

**CITY COUNCIL MEETING
TUESDAY, JUNE 5, 2018**

**DOCUMENTS RECEIVED
AFTER PUBLISHED AGENDA**

ITEM #14

**Transfer of Partial Ownership of the
Palace Poker Casino, LLC
Per the Hayward Card Club Regulations
and a Conditional Use
Permit Amendment Related to the
Parking Mitigation Fee
Associated with the Palace Card Club
Shuttle located at 22821
Mission Boulevard**

Memo to Council

AGENDA QUESTIONS & ANSWERS

MEETING DATE: June 5, 2018

Item #14: Transfer of Partial Ownership of the Palace Poker Casino, LLC Per the Hayward Card Club Regulations and a Conditional Use Permit Amendment Related to the Parking Mitigation Fee Associated with the Palace Card Club Shuttle located at 22821 Mission Boulevard (APN 428-0081-033-00) Catherine Aganon and Pamela Roberts (Owners and Applicants) (Report from Interim Development Services Director Bristow)

What is the annual per table fee paid by the card club? Is that fee indexed for inflation? If not, why not?

The annual per table fee is contained within the Master Fee Schedule and is currently \$8,693 per table. The Palace Card Club has 13 tables so the annual fee received is \$104,316. The fee is the same amount within the proposed Master Fee Schedule for FY19.

The fee is not currently indexed. This fee is included in the Master Fee Schedule and is reviewed annually so there has not been a need to include an inflation index.

How does Hayward's per table fee compare to San Jose's per table fee on card clubs?

San Jose does not charge a per table fee. The City of San Jose requires an annual card club permit fee of \$1,000. In addition, each card room is required to pay a Card Room Regulation fee of \$1,012,142 annually. With each card club having approximately 49 tables, that is an approximate \$20,000 per Table fee. Lastly, the City of San Jose receives 15% of the proceeds from the card club. The San Jose Police Department has an entire Gaming Unit consisting of a team of 9, which oversees the entire operations of the card club including detailed monitoring of the money transactions within the card club. This Card Room regulation fee is essentially paying for the regular, detailed monitoring that is done by the Gaming Unit of the SJPD.

Hayward's per table fee was increased in 2013 from \$1,500 per table to \$8,693 per table and has remained the same since adopted.

I think the Second Whereas on the first page of attachment II, has a small typo - Watkin instead of Watkins street?

You are correct and that typo will be fixed in the final resolution.

Condition 21 mentions the Board of Adjustments. Is that a state level or county level body?

These were original conditions imposed on the card club when the City had a Board of Adjustments. At this time, if there are issues associated with the club or changes that are needed related to the operation or conditions of approval, the Conditional Use Permit would be brought to the Planning Commission for consideration.

Condition 25 references Feb. 19, 1993. Does that language need to be updated?

These were original conditions imposed on the club in 1991 and references the approval at that time and the need to pull building permits by 1993 for those approvals. The language does not need to be updated.

PUBLIC COMMENT

CHARLIE PETERS

White House readies for ethanol announcement, sources say

By James Osborne / Chron. / June 5, 2018

WASHINGTON - Oil refineries from the Gulf Coast and across the country could be in for a windfall under reforms to the federal ethanol mandate expected to be announced by the White House as early as Tuesday.

After months of internal debate and negotiations with oil and corn state politicians like Sen. Ted Cruz, R-Texas, and Sen. Chuck Grassley, R-Iowa, administration officials are preparing to move ahead, sources close to the talks said.

The White House has been looking at an overhaul that would count the ethanol shipped overseas towards federal quotas, which is expected to lower the price of the biofuels credits that refineries purchase in lieu of blending ethanol. At the same time the White House has discussed waiving environmental restrictions that prevent the sale of E15, a fuel with a higher concentration of ethanol, during the summer, in a concession to ethanol producers.

Many refineries, including San Antonio-based Valero and Sugar Land-based CVR Energy, have been rooting for such an outcome.

"For too long, the [ethanol mandate] has forced merchant refiners to purchase compliance credits known as RINs at exorbitant costs from a volatile and opaque market prone to fraud and speculation," Fueling American Jobs Coalition, a lobbying group representing refineries and gasoline retailers, said after a meeting at the White House last month. "Allowing RINs associated with exported biofuel to be used for compliance would go a long way toward addressing the burden of persistently high RIN costs on merchant refiners."

But the White House's hopes of a grand bargain - what Trump describes as a "win-win" solution - has so far fallen flat.

The Renewable Fuels Association, the chief lobbying arm of the ethanol industry, is opposing the move to count exports towards ethanol quotas, which they argue will drive down demand for their product.

"We think the restrictions on E15 should be lifted, but the benefit will be negated by the export RINs," said Rachel Gantz, spokesman for the RFA. "We don't think its a win, win."

<https://www.chron.com/business/energy/article/White-House-readies-for-ethanol-announcement-12968597.php>

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Alternative fuels. The Energy Independence and Security Act of 2007 requires that, by 2022, U.S. transportation fuels contain 36 billion gallons of renewable fuels

1. Under the mandate, 15 billion gallons of renewable fuel may come from corn ethanol but the remainder must come from advanced biofuels, such as ethanol made from cellulosic sources like switchgrass, and forest and agricultural residues such as sawdust and sugarcane. The nation faces several key challenges in meeting these requirements. There is not enough cellulosic biofuel commercially available to meet the mandate, and U.S. ethanol use is approaching the blend wall—the 10 percent ethanol blend that most U.S. vehicles can use under existing vehicle and engine warranties. Additional ethanol use will require substantial new investment, including additional warranted and certified storage tanks and variable pumps at gasoline stations. 1

Renewable fuels levels may be waived if meeting the required level would severely harm the economy or environment of a state, a region, or the United States, or there is an inadequate domestic supply.

http://www.gao.gov/key_issues/petroleum_and_alternative_fuels/issue_summary#t=0

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