

Visitor Alliance of Cayucos (VAC)
(Cayucos Local Fund Advisory Board)

Draft Meeting Minutes
September 12, 2022 – Hybrid

Board Members Present:

Melissa Kurry, Seelyon Beach Rentals
Toni LeGras, Beachside Rentals (Co-Chair)
Carol Kramer, Sea Shanty (Co-Chair)
Richard Shannon, On the Beach B&B

Others Present:

CBID: Cheryl Cuming (CAO)
Danielle Dubow, Admin
Bruce Gibson, BOS
Laila Kollmann, Shoreline Inn

1. **Call to Order:** By Co-Chair Toni LeGras at 10:00 a.m.

2. **Public Comment:** None

Presentation: Bruce Gibson on Vet’s Hall Renovation Funding

Bruce Gibson submitted a CBID Local Fund Area Beautification and Infrastructure application to the VAC and was asked to present his proposal. He opened by saying that state funding unexpectedly came through - they were supposed to get a grant of \$2.5 million that came in at zero, but existing grant of \$9 million was extended by \$2.5 million that is now allocated to the Vet’s Hall renovation funding. Right now, there is a funding gap of \$530,675.

The community did an extraordinary job of raising funds of over \$500,000. To close the gap, Bruce will give \$50,000 of community project funds and the Vet’s Hall Community Committee (VHCC) has committed \$400,000 of their funds and Bruce is asking that VAC contribute \$100,000 of funding, based on the Hall’s nexus to serving visitors and residents alike. That means that there will be a buffer of around \$100,000 for outfitting the Vet’s Hall after construction AND that the VHCC will still have \$100,000 and will continue to fundraise. It was noted that both Toni and Carol serve on the Vet’s Hall Community Committee, which is also being asked to fund a portion of this project.

Previous General Fund Budget:	\$ 471,600
Community, Cultural & Natural Resources Grant Award:	\$ 1,937,000
Internal Loan/Bond Issuance:	\$ 3,550,000
State Coastal Conservancy Grant	\$ 300,000
FY22-23 CA State Budget	\$ 1,000,000
Locally-Operated State Parks Grant Award	\$ 705,250
CCNR Grant Augmentation	\$ 2,500,000
SCC Grant Increase	\$ 45,000
Total Budget:	\$ 10,508,850
Total Expended :	\$ 655,000
Architectural Fees Committed:	\$ 45,194
Total Remaining Budget:	\$ 9,808,656

ESTIMATED EXPENSES:

A - Estimated Construction Phase Soft Costs to completion (15 months)	
	Subtotal: \$ 699,114
Soft Costs Contingency (15%)	\$ 104,867
	Subtotal A: \$ 803,981
B - Estimated Construction Hard Costs:	
Construction Contract	\$ 8,560,000
Hard Construction Costs Outside of Construction Contract (incl. Construction Contingency & Debt Issuance Costs)	\$ 975,350
	Subtotal B: \$ 9,535,350
	Total Estimated Cost (A+B): \$ 10,339,331

Funding Gap: \$ (530,675)

Melissa asked what the debt service amount will be. The Park’s pro forma is confident that income from the rental of the Vet’s Hall will be able to cover the debt service of \$14,000 per month (\$165,000 per year) plus operating and maintenance costs. If it does not, the county’s general fund will be responsible for paying for these items. Richard asked about the two bids the county received which were over twice as expensive as the original estimate. Bruce said it is a complicated project for a historic building, which

will require lifting the original structure off its foundation to build up the foundation by 2.5 feet and then put the building back down. Richard asked if there was a way to keep the funding but go out to bid again and Bruce said that the bond issue and grants will go away if we delay. Toni asked whether the community supports more tourism and Bruce answered that this is a physical investment that has direct benefits to the businesses of Cayucos and that the weddings, shows, and events held there will bring tourism dollars to the whole town.

The county will be responsible for setting rates and that the local community will be able to use the hall at reduced rates. County Parks will be responsible for maintenance and accounting, and the Lions Club may be the community liaison that shows the hall.

Carol asked what other building has had to pay off its debt and Bruce said that the Probation Department and Sheriff's Dispatch will also have to pay off their debt service from this bond. At this point the debt financing is necessary to get the project done, they have exhausted all grants and other funding options. The \$3.5 million of debt service received an interest rate of 2.4% over 30 years, which is lower because it's part of a larger bond issuance of \$50 million. The county has a AAA bond rating, which helps as well.

On October 4 the BOS will meet. All the other funding is in place, and they have the authority to issue the bond. Laila asked how much it will be to outfit the hall. The Lion's Club is raising funds for finishing out the kitchen, which will cost \$100,000 - \$150,000. The community will figure out the rest as the project progresses. The hall will contain space for the Art Association, Historical Society, and hopefully a Visitor's Center. The Vet's Hall is the civic heart of Cayucos and has a history of being visitor and community serving.

Bruce requested that the VAC provide a letter of support, stating the amount, based on the timing of the bond funding and the need to have this item on the October 4th BOD agenda. The CBID Advisory Board meeting is September 28 and upon VAC approval, the application will come before the CBID board and will need to be approved by them.

3. Action Items:

a. Discuss and vote on Vet's Hall Funding Application:

Carol says she does not want to spend \$100,000 and Toni noted that the funding gap is covered by several funding sources, and the VAC money will be a buffer. Carol said she would support \$50,000 the future funding for specific outfitting needs, like a sound system or stage. This current funding request is specific to the building. It was noted that the community will have to give more money to cover the current budget gap. Over the past 10 years the VAC has built a reserve of \$147,629 and Toni noted that this funding will be 30 to 50% of those reserves. All agreed that the community needs the Vet's Hall, and the grant and bond funding is critical.

Bruce was asked to provide additional explanation on the budget details that will be included within the funding submission to the CBID. The CBID needs it in the application addendum. Cheryl also asked that we acknowledge that the project timing will not be complete in one year which is requirement within the funding application.

Richard motioned to fund \$75,000, and Melissa seconded. During discussion Carol said she would not support this amount and would recommend something closer to \$60,000. Melissa said she supported \$60,000 so Richard withdrew his motion. Richard then motioned for \$60,000 contingent on the CBID's approval, noting that VAC is open to future funding for specific items. Melissa seconded the motion. All were in favor; the motion carried.

Melissa agreed to draft a letter of the VAC's interest to fund, that Toni and Carol will sign as co-chairs. This letter will be submitted to Bruce prior to the September 16th BOS agenda deadline, so that it can be included in their BOS board materials.

4. Closing Comments: None

Future meeting dates:

Monday, October 10, 2022

Monday, January 9, 2023

5. Next Visitor Alliance of Cayucos Regular Meeting:

Date: Monday, October 10, 2022

Time: 5:30 p.m.

Location: Cayucos Visitor's Center or Hybrid - TBD

6. Adjournment: 11:08 a.m.