



CITY OF RIDGECREST

Investment Proposal

*Prospect Marketing Program & Consulting Services
For The Serious Economic Development Professional*



Proposed By: Eric Kleinsorge

Proposed To: Ridgecrest Community Development Corp.

Overview

After carefully considering your specific needs and desired deliverables, WEDA is pleased to respond to your request for the identification, attraction and recruitment of new prospects to the city of Ridgecrest. Our firm's unique approach will separate you from your competition and provide you with the competitive edge you need in today's changing economy.

Your request presented the opportunity for WEDA to partner with members of our Project Development Board to provide you with the most qualified personnel to handle each part of your request. We are submitting our response with The Site Selection. Our two firms will provide you with a full range of services that will take your prospects from "capture to close".



ABOUT WORLD ECONOMIC DEVELOPMENT ALLIANCE

The World Economic Development Alliance (WEDA) will oversee the overall execution of the entire project and will be headed by Eric Kleinsorge. Eric Kleinsorge founded the Alliance in 1994 and has worked with over 1,200 companies in their search for new sites which has resulted in the creation of over 10,000 new jobs and over \$1 Billion in investment.



ABOUT THE SITE SELECTION GROUP

The Site Selection Group, Founded by King White will handle the competitive analysis portion of deliverables. King White was the principal and founding member of Trammell Crow Company's Corporate Site Selection Group. King R. White established Site Selection Group after Trammell Crow Company was acquired by an international real estate firm in 2006 and has completed over 1,000 site location projects in just over 10 years of business.

As members our Project Development Board, lines of communication are already well established and this well-experienced team is ready to work for Ridgecrest.

Cost Summary

| | | | |
|---|---|---|------------------|
|  | Existing Study Review Existing Study Review with detailed report: Roseville Economic Development Strategy Next Economy Capital Region Prosperity Plan | 1 week | \$5,000 |
|  | Target Industry Review Review & Prioritize Existing Target Industries Canvass California for Additional Target Industries | 2-4 weeks | \$15,000 |
|  | Target Industry Marketing Strategy Organize Community Assets to Market for Each Industry, Identify a list of Target Companies in California (number subject to sample size and available companies in each target), Review Incentive & Real Estate Offerings for Each Industry. Provide report on all findings. | 1-3 weeks Existing Targets 5-7 weeks New Targets | \$10,000 |
|  | Lead Nurturing Set Up & Programing Use Target Analysis to develop and manage up to 10,000 contacts/month Design and Program Nurturing Program for custom follow-up. | 6 weeks | \$15,000 |
|  | Lead Nurturing Implementation Monthly emails and campaigns to manage the follow-up of up to 5,000 engaged contacts per month. A/B Split Tests, Landing Page Conversions, Reporting on progression of prospects through system. | 40 weeks | \$43,500 |
|  | Outreach Program & Contact Enhancement Implement Trade Show Targets, web site and electronic media campaigns. Engage and track PPC campaign for direct interest hits. Includes list acquisition of up to 5,000 contacts. | 40 weeks | \$46,500 |
|  | Site Locator Outreach of Assets Input available properties and list applicable properties Manage monthly announcements and introductions to prospects | 40 weeks | \$12,000 |
| TOTAL INVESTMENT | | 52 weeks | \$147,000 |

NOTE: Deliverable 5, 6 and 7 encompass monthly task and are paid at start of contract at \$8,500 per month. Invoice will be sent on 15th of each month to receive payment on the first of each month for the month's priors work.

SITE SELECTION GROUP OVERVIEW

Site Selection Group, LLC (“SSG”) is a full-service location advisory and economic incentives firm based in Dallas, Texas. The company delivers advisory and transaction services to a wide range of industries seeking to locate or attract various labor, logistics and capital intensive projects, such as back-office, call centers, data centers, distribution centers, education, headquarters, manufacturing and R&D operations. SSG provides value to its clients by maximizing the efficiencies of labor, economic incentives, logistics, utilities and real estate conditions for corporate operations, and by consulting communities on the optimal methodologies to increase economic growth. SSG executives have more than 150 years of combined site selection experience involving the completion of over 1,000 corporate site selection projects.



Site Selection Group, LLC
8300 Douglas Avenue
Suite 700
Dallas, Texas

SSG has established best practices in the areas of corporate site selection and economic development strategy formation to deliver turn-key solutions to our customers. Through significant investment in information, technology and talented human capital, SSG maintains one of the most comprehensive site selection databases in the industry. The database will include critical site selection variables, such as labor availability, labor costs, real estate, infrastructure, and political and economic conditions, to ensure the delivery of optimal solutions for clients.

SSG was founded by the former principal and founding member of Trammell Crow Company’s Corporate Site Selection Group. King R. White established Site Selection Group after Trammell Crow Company was acquired by an international real estate firm in 2006. After over ten years of leading Trammell Crow Company’s globally recognized, top-producing team, White and his executive team formed Site Selection Group with the goal of better serving customers without the financial constraints, lack of focus and/or conflicts of interest, typically associated with traditional real estate services or consulting firms. In addition, SSG has hired additional industry veterans including David Brandon, senior industrial location strategist formerly with The Pathfinders, and Lee Higgins, senior economic incentive specialist with Business Incentive Services.

For additional information, please visit SSG’s website at www.siteselectiongroup.com.

SSG'S SERVICE OFFERINGS

SSG provides a full-range of services to corporations across the world. We will leverage resources to deliver the best people and tools to provide the optimal solution for our clients. Our capabilities and expertise span the areas in the following table:

| LOCATION ADVISORY | ECONOMIC INCENTIVE SERVICES | REAL ESTATE SERVICES | ECONOMIC DEVELOPMENT CONSULTING |
|--|---|---|--|
| <p>Consulting Services</p> <ul style="list-style-type: none"> ▪ Demographic analysis ▪ Workforce assessment ▪ Labor cost analysis ▪ Labor supply-demand forecasting ▪ Occupational demand analysis ▪ College/university assessment ▪ Commuter analysis ▪ Segmentation analysis ▪ Infrastructure assessment ▪ Logistics analysis ▪ Utility cost analysis ▪ Employer interviews ▪ Competition saturation analysis ▪ Operating cost comparison ▪ Location optimization analysis ▪ Customized GIS mapping | <p>Identification & Evaluation</p> <ul style="list-style-type: none"> ▪ State and local tax evaluation ▪ Program research and evaluation ▪ Request for proposals ▪ Economic incentive comparison ▪ Financial analysis ▪ Economic impact modeling ▪ Market comparables ▪ Negotiation strategy <p>Negotiations</p> <ul style="list-style-type: none"> ▪ Tax credits and abatements ▪ Sales and use tax rebates ▪ Cash grants ▪ Real estate grants ▪ Enterprise zones, TIF's, PID, etc. ▪ Employee training subsidies/grants ▪ Special public/private financing ▪ Site Infrastructure grants/rebates ▪ Competition restrictions <p>Administration & Compliance</p> <ul style="list-style-type: none"> ▪ Application preparation ▪ Contract review ▪ Documentation administration ▪ Annual compliance ▪ Database management ▪ Financial reporting | <p>Market Research & Due Diligence</p> <ul style="list-style-type: none"> ▪ Market research ▪ Site/building tours ▪ Site/building inspections <p>Negotiations</p> <ul style="list-style-type: none"> ▪ Acquisitions ▪ Dispositions ▪ Sale lease-backs ▪ Developer bidding ▪ Lease Renewals ▪ Lease restructuring ▪ Subleases <p>Construction Management</p> <ul style="list-style-type: none"> ▪ Site visits/assessment ▪ Vendor bidding and supervision ▪ Budgeting and scheduling ▪ Telecom and IT interface ▪ FF&E management ▪ Move coordination <p>Portfolio Management</p> <ul style="list-style-type: none"> ▪ Strategic portfolio planning ▪ Lease database management ▪ Lease audits ▪ Vendor management ▪ Occupancy forecasts ▪ Organization planning | <p>Consulting Services</p> <ul style="list-style-type: none"> ▪ Economic analysis ▪ Demographic analysis ▪ Competitive benchmarking ▪ Industry cluster analysis ▪ Target industry analysis ▪ Economic impact analysis ▪ Underemployment studies ▪ Commuter studies ▪ Site certifications ▪ Economic incentive design ▪ Organizational planning ▪ Marketing plans ▪ Real estate development plans ▪ Real estate re-use plans |

OUR DATABASES

SSG maintains a site selection technology platform built on the philosophy of creating, managing and utilizing the latest technology and tools to deliver superior site selection strategies to our clients. Our company is staffed by highly educated, site selection professionals that understand how to analyze and interpret data to ensure an accurate decision making process. As a result, our experts are able to formulate strategies and identify locations that may be overlooked by traditional site selection and real estate services firms. The following technology and tools are utilized by our experts:

SSG'S GLOBAL LOCATION DATABASES

SSG's maintains global location database of 1,300 metro areas in 75 countries inclusive of variables such demographics, taxation, infrastructure, unemployment rates, cost of living, union participation, and other critical location variables.



MAPINFO GIS PLATFORM

Quarterly updated mapping and database of block group level demographics for United States and Canada.



COMMUNITY BENCHMARK ANALYSIS

Proprietary weighted site selection model of 940 U.S. metropolitan and micropolitan communities used to identify candidate communities through custom weighting of variables such as demographics, wages, cost of living, unionization, etc.

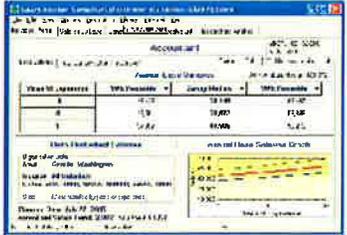


OPTISITE

OptiSite distribution center planning software is a full-featured distribution planning and site location model designed to help analyze and manage distribution resources more effectively.

ECONOMIC RESEARCH INSTITUTE SALARYEXPERT

Quarterly updated labor cost database 85,000 jobs in 190,000 zip and postal code locations in the United States and Canada as well as 192 countries.



| Year 00 | Year 01 | Year 02 | Year 03 |
|---------|---------|---------|---------|
| 1 | 1.0 | 1.0 | 1.0 |
| 2 | 1.0 | 1.0 | 1.0 |
| 3 | 1.0 | 1.0 | 1.0 |

ECONOMIC INCENTIVE DATABASE

Quarterly updated database of economic incentive availabilities across the United States.

COSTAR REAL ESTATE DATABASE

We access a proprietary database of more than 43 billion square feet of real estate across North America. All product types included such as office, flex, industrial, retail, and land sites.

PROJECT TEAM

The following project team will be the primary project team involved in delivering the scope of work proposed. Detailed resumes are attached as an exhibit.

| Name & Title | Role |
|--|---|
|  <p>King R. White President</p> | <p>King will provide strategic planning and overall account management support.</p> |
|  <p>David Brandon Senior Vice President EDC Consulting</p> | <p>David Brandon will be the co-project leader. He will oversee all phases of the project.</p> |
|  <p>Josh Bays Vice President EDC Consulting</p> | <p>Josh will manage the day-to-day activities of the project and act as co-project manager. He will be conducting the on-site due diligence and primary research.</p> |
|  <p>Lee Higgins Senior Vice President Economic Incentive</p> | <p>Lee will be responsible for evaluating the economic incentive climate for the data center industry.</p> |
|  <p>Jeff Sheehan Senior Vice President Data Center Site Selection</p> | <p>Jeff focuses on data center site selection projects and will help support the research function and market demand analysis.</p> |
|  <p>Brett Bayduss Executive Vice President Consulting</p> | <p>Brett will provide overall support for the project</p> |
|  <p>Taylor Burns Senior Associate Research Analyst</p> | <p>Taylor will provide market research and data analytics.</p> |
|  <p>Brady Redwine Senior Associate Research Analyst</p> | <p>Brady will provide market research and data analytics.</p> |
|  <p>Brian Merrion Associate Research Analyst</p> | <p>Brian will provide market research and data analytics.</p> |

PROPOSED EVALUATION PROCESS

SSG has a proven strategic planning process to deliver optimal solutions to our economic development customers. The process flows from the initial project definition through strategic recommendations to provide a process driven solution. Our process is described in the diagram below and will be customized for the client upon completion of Project Definition.

| <i>PHASE</i> | <i>OBJECTIVE</i> | <i>DELIVERABLES</i> | <i>TIMING</i> |
|--------------|--|-----------------------------|---|
| 1 | Existing Study Review <ul style="list-style-type: none"> Roseville Economic Development Strategy Next Economy Capital Region Prosperity Plan | 1. Summary of Findings | Weeks 1 |
| 3 | Target Industry Review <ul style="list-style-type: none"> Review & Prioritize Existing Target Industries Canvass California for Additional Target Industries | 1. Target Industry Analysis | Weeks 2 - 4 |
| 2 | Target Industry Marketing Strategy <ul style="list-style-type: none"> Organize Community Assets to Market for Each Industry Identify a List of Target Companies in California Review Incentive and Real Estate Offerings for Each Industry | 1. Target Industry Report | Weeks 1 - 3 (Existing Target Industries) Weeks 5 - 7 (New Target Industries) |

ECONOMIC DEVELOPMENT PROJECTS

In the arena of strategic planning and economic development, SSG's executives have developed and implemented sales and marketing strategies, designed and conducted certified site evaluation processes, provided guidance on policy, impact, and financial issues, and provided organizational development assistance. The following case studies exemplify our executives experience with projects similar to those requested by the client:

SOUTHWEST KENTUCKY – CALDWELL, HOPKINS, MUHLENBERG COUNTIES TARGET INDUSTRY ANALYSIS

The Challenge

Caldwell, Hopkins, and Muhlenberg Counties in Southwest Kentucky felt it necessary to target a specific industry to stimulate new business investment in their region. The local economic development officials suspected the region's existing infrastructure, particularly the availability of a connected fiber optic network, inexpensive electric power, attractive tax policies and abundant water resources, competitively positioned the Counties as a suitable location for a data center operation. Due to the region's inexperience with data center projects, the three Counties lacked a clear strategy and understanding of the critical site selection criteria associated with new data center recruitment and investment.

The Approach

The three Counties recognized this challenge and commissioned SSG to help craft a strategy to promote new business investment in the data center industry. The goal was to conduct a comprehensive analysis of critical location drivers relevant to the data center industry in order to develop a clear strategy for business recruitment. To complete this work, SSG evaluated the assets and liabilities of each county and benchmarked the entire region against the state of Kentucky and the National Average. In addition to the target industry report, SSG took an inventory of each County's existing greenfield sites proposed for development and evaluated each based on its general readiness.

The Results

The final report included an executive summary and recommendations, regional assessment, target industry analysis, marketing plan, and site evaluations that specifically addressed each County. SSG feels confident the suggested initiatives outlined in the report will help Southwest Kentucky improve its weaknesses and capitalize on its strengths. SSG's main goal was to provide a clear action plan that will enable Southwest Kentucky to measure its performance, and achieve its goal of launching an effective marketing campaign targeted at the data center industry.

GREATER WICHITA ECONOMIC DEVELOPMENT COALITION ECONOMIC DEVELOPMENT STRATEGY & TARGET INDUSTRY ANALYSIS

The Challenge

For decades, Wichita, KS has been known as an Aerospace hub. Since World War II, the Wichita economy has ridden the cyclical booms and busts associated with the aviation sector. The end of 2007 brought on the most recent bust, and many industry experts predicted that the sector may never be able to recover. Massive industry layoffs, negative union perceptions, and Wichita companies choosing other markets for new business investment caused the *Wall Street Journal* to dub Wichita as the “The next Detroit”. Fearing that Wichita was too dependent on the aviation industry, the Greater Wichita Development Coalition sought to enact a multi-year strategy that would help diversify the economic base. They ultimately wanted to insulate the local economy from the depressed aviation industry.

The Approach

The Greater Wichita Economic Development Coalition retained Site Selection Group to help develop a marketing strategy aimed at diversifying the industry base. SSG initially researched and presented other success stories of communities across the nation that have recently transitioned from “Good” to “Great”. This action helped spark a collaborative effort among the many stakeholders that previously thought the task to be too daunting. Next, SSG completed a comprehensive regional assessment to understand Wichita’s strengths and identify aspects of the aerospace industry that could be leveraged to attract new industries. SSG paralleled this research with the effort of uncovering market and organizational deficiencies. The results of this assessment enabled SSG to complete a target industry analysis and marketing plan catered to ideal prospects.

The Results

After all criteria were considered, SSG was able to recommend four target industries that would find Wichita an attractive location for business investment. SSG provided the GWEDC detailed market data concerning each industry, as well as a strategy that would align their resources in a more effective manner. The GWEDC has successfully garnered enough local support to execute the action plan provided by SSG. They are currently seeking to enhance local resources such as real estate offerings, incentive funds, and regional participation. SSG and GWEDC anticipate this to be a strategy that will help stabilize and grow Wichita’s economy into the future.

WESTERN IOWA TRANSPORTATION CORRIDOR TARGET INDUSTRY ANALYSIS

The Challenge

The Western Iowa Transportation Corridor was a newly affiliated organization that included six counties along Interstate 29 from the Missouri border north to Sioux City, IA. The WITC members felt the region to be a suitable location for transportation and logistics operations based on the interstate corridor, railroad network, and navigable waterways. Due to the infancy of the marketing region and lack of collaboration, the WITC lacked a clear strategy for promoting its strengths to potential prospects. In addition, the six counties were uncertain how to combat the great degree of disparity among each of the counties with regard to workforce, infrastructure, and shovel-ready sites.

The Approach

The Western Iowa Transportation Corridor recognized this challenge and commissioned SSG to help craft a strategy to promote new business investment in the transportation & logistics industry. The goal was to conduct a comprehensive analysis of critical location drivers relevant to the transportation & logistics industry in order to develop a clear strategy for business recruitment. To complete this work, SSG evaluated the assets and liabilities of each county and benchmarked the entire corridor against other national markets that frequently compete for business investment.

The Results

With input from the WITC, SSG helped formulate a business recruitment strategy that included a detailed marketing plan, as well as a list of companies for the WITC to target. The development of this strategy required careful critique of the area's strengths upon which to capitalize and weaknesses they need to improve. This assessment provided an accurate perspective of their national market position and gave an understanding of their competition. Furthermore, SSG provided an extensive action plan to help outline the process, measure performance, and achieve their goal of launching an effective marketing campaign.

To help give the WITC an accurate perspective of the current industry landscape, SSG provided a detailed overview of the transportation & logistics sector that included a current assessment as well as future projections. Due to the operating experience of the workforce, quality infrastructure, geographic location, and a collaborative economic development effort, the WITC has launched an effective marketing campaign aimed at attracting business investment in the transportation and logistics sector.

ADDITIONAL EXPERIENCE

The following list represents a sampling of the communities and corporate clients the proposed project team has provided economic development consulting and site selection services:

Economic Development Projects*

Amarillo, Texas
Ardmore, Oklahoma
Argentina, Newfoundland
Athens, Texas
Barstow, California
Beeville, Texas
Big Spring, Texas
Bowie, Texas
Brunswick, Ohio
College Station, TX
Dallas, Texas
Dayton, Ohio
Frisco, Texas
Ft. Collins, Colorado
Huntsville, Texas
Kettering, Ohio
Lake Charles, Louisiana
Marshall, Texas
Muskegon, Michigan
Monroe, Louisiana
Ontario, California
Pampa, Texas
Portsmouth, New Hampshire
Rochester, Minnesota
San Angelo, Texas
Springfield, Illinois
Vermillion County, Indiana
Westminster, Colorado

Corporate Site Selection Projects

AAA
ALLTEL Communications
Amazon.com
American Express
AT&T
Blue Cross Blue Shield
Boeing
Cendant Corporation
Convergys
Corporate Express
General Motors
Frito Lay
FedEx
Harley Davison
The Home Depot
Hotels.com
Johnson & Johnson
IBM
Kraft Foods
Marriott Hotel and Resorts
McKesson Corporation
Merck
RMH Teleservices
Smith-Kline
Ticketmaster
Unitrin
Verizon Wireless
Washington Mutual Bank

**David Brandon, the proposed project co-leader, was a team leader for the above referenced projects while employed at The Pathfinders.*

REFERENCES

The following references are clients for whom SSG has completed projects.

| Company | Name | Title | Phone # |
|--|-----------------------|-------------------------|----------------|
| Greater Wichita Economic Development Coalition | Dave Bossemeyer | Managing Director | (316) 268-1132 |
| Madisonville, KY Economic Development | Gerald Cook | President | 270-821-1939 |
| Tennessee Valley Authority | Rachel Beaty Crickmar | Rural County Specialist | (615) 232-6054 |



WORLD ECONOMIC DEVELOPMENT ALLIANCE

WEDA was founded in 1994 as a full service site-location firm that served the needs of growing companies while assisting economic development professionals in the economic growth of their communities. The firm works with a wide range of industries that are targeted based on growth indicators. These include plastics, food, aerospace, distribution, medical device, auto, manufacturing, renewable energy and bio technology. WEDA has assisted over 1000 companies in their site location searches. These companies have created over 10,000 new jobs for companies and invested over \$1 BILLION over the past 10 years alone.

WEDA was founded by Eric Kleinsorge to assist the Economic Development Community to more effectively market their areas to companies that were expanding or relocating. Some of his notable accomplishments include:

- Invited Professional Speaking Engagements:
 - Florida’s Governors Economic Council. Invited back next two years.
 - American Economic Development Councils Annual Conference
 - Midwest Economic Development Councils Annual Conference
 - IOWA Economic Development Councils Annual Conference
 - OMAHA Recognized Professional Developers Tour
 - Oklahoma Department of Commerce’s Annual Conference

- Interviews conducted to enhance the credibility of the organization:

| | | |
|----------------|------------------------------|-----------------|
| George W. Bush | Colin Powell | Donald Trump |
| Rudy Giuliani | Mike Dell | Richard Branson |
| Jay Leno | Dick Clark | Roger Staubach |
| Jerry Jones | Senator Kay Bailey Hutchison | |

- Nominated by Judge Army to sit on Denton County Economic Development Commission as a recognized professional advisor for expansion and development of North Texas.
- Quoted in over 110 articles as recognized industry expert which enhanced company credibility.
- Created and Launched the nation’s premier Economic Development portal; ed-link.net
- Graduated from Texas Tech University with Bachelors in Business & Advertising.

For additional information, please visit WEDA’s website at www.wedanet.com.

Lead Nurturing

WEDA will customize a multistep lead nurturing program to move prospects to qualified status via targeted emails, personalized landing pages, and web forms.

The approach is as follows:

- Develop and manage prospect databases – WEDA will develop, organize (segment), and manage confidential prospecting databases for clients, helping them keep up-to-date records for more effective, targeted emails.
- Create an organization instance on WEDA marketing automation platform to host and execute all lead nurturing activity.
- Design a customized lead nurturing program for client including all emails, personalized landing pages, and web forms that will append new and updated information to the client’s confidential database.
- Provide client with detailed reporting on all stages of program including snapshots of where prospects are in the program and what activity is taking place (who is opening emails, who is clicking on specific links, what information is being captured, what are areas of interest, etc.).

What is a Lead Nurturing Program?

Lead nurturing is all about having consistent and meaningful conversations with viable prospects regardless of their timing to buy. It’s about building trusted relationships with the right people. In the end, it’s the act of maintaining and building solid relationships with economic developers. It’s not a sales person calling up every few months to find out if a prospect is “ready to buy yet.”

What does lead nurturing look like to a prospect?

I just receive a timely email from you after filling out a survey gauging my interests and appetite for relocating to your municipality. The email quickly addresses my pain points and needs for relocating. It reaffirms my interest level and is right to the point. It seems that every email I get from you is more targeted and focused than the next to my particular needs. I tell myself... *This guy is paying attention to what I’m looking for... He’s obviously done his homework... I will be sure not to overlook his next email since I know that he won’t waste my time with marketing messages for the masses.*

Segmentation is key to facilitating a conversation!

One size does not fit all! You have many different types of prospects with different interests and criteria for relocating. The quickest way to disengage with your audience is to blast the same email to everyone in your database The nature of lead nurturing is to have a one-on-one conversation with an individual based on their level of interest, timeframe of relocation, and other pertinent information that you can leverage in your prospect database.

How does lead nurturing clean and strengthen your prospect database?

Over the course of a yearlong drip campaign, information is gathered on your prospects through surveys and web forms embedded on personalized landing pages, and that information is recorded or appended to your prospect database. WEDA uses smart forms to capture or update fields that may be missing or is outdated. Remember, your database is the lifeblood of your organization and it's only as effective as the quality of information that it houses.

How can a lead nurturing program make you look like a superstar?

Imagine being able to show your Board where each of your active prospects is in the sales funnel, when they are expecting to relocate, what their barriers or concerns are, and how many jobs are projected to be created for your municipality if the deal is successful. WEDA will provide you with monthly reports to ensure that you are on top of all prospect activity.

What can you expect from WEDA in support of your Lead Nurturing Program?

You just made a sizable investment and like any other investment you want peace of mind! The creation of emails, landing pages, web forms, and surveys is just the beginning. The real power is the ongoing testing and adjustments made to subject lines, landing pages, email copy, and web forms. These incremental improvements over time will increase open and click through rates, and drive more conversions as time goes on!

How can a Lead Nurturing Program save you time and money?

WEDA will help you chart the entire year with relevant, targeted touch points in the first 30 days of your engagement. Once the sequence of emails and goals for your organization are designed and coded in the program, you will not have to worry about sending out emails, newsletters, or any other electronic correspondence to your prospects. The program will do it for you based on timed events and prospect behavior! You will not need additional headcount and resources!

Engagement Table

- I. Client discovery call (kickoff call)
- II. Outline of program workflow and deliverables (one week)
- III. Project calendar (assign project manager to coordinate)
- IV. Database cleanse and segmentation
- V. Program testing (one week)
- VI. Ongoing reporting (monthly)

Includes:

- Client instance of Tier 1 Email Service Provider or ESP
- Import of client's house list
 - Database cleanse and health check (removal of bad, blocked, and bounced emails)
 - Database storage of up to 8,000 contact records
 - White listing and CAN-SPAM compliance services (ensures high deliverability)
- 1 automated drip nurture program
- Up to 11 emails (touch points)
- 4 accelerated emails to move prospects to sale or next step
- 5 nurturing emails for communication/awareness
 - Local EDC interview
 - State Level EDC interview
 - Local Corporation interview
 - Local Community Leader interview
 - Local Small Business interview
- 2 one-off Seasonal or announcement emails
- Up to 9 unique landing pages
- A/B split testing on all email subject lines
 - 10% of list deployed; highest open percentage wins
 - 90% (remainder of database) deployed to winner
- 1 lead web form to capture prospect information
- Social sign-in with Linked In
 - Gain access to greater profile data
 - Ease of use for prospects
 - Greater accuracy
- Auto-reply handling (all replies will be processed through WEDA)
- Monthly reports
- Key metrics (opens, clicks, conversions, etc)
- Analysis on industry trends and roles
- Scoring of contacts within the database

Client responsibilities:

- Provide internal and existing house list for cleansing
- Provide key assets (may include copy and images)
- Critical talking points (Unique Selling Position)

PRICING: \$15,000 Set Up Charge

\$43,500 amortized monthly over year.

Outreach and Contact Enhancement

This will include a variety of media and personalized contacts to enhance the relationships with prospects identified through the nurturing. This will also help to feed the nurturing machine with more qualified prospects.

Create new account or manage existing AdWords account to drive prospects to a dedicated landing page with a specific conversion goal (download whitepaper, fill out survey, request information, etc.)

Our Approach:

Focus on three targeted areas of your business and filter prospects to one of three targeted landing pages (if, and only if, they show clear intent or interest).

To keep costs in check, we want to make sure ads are highly targeted, concise, and potential prospects have a clear understanding of what to expect on the landing page before they click on a particular ad.

What you'll get:

- Detailed Monthly Reports and Trends.
- Conversions that feed directly into nurturing program (if applicable).
- Exposure at Top Industry Trade Shows.
- Ability to attend VIP Networking Events.
- Micro sites and listing to enhance your web presence.
- Weekly adjustments to keywords, ad groups, ads, landing pages, and web forms.
- Continuous improvement on Google Quality Score to lower cost of clicks and increase traffic while maintaining daily budget.



PRICING: \$46,500 amortized monthly over year.

Site Locator Outreach

This will include a variety outreach programs to the Site Locator community. These communications will be put directly in the hands of over 3,500 Corporate Site Location Executives that handle thousands of projects each and every year.

Our Approach:

Use the leverage of our Project Development Board's ongoing messaging system to make bi monthly announcements of available properties and sites in Ridgecrest and directly meet with executives with the power to influence final site location decisions.

What you'll get:

- Detailed reports on properties listed
- Bi monthly announcements to the Site Location Executives Network.
- Contacts fed directly into the nurturing campaign for enhanced contacts and education regarding Ridgecrest.



PRICING: \$12,000 amortized monthly over year.

Payment Options



This project has been broken down in 4 different key segments. Each of which enhance the other and maximize your exposure and efforts to key executives that are in major growth sectors that will be identified through our research. These segments are as follows:

| | |
|--|------------------|
| 1) SITE LOCATION GROUP RESEARCH | |
| a. Existing Study Review (Paid upon Delivery of Report)..... | \$ 5,000 |
| b. Targeted Industry Review (Paid upon Delivery of Report)..... | \$15,000 |
| c. Targeted Industry Marketing Strategy Report and Company Identification. (Paid upon delivery of report and list of companies)..... | \$10,000 |
| d. Travel Expense Reimbursed at Time of Expense | |
| | |
| 2) WEDA LEAD NURTURING PROGRAM SETUP (Paid Upon Delivery of Program and all Componerts) | \$15,000 |
| | |
| 3) WEDA NURTURING AND OUTREACH PROGRAM | |
| a. WEDA NURTURING PROGRAM IMPLEMENTATION..... | \$43,500 |
| b. WEDA CONTACT OUTREACH AND ENHANCEMENT..... | \$46,500 |
| c. <u>WEDA/N AIGLOBAL \$TELOCATOR OUTREACH.....</u> | <u>\$12000</u> |
| 12 Total Amortized Monthly Payments of \$8,500= | \$102,000 |
| | |
| TOTAL INVESMENT= | \$147,000 |

TERMS

The project may be completed with the following terms:

- Payment 1= \$30,000 for the Research Portion of the Investment.
- Payment 2= \$15,000 for the programming and setup of the Lead Nurturing Program
- 12 Amortized Payments= \$8,500 per month (12 months) to be paid on the first of each month for the previous month's service. Invoice sent on 15th of month to be paid on the 1st.

Alternative payment options are available upon request if these do not meet requirements of your city

Conclusion

In conclusion, this project is exactly in line with our firms areas of expertise. Together, we have over 50 years of experience in research, identification and attraction of new business. By allowing each partner to focus on what they do best allows for maximum delivery of results.

You can be confident that the team put together on this project is of the highest quality and one which you will be proud to work with. We are truly excited about this opportunity and look forward to delivering you the results you are looking for and deserve.

We thank you for this opportunity!

References

The following references are clients for whom WEDA has completed projects

| Company | Name | Title | Phone # |
|----------------------------|----------------|--------------------|----------------|
| Dumas EDC, Texas | Mike Running | Executive Director | (806) 934-3332 |
| Bowling Green, Kentucky | Ron Bunch | President / CEO | (270) 901-4602 |
| Chippewa County, Wisconsin | Charlie Walker | President | 715-723-7150 |



Helping you...

CLOSE THE D.E.A.L.



CITY OF RIDGECREST

Develop
Engage
Access
Locate





1) What are the number of new jobs you feel will result in your program?



YEAR ONE

Our Plan is to take the 2,000+ prospects that are currently engaged in our California lead nurturing program and identify, educate and convert them into companies considering a location in Ridgecrest. Our goal is to attract a minimum of one company that will generate a minimum of 25 to 50 jobs requiring engineering level wages of \$55,000+.

If we should secure a Data Storage company (one of our targets), the total number of jobs would be reduced yet salary would increase to \$85,000 to \$100,000 per employee.



YEAR FIVE

We would anticipate that over a 5-year period 3 to 5 companies of similar characteristics could be located as a result of clustering. Each company would have a growth of 15% in jobs. This would be an estimated 150 jobs and an increase in salaries to \$62,000 each.

Note: There is a national average of \$200,000 of economic impact per new job created for a community. Therefore 25 new jobs alone would result in a 5,000,000 minimum economic impact.



CITY OF RIDGECREST



WEDA

WORLD ECONOMIC DEVELOPMENT ALLIANCE



2) If you plan on selling items/products from your Ridgecrest location, how much would the annual taxable sales be in year one and in year five?



YEAR ONE

Ideally we could lure a company that assembles or manufactures a product and sells the product from the Ridgecrest location. These types of companies have taxable sales in excess of \$3,000,000.



YEAR FIVE

The same would hold true and simply attracting two in a five year period with normal growth in sales would result in a total of over \$33,000,000 in taxable sales.





3) If your proposal would result in the establishment of a location in Ridgecrest, how much land and/or building space would be utilized in square footage?



LAND/BUILDING

The average location we would be bringing to Ridgecrest would require 2 acres of land and 35,000 to 50,000 square feet of space.



Additionally, what amount of property improvements and/or property tax would you estimate will be generated annually for facilities in Ridgecrest?



Property Tax

The ideal target of a data center requires a tremendous amount of improvement on equipment and security. A minimum of a \$10,000,000 property investment is on the low side.





4) If your proposal would result in people traveling to Ridgecrest and requiring overnight stays, how many people would you estimate that to be?



PEOPLE VISITING

The average number of executives, trainees and potential clients would be 5 to 7 per week..



Additionally, how many hotel nights would be needed and result annually from these visitors?



NIGHTS STAY

The number of nights stay would be an average of 3 nights. Annually, that would be a total of just over 900 rooms. The “trickle down” of meals and entertainment are exponentially more.





Questions Regarding Program





CITY OF RIDGECREST

Thank You!



We thank you for the opportunity to help increase the number of job opportunities for the City of Ridgecrest.

We look forward to delivering you with the results you are looking for and deserve!



 **WEDA**
WORLD ECONOMIC DEVELOPMENT ALLIANCE

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:

Discussion of Solid Waste Account Receivables and potential collection opportunities

PRESENTED BY:

Daniel O. Clark - Mayor

SUMMARY:

During the recent budget hearings, Mayor Clark brought forward several suggestions and ideas of ways City could potentially receive revenues or one time reimbursements which would benefit the city budget.

One task suggested was to formulate a process for collecting outstanding Solid Waste Accounts Receivables in excess of \$700,000 owed to the City.

This item is a discussion of the available processes which City could utilize to accomplish collection of these outstanding accounts receivables and give direction to staff to proceed with the process Council may outline in the discussion.

FISCAL IMPACT:

None

Reviewed by Finance Director

ACTION REQUESTED:

Discussion and possible direction to staff

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Dan Clark
(Rev. 6/12/09)

Action Date: June 18, 2014

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