

**OPERATIONS AGREEMENT
BETWEEN THE CITY OF SALINAS AND
SALINAS VALLEY TOURISM & VISITORS BUREAU, INC.**

**OPERATION OF THE CALIFORNIA WELCOME CENTER
1A STATION PLANCE, SALINAS, CALIFORNIA**

This Operations Agreement (the “Agreement”) is executed this 24th day of March, 2026, between the City of Salinas, a California Charter city and municipal corporation (hereinafter “City”) and Salinas Valley Tourism & Visitors Bureau, Inc., a California not for profit corporation (hereinafter “SVTVB”).

RECITALS

WHEREAS, the pursuant to the Monterey County Tourism Improvement District (MCTID) Management District Plan (MDP), \$2.50 is collected from all Salinas lodging facilities, in association with the MCTID operated by the Monterey County Convention and Visitors Bureau (MCCVB) hereinafter (the “TID Assessment”); and

WHEREAS, of the TID Assessment, \$2.00 per room night is remitted back to the MCCVB and the remaining \$0.50 per room night is retained by the City (the “Assessment”); and

WHEREAS, the Assessment collected may be used at the discretion of the City for the purpose of promoting overnight stays at lodging facilities within Salinas; and

WHEREAS, Visit California awarded SVTVB the right to operate a California Welcome Center in Salinas and since the award SVTVB has continued to successfully operate the Welcome Center. SVTVB currently operates the Welcome Center at 1A Station Place in Salinas pursuant to a lease agreement between the City and SVTVB (the “Lease Agreement”). The Lease Agreement is attached hereto as Attachment B and incorporated herein by this reference; and

WHEREAS, the City and SVTVB desire to enter into this Agreement to provide for the City’s contribution of the Assessment toward SVTVB’s continued operation of the Welcome Center as a means of promoting tourism within Salinas.

NOW, THEREFORE, the City and SVTVB agree as follows:

1. Scope of Services. The scope of SVTVB’s services and operations at the Welcome Center are described in Exhibit A, attached hereto and incorporated herein by this reference.

SVTVB agrees that the services to provided pursuant to this Agreement and its operation of the Welcome Center shall be performed in a fully competent manner. By executing this Agreement, SVTVB further agrees and represents to City that SVTVB possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the services contemplated under this Agreement and that the City relies upon the professional skills or SVTVB to operate the Welcome Center.

2. Term. This Agreement is intended to include the following fiscal years for the City: FY2026-2027, and FY2027-2028 unless extended in writing by the parties.

3. Compensation. In recognition of the value that the Welcome Center brings to the City, the City agrees to provide financial support to SVTVB as set forth in this section. City agrees to pay to SVTVB funds in an amount equal to the Assessment defined above that is remitted to the City during the period of July 1, 2026, through June 30, 2028, less one percent (1%) of said Assessment which amount shall be retained by the City to cover its administrative costs associated with the Assessment and this Agreement. SVTVB may request, and the City shall reasonably provide, a current fund balance reflecting the amount of TID funds remitted to the City, as such records are available to the City upon the date of the request, as well as the amount of funds paid to SVTVB as of the date of the request. City shall pay the Assessment to SVTVB on a quarterly basis (July 1, October 1, January 1, and April 1). The quarterly paid Assessment shall include SVTVB's share of the TID funds which had been received by the City at least thirty (30) days after the conclusion of the quarter.

Subject to the availability of funds and annual appropriation by the City Council, City will provide additional funding for July 1, 2026 through June 30, 2027 and July 1, 2027 through June 30, 2028, to SVTVB, in the amount of \$200,000 for each year for a total amount of \$400,000 over the term of the agreement to perform work as described in Exhibit A. This funding shall be provided on a quarterly basis in equal installments of \$50,000 and will be included with the TID funds. To the extent that payment dates have already occurred, such additional payments shall be added to the next Assessment payment.

The payment of any compensation shall be contingent upon performance of the terms and conditions of this Agreement to the satisfaction of the City.

4. Payments and Reports. SVTVB shall on a quarterly basis submit to City a report, prepared in a form satisfactory to the City, describing its services provided at the Welcome Center and providing reports and/or information for the period covered for that quarter. Each report shall represent one or more whole months and individual months shall not be divided among multiple reports.

Provided that the reports meet the requirements of this Agreement, and sufficient funds are available as described in Section 3, Compensation, the City will be obligated to remit the amount in full satisfaction each quarter.

If SVTVB submits quarterly reports which are incorrect, incomplete, or not in accordance with the provisions of this Agreement (including its exhibits), City shall not be obligated to process any payment to SVTVB until thirty (30) days after a correct and complying report has been submitted by SVTVB.

5. Meet & Confer. SVTVB agrees to meet and confer with City or its agents or employees with regard to services and operations as set forth herein as may be required by City to insure timely and adequate performance of this Agreement.

6. Insurance. SVTVB shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Attachment A hereto.

7. Access to Records and Reports; Additional Copies. SVTVB shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials related to its performance pursuant to this Agreement on file for at least three (3) years following the date of final payment by City to SVTVB. The City Manager and/or his/her designee shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during SVTVB's regular business hours.

If City requires additional copies or reports, or any other material which SVTVB uses or is required to furnish as a part of its operation of the Welcome Center and/or the services under this Agreement, SVTVB shall provide such additional copies as are requested, and City shall compensate SVTVB for the actual costs related to the production of such copies by SVTVB.

The City recognizes that SVTVB is a private entity which will be seeking donations from other private entities, some of which may not want their private information shared. The City recognizes that nothing in this Agreement requires SVTVB to provide to the public any documents which are provided to the City in conformity with this Agreement. Except as may otherwise be required by law or an order of a court of competent jurisdiction, the City agrees that it will not provide copies of anything SVTVB considers confidential to any other parties, and it will not use any of the documents provided by SVTVB for anything other than compliance with this Agreement.

8. Indemnification. SVTVB shall hold harmless, defend at its own expense, and indemnify City and its officers, officials, employees, agents, and volunteers from and against all liability, claims, damages, losses, and/or expenses including reasonable City attorney fees arising from all acts or omissions of SVTVB or its officers, agents, or employees arising out of the performance of the work under this Agreement, caused in whole or in part by any negligent act or omission of the SVTVB, anyone directly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the sole negligence or willful misconduct of the City. The City shall hold harmless, defend at its own expense, and indemnify SVTVB and its officers, employees, agents, and volunteers from and against all liability, claims, damages, losses, and/or expenses including reasonable attorney fees arising from all acts or omissions of the City or its officers, officials, agents, or employees arising out of the performance of the work under this Agreement, caused in whole or in part by any negligent act or omission of the City, anyone directly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the negligence or willful misconduct of the SVTVB.

9. Licensing. If a license of any kind, which term is intended to include evidence of registration, is required of SVTVB, its representatives, agents, or subcontractors by federal, state, or local law, SVTVB warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

10. Termination. City may terminate this Agreement upon ten days' written notice to SVTVB, as follows:

(A) If in the City's reasonable opinion the conduct of the SVTVB is such that the interests of the City may be impaired or prejudiced, or

(B) If the SVTVB ceases to have the contract with Visit California to operate the Welcome Center.

11. Compliance with Laws, Rules, and Regulations. Services performed by SVTVB pursuant to this Agreement and its operation of the Welcome Center shall be performed in accordance and full compliance with all applicable federal, state, and local laws and any rules or regulations promulgated thereunder.

12. Agency. In performing the services specified under this Agreement, SVTVB is hereby deemed to be independent and not an agent or employee of City.

13. Non-Assignability. The rights and obligations of SVTVB hereunder are not assignable and cannot be delegated without written consent of City.

14. Entire Agreement; Exhibits Incorporated. This Agreement constitutes the entire Agreement between the parties hereto and supersedes any and all prior agreements, whether oral or written, relating to the subject matter thereof. Any modification of the Agreement will be effective only if it is in writing signed by both parties hereto. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to this Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

15. Validity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force without being impaired or invalidated in any way.

16. Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

17. Severability. If any part of this Agreement is found to be in conflict with applicable laws or any court decision, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

18. Subject to Availability of Funds. In the event that the City Council, or other governing body, fails to appropriate or budget sufficient funds for the continuation of this Agreement, or should funds become unavailable for any other reason, the City reserves the right to terminate this agreement upon written notice. This termination shall be effective as of the last day of the fiscal year for which funds were appropriated. Upon such termination, the SVTVB will be limited to compensation for satisfactory services rendered up to the termination date.

19. Conflict of Interest. SVTVB warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree

which will render the services required under the provisions of this Agreement a violation of any applicable local, state, or federal law. SVTVB further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, SVTVB shall promptly notify the City of the existence of such conflict of interest so that the City may determine whether to terminate this Agreement. SVTVB further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas Municipal Code Chapter 2A that apply to SVTVB as a result of SVTVB's provision of services pursuant to the terms of this Agreement.

20. Levine Act Disclosure Compliance (Cal Government Code Sec. 84308). SVTVB hereby affirms and warrants that it has not contributed to the campaign of any elected or appointed City official an amount totaling more than \$500 within twelve (12) months of the effective date of this Agreement, except as SVTVB has disclosed within its Levine Act Disclosure Form submitted by SVTVB to the City. SVTVB agrees, that in the event it makes any contributions subject to the Levine Act's disclosure requirements within twelve (12) months of the effective date of this Agreement, that it will file a Levine Act Disclosure Form (or Forms). SVTVB acknowledges this duty of disclosure and that the City has made the Levine Act Disclosure Form(s) readily available on the City's public internet site under Your Government / Transparency section for SVTVB's continuous compliance.

21. Electronic Execution of Agreement. The words "execution," "signed," "signature," and words of like import in this Agreement and shall be deemed to include electronic signatures or electronic records (including, without limitation, DocuSign and AdobeSign), each of which shall be of the same legal effect, validity, enforceability, and admissibility as a handwritten signature.

22. Notices.

(A) Written notices to the City hereunder shall, until further notice by the City, be addressed to:

Assistant City Manager
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

(B) Written notices to SVTVB shall, until further notice by SVTVB, be addressed to:

Craig Kaufman
Salinas Valley Tourism & Visitors Bureau, Inc.

1A Station Place
Salinas, California 93907

With a copy to:

Kelly Sutherland, Esq.
Anthony Lombardo & Associates, Inc.
144 W. Gabilan Street
Salinas, California 93901

(C) The execution of any such notices by the City Manager, Assistant City Manager or their designees shall be effective as to SVTVB as if it were by resolution of the City Council.

(D) All notices shall be delivered as set forth herein. If they are delivered personally to the other Party's designees named below or via overnight courier, they shall be effective the day delivered. Alternatively, notices may be sent by depositing them in the United States Mail, properly addressed as below, postage fully prepaid, and such notices shall be effective five (5) business days after being deposited in the mail.

23. Nondiscrimination. During the performance of this Agreement, SVTVB shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years), or disability. SVTVB shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years), or disability.

24. Interpretation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

25. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

26. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. A waiver by the SVTVB of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

IN WITNESS WHEREOF, this Agreement is entered into by the parties hereto on the day and year first written above.

Signatures on following page.

CITY OF SALINAS

René Mendez, City Manager

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney, or
Rhonda Combs, Assistant City Attorney

SVTVB

By (Printed Name): _____

Its (Title): _____

Exhibit A

Scope of Work

The SVTVB shall operate a California Welcome Center (“Welcome Center”) that is officially recognized by Visit California. The purpose of the Welcome Center is to attract and direct visitors to the City of Salinas (the “City”).

To demonstrate that operations of the Welcome Center directly bring visitors to the City and contribute to local economic activity, a multi-layered measurement system focused on (1) visitor origin, (2) intent and behavior, (3) referrals to local businesses, (4) heritage and cultural exhibit draw, (5) digital engagement, and (6) fundraising to enhance visitor’s experience at the Welcome Center/Heritage Park will be implemented. These metrics demonstrate both visitation volume and causation – i.e., that visitors came to, stopped in, or extended their stay in the City because of the Welcome Center. With the increased funding, it is expected to result in increased visitation.

1. Key Metrics (Data to be provided on a Quarterly Basis)

Survey: The Welcome Center will create a survey for visitors (sample survey is attached) approved by the City. The survey will capture the following: (1) Visitor Origin which shows that the Welcome Center is bringing visitors into the City; (2) Visitor Intent/Reason for Visiting, did the Welcome Center motivate the trip; (3) Referrals to local Business: did the visitor go to an attraction featured at the Welcome Center.

Total number of visitors: The Welcome Center will track the total number of visitors to the Welcome Center on a quarterly basis. The data will be segregated so as to track school visits and events hosted by the Welcome Center separately from other visitors.

Digital Engagement: Tracking digital engagement is important because it provides data-driven into audience behavior to improve marketing strategies. It will help understand what content resonates and enhances brand reputation. It is expected with the increased funding, digital engagement will also increase. The Welcome Center will report quarterly:

Digital Engagement Methods

- a. Website Analytics: Number of Users viewing “Welcome Center” Pages
- b. Social Media Indicators:
 - o Reach & Impressions: track how many people see your counted.
 - o Track growth by quarter.

Fundraising Efforts; Efforts to Enhance Visitor Experience: The Welcome Center will report to the City regarding its efforts to fundraise and enhance the visitor experience to the Welcome Center. To the extent necessary (e.g., a grant request needs to be signed by the owner of the building), the City shall cooperate in SVTVB’s efforts.

2. Hours of Operation:

The SVTVB shall continue to operate the California Welcome Center within the City of Salinas and shall be responsible for ensuring that said Center is operated in accordance with the requirements of Visit California. SVTVB shall employ staff of appropriate quantity and skill so that the Welcome Center is open to the public at least six days per week, and the SVTVB shall determine seasonally which six days per week allows the SVTVB to serve the maximum number of visitors. In the event that this staff member is unable to perform his/her duties, or in the event Welcome Center at any point becomes unable to remain open six days per week, Welcome Center shall employ contract labor or take other means necessary to maintain uninterrupted six-day-per-week operations. The requirement to remain open shall be waived for any holidays recognized by the City of Salinas. This Section shall be inapplicable if the Welcome Center is required to close pursuant to a lawful health order issued by a state or local government, or if directed to do so by Visit California.

3. Maintain marketing materials (whether presented electronically or on a physical medium such as paper or canvas) which provide information regarding potential lodging options, activities and restaurants within the City of Salinas.

4. SVTVB shall endeavor to meet and confer with the hotel operators within the City of Salinas, individually or collectively, on a reasonable basis, but not less than once per year, to discuss opportunities for the Welcome Center to increase the number of overnight stays within the City of Salinas. The City of Salinas shall provide SVTVB with the identity and contact information it has for such hotel operators.

Sample Survey

A. Visitor Attraction Survey (non-school visitors)

1. Visitor Origin Analysis: This instantly demonstrates that the center serves travelers - not just local residents.

Where are you from?

- City of Salinas (local)
- Monterey County (Not City of Salinas)
- California
- Out of state or international.

2. Visitor Intent/Reason for Visiting. Did the Welcome Center motivate the trip? This provides direct evidence of influence, which is often what cities expect.

- *“What brought you to Salinas today?”*
 - Already planned to visit Salinas
 - Stopped because we saw the Welcome Center
 - Came specifically to visit the Welcome Center / exhibits
 - Visiting local attractions (Nat Steinbeck Center, Downtown, etc.)
 - Restaurants
 - Passing through
 - Other _____
- *“If the Welcome Center were not here, would you still have visited or stopped in Salinas today?”*
 - Yes
 - No
 - Not Sure
- *“Did you learn about any other places from the Welcome Center that you will now go visit?”*
 - Yes (where? _____)
 - No
 - Not Sure
- *“How many days will you be spending in Salinas/South County?”*

- *“What places do you plan to visit after this?”*
 - National Steinbeck Center
 - Downtown Salinas (dining/shopping)
 - Event: _____
 - Wineries
 - Restaurants
 - Staying overnight in Salinas
 - Other: _____

Attachment A

Insurance Requirements

SVTVB shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the SVTVB, his/her/its officers, agents, representatives, employees, and/or volunteers.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (“CGL”): Insurance Services Office (“ISO”) Form CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO Form CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: ISO Form CA 0001 covering Code 1 (any auto), with limits no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation**: as required by the State of California, with Statutory Limits, and Employers’ Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.

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

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. At the option of the City, either: the SVTVB shall cause the insurer shall reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the SVTVB shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Other Insurance Provisions

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

1. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the SVTVB including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the SVTVB. General liability coverage can be provided in the form of an endorsement to the SVTVB’s insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

2. For any claims related to this project, the **SVTVB's insurance coverage shall be primary** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the SVTVB's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.
4. A copy of the claims reporting requirements must be submitted by SVTVB to the City.

Acceptability of Insurers

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

Waiver of Subrogation

SVTVB hereby agrees to waive rights of subrogation which any insurer of SVTVB may acquire from SVTVB by virtue of the payment of any loss. SVTVB agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the SVTVB, its employees, agents and volunteers.

Verification of Coverage

SVTVB shall furnish the City with original Certificates of Insurance including an additional insured endorsement and all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the SVTVB's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Maintenance of Insurance

Maintenance of insurance by SVTVB as specified shall in no way be interpreted as relieving SVTVB of its indemnification obligations or any responsibility whatsoever and the SVTVB may carry, at its own expense, such additional insurance as it deems necessary.

Special Risks or Circumstances

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

Attachment B
Lease