



CITY OF SEASIDE
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MEDIA RELEASE

City of Seaside, CA
November 30, 2016

MONTEREY DOWNS LLC. FORMALLY TERMINATES PROJECT

For More Information:

City Manager Craig Malin

Phone: 831.402-0293

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Monterey Downs LLC formally notified the City of Seaside today that it was terminating all negotiations and actions related to the project formerly known as Monterey Downs. The notification occurred via letter received by e-mail. The letter is attached.

The termination ends the project, but not Monterey Downs LLC's responsibility to reimburse costs incurred by the City under an Exclusive Negotiating Agreement originally entered into in September, 2010. Section 9 of that agreement provides that the Developer's reimbursement obligations "shall survive the expiration or earlier termination" of the agreement.

The City Council is expected to rescind project approvals granted at recent prior meetings at tomorrow's City Council meeting. Notice of project approval rescissions were published by the City on November 23, in response to a November 22 e-mail from Monterey Downs LLC that they decided not to execute an indemnification agreement, which was required as part of the approval resolutions. Subsequent to the City's posting of agendas with project approval rescission motions, LandWatch of Monterey County and Keep Fort Ord Wild filed litigation, seeking to stop the project.

Community building in Seaside carries on, regardless. On tomorrow's City Council agenda, seven former Redevelopment Agency parcels are expected to be authorized for sale, along with a Land Sale Agreement for the "Surplus II / 26 Acres" parcel on the former Fort Ord. On Monday, the City expects to receive development proposals for the "Main Gate" parcel, also on former Fort Ord. Meanwhile, the City is currently engaged in updating its General Plan and participating in the Oak Woodlands Study on former Fort Ord property. Both are expected to lay the foundation for significant new investment in vibrant, sustainable projects underlying Seaside's bright future, with the next opportunity for citizens to participate coming on Monday, December 5, at a General Plan meeting at the Oldemeyer Center, beginning at 6:00 PM (flyer attached).

For more information, contact City Manager Craig Malin at 402-0293.

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FOR IMMEDIATE PUBLICATION

seaside 2040

your city. your future.



Share your ideas about the future of Seaside!

¡Comparta sus ideas sobre el futuro de Seaside!

The City of Seaside is updating its General Plan, the long-range plan that guides future housing and job growth, transportation, parks and open space, and schools in the City. Please join us on December 5th at 6:00 pm to discuss the location and character of future development. The meeting will focus on areas that have the potential for change, such as the former Fort Ord lands and commercial streets like Broadway and Fremont.

La Ciudad de Seaside está actualizando su Plan General, el plan a largo plazo que guía el crecimiento futuro de la vivienda y el empleo, el transporte, los parques y espacios abiertos, y las escuelas en la Ciudad. Acompáñenos el 5 de diciembre a las 6:00 pm para discutir la ubicación y el carácter del desarrollo futuro. La reunión se enfocará en las áreas que tienen el potencial de cambio, como las antiguas tierras de Fort Ord y calles comerciales como Broadway y Fremont.

DECEMBER

5

6:00 PM to 8:00 PM (doors open @ 5:30)

Oldemeyer Center, Laguna Grande Room

986 Hilby Ave, Seaside, CA 93955

RSVP at seaside2040workshop2.eventbrite.com

Light refreshments and childcare will be provided.

Habra aperitivos y cuidado de niños.



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www.seaside2040.com



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November 30, 2016

VIA U.S. MAIL AND EMAIL (cmalin@ci.seaside.ca.us)

Craig Malin, City Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

Re: **Terminating the Project formerly known as Monterey Downs**

Dear Mr. Malin:

This firm represents Monterey Downs, LLC in connection with the proposed development project formerly known as Monterey Downs and Monterey Horse Park and Central Coast Veterans Cemetery Specific Plan ("Project").

The purpose of this letter is to inform the City of Seaside that Monterey Downs, LLC hereby terminates and ends all negotiations, actions, duties and obligations pursuant to that certain Exclusive Negotiating Agreement between the City of Seaside and Monterey Downs, LLC dated September 16, 2010, and amended December 12, 2014, March 5, 2015 and March 3, 2016 (collectively "ENA"), which was intended to establish the terms and conditions of a Disposition and Development Agreement ("DDA") for the Project site.

As you may be aware, ENA section 5 states that "neither Party is under any obligation whatsoever to enter into a DDA." The sole purpose of the ENA was for the parties to negotiate a possible DDA exclusively with each other. Monterey Downs, LLC no longer intends to negotiate or enter into a DDA, therefore, the ENA is effectively terminated as of the date of this letter.

In addition, Monterey Downs, LLC will not undertake the Project, or comply with or fulfill any of the conditions of approval set forth in City Council Resolution No. 16-97 amending the General Plan adopted on November 10, 2016, Ordinance No. 1031 adopting the Project

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Craig Malin
City of Seaside
November 30, 2016
Page 2

Specific Plan on November 17, 2016 or Ordinance No. 1032 amending the Seaside Municipal Code adopted on November 17, 2016 (collectively, "Project Approvals").

Monterey Downs, LLC has no intention of proceeding with the Project described in the ENA or the Project Approvals. As a result, Monterey Downs, LLC will not undertake any further action to support or facilitate the Project, the ENA or the Project Approvals. Monterey Downs, LLC will not sign, acknowledge, or accept any liabilities resulting from or related to any terms or conditions of the Project, the ENA or the Project Approvals.

Very truly yours,



David E. Watson

cc: Brian Boudreau
Beth Palmer
Don Freeman via email

DEW:jlj