

Jeff Dodd

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October 24, 2019

Via E-Mail [REDACTED]

Vincent C. Smith
Community Development Director
City of Napa
1600 First Street
Napa, CA 94559

Re: File #18-0135 | Supplemental Fee for Polvora Restaurant & Card Room

Dear Director Smith:

On behalf of Polvora, Inc., (the "Applicant") and its restaurant and card room project (File No. 18-0135; the "Project"), we submit this letter to modify the Project to be considered by the City Council to incorporate the Applicant's payment of an annual "Supplemental Table Fee" as described in this letter. It is the Applicant's understanding that the amount of the Supplemental Table Fee set forth below is well-above the average compared with cities with cardrooms in the state and the highest in the state for cardrooms with less than 10 tables.

The Applicant hereby requests that the City implement this modification to the Project by inserting a new condition of approval into the resolution approving the Project's conditional use permit to include the following text:

- The Applicant has modified the Project, pursuant to its letter to the City dated August 9, 2019, to incorporate the payment of a "Supplemental Table Fee" as described in this Section _____. In addition to the Applicant's obligation to pay the City a business license tax in accordance with Napa Municipal Code ("NMC") Chapter 5.04 (in particular the tax of \$500 per year per table, as set forth in NMC Section 5.04.370(D)), the Applicant shall pay the City a Supplemental Table Fee of \$10,000 per year per table. As used in this Section, the number of tables for which the Supplemental Table Fee is owed shall equal the number of tables which the Applicant is permitted to have in operation, in accordance with NMC Chapter 5.16 (particularly Section 5.16.050) and the permit that implements NMC Chapter 5.16. To illustrate the payment of the Supplemental Table Fee, the nine tables authorized by this resolution will generate a total of \$90,000 to the City every year. At the request of either party, both parties shall negotiate in good faith to execute a written agreement to implement the payment of the Supplemental Table Fee, in accordance with this Section.

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Patch Duffy
& Bass LLP

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- If there is a future amendment to NMC Chapter 5.16 (that is approved by the City Council and the California Bureau of Gambling Control) by which the Applicant is permitted to have more than nine tables in operation, for each additional table above nine, the amount of the Supplemental Table Fee shall be increased by \$5,000 per table, and the increased fee for each additional table shall be compounded. To illustrate the amount of the compounding of the Supplemental Table Fee for each additional table, the fee for the first nine tables would be \$10,000 per table (for a total fee of \$90,000), the fee for the tenth table would be \$15,000 (for a total fee of \$105,000 per year), the fee for the eleventh table would be \$20,000 (for a total fee of \$125,000 per year); and, following that same pattern, each additional table thereafter would have a compounded increase in the Supplemental Table Fee of \$5,000.

We appreciate your attention to this matter.

Sincerely,



Jeff T. Dodd

cc: Michael Allen, City of Napa Planning Division
Michael LeBlanc