

# CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY JOINT REGULAR MEETING STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA TUESDAY, SEPTEMBER 12, 2017 - 6:30 P.M.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (714) 890-4245. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

The City Council agenda and supporting documentation is made available for public review and inspection during normal business hours in the Office of the City Clerk, 7800 Katella Avenue, Stanton California 90680 immediately following distribution of the agenda packet to a majority of the City Council. Packet delivery typically takes plan on Thursday afternoons prior to the regularly scheduled meeting on Tuesday. The agenda packet is also available for review and inspection on the city's website at <a href="www.ci.stanton.ca.us">www.ci.stanton.ca.us</a>, at the public counter at City Hall in the public access binder, and at the Stanton Library (information desk) 7850 Katella Avenue, Stanton, California 90680.

- 1. CLOSED SESSION(6:00 PM)
- 2. ROLL CALL Council Member Donahue

Council Member Ethans
Council Member Ramirez
Mayor Pro Tem Shawver

Mayor Warren

#### 3. PUBLIC COMMENT ON CLOSED SESSION ITEMS

<u>Closed Session</u> may convene to consider matters of purchase / sale of real property (G.C. §54956.8), pending litigation (G.C. §54956.9(a)), potential litigation (G.C. §54956.9(b)) or personnel items (G.C. §54957.6). Records not available for public inspection.

#### 4. CLOSED SESSION

4A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9
(d) (2)

Number of Potential Cases: 5

4B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Existing litigation pursuant to Government Code section 54956.9(d)(1)
Number of cases: 1

City of Stanton vs. Green Tree Remedy et al, Orange County Superior Court Case Number: 30-2015-00813225-CU-JR-CJC

- 5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING
- 6. ROLL CALL Agency/Authority Member Donahue Agency/Authority Member Ethans Agency/Authority Member Ramirez Vice Chairman Shawver Chairperson Warren
- 7. PLEDGE OF ALLEGIANCE
- 8. SPECIAL PRESENTATIONS AND AWARDS
  - Presentation of Proclamation declaring the month of September 2017 as World Alzheimer's Awareness Month in the City of Stanton.

#### 9. CONSENT CALENDAR

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

#### **CONSENT CALENDAR**

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

#### **RECOMMENDED ACTION:**

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

#### 9B. APPROVAL OF WARRANTS

- City Council approve demand warrants dated August 3, 2017 and August 10, 2017, in the amount of \$338,753.37.
- City Council approve demand warrants dated August 17, 2017 and August 24, 2017, in the amount of \$2,829,844.64.

#### 9C. APPROVAL OF MINUTES

City Council/Agency/Authority Board approve Minutes of Regular Joint Meeting – August 8, 2017.

#### 9D. JULY 2017 INVESTMENT REPORT

The Investment Report as of July 31, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

#### **RECOMMENDED ACTION:**

- 1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Receive and file the Investment Report for the month of July 2017.

#### 9E. JULY 2017 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of July 31, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

#### RECOMMENDED ACTION:

- 1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Receive and file the Investment Report for the month of July 2017.

#### 9F. JULY 2017 INVESTMENT REPORT (HOUSING AUTHORITY)

The Investment Report as of July 31, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

- 1. Stanton Housing Authority find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Receive and file the Investment Report for the month of July 2017.

# 9G. APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF STANTON AND THE CITY OF MISSION VIEJO FOR THE ORANGE COUNTY SHERIFF-CORONER DEPARTMENT'S CONTRACT LAW ENFORCEMENT COST AND EFFICIENCY STUDY

The thirteen cities in Orange County that contract for law enforcement services with the Orange County Sheriff-Coroner Department are conducting an efficiency study to gain a better understanding of the annual cost increases associated with the contract. The results of the study will be utilized to create greater efficiencies in the delivery of law enforcement services.

#### **RECOMMENDED ACTION:**

- 1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
- 2. Approve the Memorandum of Understanding between the City of Stanton and the City of Mission Viejo for the Orange County Sheriff-Coroner Department's Contract Law Enforcement Cost and Efficiency Study; and
- 3. Authorize the City Manager to execute the Memorandum of Understanding; and
- 4. Approve Budget Adjustment No. 2018-05 in the amount of \$18,500.00 from Fund Balance.

#### 9H. CARRYOVER PURCHASE ORDERS FROM FY 2016-17 TO FY 2017-18

At each fiscal year end, City staff reviews remaining unspent budget appropriations at the end of the year to determine if any encumbered purchase orders should be carried forward from one fiscal year to the next. This report requests the carryover of 7 open purchase orders from FY 2016/17 to FY 2017/18, totaling \$116,947.92.

#### RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a director reasonably foreseeable indirect physical change in the environment) and 15060 (c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and

2. Adopt Resolution No. 2017-38 approving the carryover of certain purchase orders from fiscal year 2016/17 to fiscal year 2017/18, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE CARRYOVER OF CERTAIN APPROPRIATIONS FROM FY 2016/17 TO FY 2017/18".

## 9I. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA APPROVING FINAL TRACT MAP NO. 17943

The final tract map for the development of twenty-five (25) single-family condominiums with thirty-four (34) parking spaces, plus two (2) per unit, open space and a private street on a 58,508 square foot site located at 8081 Lampson Avenue is submitted for final certification and recordation.

#### RECOMMENDED ACTION:

1. City Council adopt Resolution No. 2017-35 approving final Tract Map No. 17943, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING FINAL TRACT MAP NO. 17943 FOR THE PROPERTY LOCATED AT 8081 LAMPSON AVENUE"; and

- 2. Find that the recordation of Tract Map No. 17943 will not be in violation of any of the provisions of Section 66474, 66474.1, and 66474.2 of the Subdivision Map Act; and
- 3. Find that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, or any specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3 of Division 1 of the Government Code; and
- 4. Direct the City Clerk to endorse on the face of the map of Tract Map No. 17943, the certificate which embodies the approval of said map, and submit the map to the County Recorder of Orange County for recording.

#### 9J. RESOLUTION AMENDING THE POSITION CLASSIFICATION MANUAL

The attached Resolution makes changes to the Position Classification Manual by adding the job position of Grants Administrator.

#### **RECOMMENDED ACTION:**

- City Council declare that this project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(2) – continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy or procedure making; and
- 2. Adopt Resolution No. 2017-36 amending the Position Classification Manual, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING THE POSITION CLASSIFICATION MANUAL"; and

3. Approve Budget Adjustment No. 2018-07 to record a Grants Administrator salary and benefits and offsetting revenue from North Orange County Public Safety Task Force cities.

# 9K. AWARD OF CONSTRUCTION CONTRACT FOR THE RUTLEDGE AVENUE AND PALAIS ROAD ALLEY IMPROVEMENT PROJECT BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

The seven bids for the Rutledge Avenue and Palais Road Alley Improvement Project was opened on August 24, 2017. Based on the post-bid analysis of the bids received, staff recommends the bid submitted by Hardy & Harper, Inc. to be responsible and responsive.

The construction cost for the Rutledge Avenue and Palais Road Alley Improvement Project is estimated at \$1,129,200.00, which includes a contingency and inspection services.

- 1. City Council approve the plans and specifications for the Rutledge Avenue and Palais Road Alley Improvement Project; and
- Award a construction contract for the Rutledge Avenue and Palais Road Alley Improvement Project to the lowest responsible bidder, Hardy & Harper Inc., for the amount of \$941,000.00; and

- Authorize the City Manager to bind the City of Stanton and Hardy & Harper Inc. in a contract for the construction of the Rutledge Avenue and Palais Road Alley Improvement Project; and
- 4. Declare this project to be categorically exempt under the California Environmental Quality Act, Class 1, Section 15301c; and
- 5. Authorize the City Manager to approve contract changes, not to exceed 10-percent.

# 9L. APPROVAL FOR THE PURCHASE OF A GRAFFITI REMOVAL TRUCK AND APPROVAL OF BUDGET ADJUSTMENT NO. 2018-04 BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

Wondries Fleet Group in conjunction with Roadline Products was selected to provide the City with a new graffiti removal truck for our Public Works Department.

A budget adjustment is required to allocate funds for the purchase of the Graffiti Removal Truck. The new graffiti removal truck will provide our staff with the necessary equipment to rapidly eliminate graffiti from public walls and buildings within the City.

- City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) – The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
- 2. Approve a budget adjustment No. 2018-04 to appropriate \$20,000 to the Gas Tax account of the Graffiti Abatement Fund for this purchase; and
- 3. Authorize the City Manager to bind the City of Stanton and Wondries Fleet Group in a contract to provide a new graffiti removal truck in the amount of \$126,376.91.

# 9M. CONSIDERATION OF A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT AFFECTING REAL PROPERTY WITH BEACH AND ORANGEWOOD, LLC FOR ELEVEN PROPERTIES LOCATED AT 11382, 11430 AND 11462 BEACH BOULEVARD

The Successor Agency to the Stanton Redevelopment Agency ("Successor Agency") previously entered into a purchase and sale agreement ("PSA") to sell eleven properties located at 11382, 11430 and 11462 Beach Boulevard ("Properties") to Frontier Real Estate Investments Inc. ("Frontier") for \$2,100,000.00. As a condition to the close of escrow under the PSA, Frontier and the City have negotiated an Agreement Affecting Real Property ("Agreement") regarding the development of the Properties. Before Council is a request to approve an amendment to the Agreement Affecting Real Property.

#### **RECOMMENDED ACTION:**

- City Council declare that the proposed development of the Properties pursuant to the Amended Agreement is consistent with the adopted Project EIR addendum approved for the Stanton Plaza Specific Plan and direct staff to file the notice of determination; and
- 2. Approve Resolution No. 2017-39 approving the First Amendment to the Agreement Affecting Real Property for the development by Frontier Real Estate Investments, Inc. of the Properties identified by APN Nos. 131-691-49, 50, 51, 58, 59, 60, 61, 62, 63, 64, and 65, entitled:
  - "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE AGREEMENT AFFECTING REAL PROPERTY WITH FRONTIER REAL ESTATE INVESTMENTS INC. FOR ELEVEN PROPERTIES LOCATED AT 11382, 11430 AND 11462 BEACH BOULEVARD"; and
- 3. Authorize the City Manager to execute the necessary documents and take all actions reasonably necessary to ensure completion of the development of Properties in accordance with the Agreement.

**END OF CONSENT CALENDAR** 

#### 10. PUBLIC HEARINGS

# 10A. INITIAL REVIEW OF A DEVELOPMENT AGREEMENT FOR TINA/PACIFIC DEVELOPMENT PROJECT WITH TINA PACIFIC I PARTNERS, LLC (HOUSING AUTHORITY)

Conduct an initial review of proposed Development Agreement negotiations between the Housing Authority and Tina Pacific I Partners, LLC.

- 1. Authority Board conduct a public hearing; and
- 2. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 3. Authorize City staff to negotiate the terms of a Development Agreement with Tina Pacific I Partners, LLC (a subsidiary of Related Companies) for Phase I of the Tina/Pacific development project.

10B. PUBLIC HEARING PURSSUANT TO HEALTH AND SAFETY CODE SECTIONS 34330 AND 34312.3 REGARDING THE SALE OF LAND LOCATED AT 8232 LAMPSON AVENUE, STANTON CALIFORNIA AND CONSIDERATION OF THE RELATED PURCHASE AND SALE AGREEMENT WITH STANTONLAMPSON 2017, LLC (HOUSING AUTHORITY)

The Authority Board directed staff to negotiate the sale of property located at 8232 Lampson Avenue, commonly referred to as the Strawberry Field. A Purchase and Sales Agreement, subject to Authority Board approval, has been accepted by StantonLampson 2017, LLC (a subsidiary of Melia Homes).

- 1. Authority Board conduct a public hearing; and
- 2. Declare that the project is not subject to the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 3. Approve Resolution No. SHA 2017-02 approving the Purchase and Sales Agreement between the Stanton Housing Authority and StantonLampson 2017, LLC for the property 8232 Lampson Avenue, identified by APN No. 131-491-18 for a total of \$9,000,000.00 (nine million dollars), entitled:
  - "A RESOLUTION OF THE STANTON HOUSING AUTHORITY OF THE CITY OF STANTON, CALIFORNIA, APPROVING A PURCHASE AND SALE AGREEMENT WITH STANTONLAMPSON 2017, LLC FOR THE PROPERTY LOCATED AT 8232 LAMPSON AVENUE"; and
- 4. Authorize the Executive Director to execute the necessary documents to close escrow.

#### 11. UNFINISHED BUSINESS

#### 11A. APPROVAL OF ORDINANCE NO. 1069

This Ordinance was introduced at the regular City Council meeting of August 8, 2017.

#### **RECOMMENDED ACTION:**

1. City Clerk read the title of Ordinance No. 1069, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA AMENDING CHAPTER 5.68 OF TITLE 5, TABLE 2-5 of SECTION 20.215.020, TABLE 2-7 of SECTION 20.220.020, TABLE 2-9 OF SECTION 20.225.020, TABLE 2-11 of SECTION 20.230.020, AND SECTION 20.400.090 OF TITLE 20 OF THE STANTON MUNICIPAL CODE REGARDING INTERNET CAFES, CYBER CAFES, AND COMMERCIAL RECREATION FACILITIES"; and

- 2. City Council declare that the project is not subject to CEQA in accordance with Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where is can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 3. Adopt Ordinance No. 1069.

**ROLL CALL VOTE:** Council Member Donahue

Council Member Ethans Council Member Ramirez Mayor Pro Tem Shawver

Mayor Warren

#### 12. NEW BUSINESS

## 12A. APPROVAL OF OPERATIONAL AGREEMENT WITH THE NORTH ORANGE COUNTY PUBLIC SAFETY TASK FORCE

The City, as part of the North Orange County Public Safety Task Force has been designated to receive funds from the 2017-2018 Corrections Planning and Grant Programs from the Board of State and Community Corrections (BSCC) using a regional collaborative effort for the purpose of violence prevention, intervention and suppression activities. Specifically, purpose for the use of funds is through the use of evidence-based practices in the following areas: 1) programs to address youth violence prevention and intervention in K-12<sup>th</sup> schools; 2) promote and enhance the successful reentry of offenders into the community; and 3) address homeless outreach and intervention efforts. The funding period is from July 1, 2017 through June 30, 2021.

- City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378(b)(4) – The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
- 2. Approve the Operational Agreement with the North Orange County Public Safety Task Force; and
- 3. Authorize the City Manager to execute the Operations Agreement; and
- 4. Approve Budget Adjustment No. 2018-06 to record revenues and expenditures of the Public Safety Task Force project.

12B. CONSIDERATION OF THE THIRD AMENDMENT TO THE PURCHASE AND SALE AGREEMENT WITH BEACH AND ORANGEWOOD, LLC FOR ELEVEN PROPERTIES LOCATED AT 11382, 11430 AND 11462 BEACH BOULEVARD (SUCCESSOR AGENCY)

Consistent with the Successor Agency's Long Range Property Management Plan, Staff is recommending approval of the Third Amendment to the Purchase and Sales Agreement for the sale of eleven properties located at 11382, 11430 and 11462 Beach Boulevard to Beach and Orangewood, LLC for \$2,100,000.00. The Successor Agency had previously approved the Purchase and Sales Agreement for the sale of these properties, but amendments were necessary to extend the due diligence period and address the modifications to the deal structure.

- Agency Board declare that the proposed disposition of the land pursuant to the Third Amendment to the Purchase and Sale Agreement is consistent with the adopted Project EIR addendum approved for the Stanton Plaza Specific Plan and direct staff to file the notice of determination; and
- 2. Approve Resolution No. SA 2017-02 approving the Third Amendment to the Purchase and Sale Agreements for the sale of the properties indentified by APN Nos. 131-691-49, 50, 51, 58, 59, 60, 61, 62, 63, 64, and 65 for a total of \$2,100,000.00 to Beach and Orangewood, LLC, entitled:
  - "A RESOLUTION OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY OF THE CITY OF STANTON. CALIFORNIA, APPROVING THE THIRD **AMENDMENT** TO THE PURCHASE SALE **AGREEMENT** WITH BEACH AND AND ORANGEWOOD, LLC FOR ELEVEN PROPERTIES LOCATED AT 11382, 11430 AND 11462 BEACH BOULEVARD"; and
- 3. Authorize the Executive Director to execute the necessary documents and take all actions reasonably necessary to complete the sale of the properties.

#### 12C. APPROVE INFORMATION TECHNOLOGY SUPPORT SERVICES AGREEMENT

The City recently issued an RFP for Comprehensive Information Technology Services. The three highest-rated responding vendors were brought in for a panel interview, with C3 Technology Services being the recommended vendor from the interview. The contract for consideration is for a term of three years with two mutual two-year extension options.

- City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060 (c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and
- 2. Authorize the City Manager to sign the Agreement for Consultant Services with C3 Technology Services to award the contract for comprehensive information technology services for three years with a not to exceed amount of \$100,094.40.

## 12D. INTRODUCTION OF AN ORDINANCE ADDING CHAPTER 16.55 IN DIVISION 1 OF TITLE 16 TO THE MUNICIPAL CODE, TO PROVIDE AN EXPEDITED PERMITTING PROCESS FOR ELECTRICAL VEHICLE CHARGING STATIONS

Introduce the Ordinance adding Chapter 16.55 to the Stanton Municipal Code requiring an expedited permitting process be established for electrical vehicle charging stations. The purpose of the ordinance is to comply with statute requirements contained in Assembly Bill (AB) 1236.

#### **RECOMMENDED ACTION:**

- 1. City Council declare that the ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15061(b)(3) (the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where is can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 2. Introduce Ordinance No. 1070, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 16.55 OF DIVISION I OF TITLE 16 TO THE CITY OF STANTON MUNICIPAL CODE TO PROVIDE AN EXPEDITED STREAMLINED PERMITTING PROCESS FOR ELECTRICAL VEHICAL CHARGING STATIONS": and

3. Set said ordinance for adoption at the regular City Council meeting of September 26, 2017.

## 12E. 2017 ANNUAL LEAGUE OF CALIFORNIA CITIES CONFERENCE RESOLUTIONS AND APPOINTMENT OF VOTING DELEGATE

The League of California Cities Annual Conference is scheduled for September 13-15, 2017 in Sacramento. The League's Annual Business Meeting will be held on September 15, 2017. At this meeting, the League membership considers and takes action on resolutions that establish League policy. In order to vote at the Annual Business Meeting, the City Council must designate a voting delegate and review the League of California Cities resolution packet to determine the City's position on each resolution so that the voting delegate can represent the City's position.

#### Resolution No. 1:

Implement Strategies to Reduce Negative Impacts of Recent Changes to Criminal Laws (Information Resolution Packet attached).

#### **Resolution No. 2:**

Local Control for Emergency Medical Response (Information Resolution Packet attached).

- 1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Designate City Manager James A. Box as the City's voting delegate at the 2017 League of California Cities Annual Conference; and
- 3. Provide input/direction on the 2017 Annual League of California Cities Conference Resolution No. 1 and Resolution No. 2 to the City's voting delegate.

#### 13. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three
   (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

#### 14. WRITTEN COMMUNICATIONS None.

#### 15. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

#### 15A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

#### 15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

## 15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled:

None.

#### 15D. LOCAL VENDOR PREFERENCE DISCUSSION (CITY COUNCIL INITIATED ITEM)

This report is intended to provide options to consider the revision of the City's existing local vendor preference section of the Stanton Municipal Code.

#### **RECOMMENDED ACTION:**

- 1. City Council declare that the project is not subject to the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 2. Receive and file report and provide staff with direction.

## 15E. BELL STREET PROPERTY PARKING LOT DISCUSSION (CITY COUNCIL INITIATED ITEM)

This report is intended to provide options to utilizing the Successor Agency owned parcel at 10652 Bell Street for a public parking lot.

- 1. Declare that the project is not subject to the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 2. Receive and file report and provide staff with direction.

#### 16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

#### 17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

#### 17A. ORANGE COUNTY FIRE AUTHORITY

At this time the Orange County Fire Authority will provide the City Council with an update on their current operations.

#### 17B. ORANGE COUNTY SHERIFF'S DEPARTMENT

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

#### 18. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 7<sup>th</sup> day of September, 2017.

s/ Patricia A. Vazquez, City Clerk/Secretary

# CITY OF STANTON ACCOUNTS PAYABLE REGISTER

August 3, 2017

\$141,353.51

August 10, 2017

\$197,399.86

\$338,753.0

Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.

Demands listed on the attached registers are accurate and funds are available for payment thereof.

Administrative Services Director

# CITY OF STANTON ACCOUNTS PAYABLE REGISTER

August 17, 2017

\$1,734,260.12

August 24, 2017

\$1,095,584.52

\$2,829,844.64

Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.

Demands listed on the attached registers are accurate and funds are available for payment thereof.

Administrative Services Director

# MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY OF THE CITY OF STANTON JOINT REGULAR MEETING AUGUST 8, 2017

#### 1. CALL TO ORDER / CLOSED SESSION

The City Council meeting was called to order at 6:00 p.m. by Mayor Warren.

#### 2. ROLL ÇALL

Present:

Council Member Donahue, Council Member Ethans, Council Member

Ramirez, Mayor Pro Tem Shawver, and Mayor Warren.

Absent:

None.

Excused:

None.

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS

None.

#### 4. CLOSED SESSION

The members of the Stanton City Council of the City of Stanton proceeded to closed session at 6:00 p.m. for discussion regarding:

4A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)
(2)

Number of Potential Cases: 3

4B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Existing litigation pursuant to Government Code section 54956.9(d)(1)
Number of cases: 1

City of Stanton vs. Green Tree Remedy et al, Orange County Superior Court Case Number: 30-2015-00813225-CU-JR-CJC

## 5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING

The meetings were called to order at 6:30 p.m. by Chairperson Warren.

The City Attorney reported that the Stanton City Council met in closed session from 6:00 to 6:30 p.m.

The City Attorney reported that there was no reportable action.

#### 6. ROLL CALL

Present:

Agency/Authority Member Donahue, Agency/Authority Member Ethans, Agency/Authority Member Ramirez, Vice Chairman Shawver, and Chairperson Warren.

Absent:

None.

Excused:

None.

#### 7. PLEDGE OF ALLEGIANCE

Led by Mr. Stephen M. Parker, Administrative Services Director.

#### 8. SPECIAL PRESENTATIONS AND AWARDS

The City Council recognized the Orange County Sheriff's Department as the Monthly Spotlight Award for the month of August.

- Presentation and introductions by Ms. Julie S. Roman, Community Services Department.
- Presentation by Lieutenant Sean A. Howell, who expressed his gratitude to the City Council for their support and is honored that the Orange County Sheriff's Department was selected as the Monthly Spotlight Award recipient for the month of August.
- Lieutenant Sean A. Howell provided the City Council with an update on their current operations and further reported on the Orange County Sheriff's Department's recent accomplishments within the City.
- The City Council expressed their gratitude to the Orange County Sheriff's Department for their participation with the City's National Night Out event which was held on August 2, 2017 at Stanton Central Park.

#### 9. CONSENT CALENDAR

Mayor Pro Tem Shawver requested to pull consent calendar item 9D for separate discussion.

Motion/Second:

Shawver/Ethans

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, and Warren)

NOES: None ABSTAIN: None ABSENT: None

The City Council/Agency Board/Authority Board approved the following Consent Calendar items:

#### **CONSENT CALENDAR**

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

The City Council/Agency Board/Authority Board waived reading of Ordinances and Resolutions.

#### 9B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated July 20, 2017 and July 27, 2017, in the amount of \$317,838.02.

#### 9C. APPROVAL OF MINUTES

The City Council/Agency/Authority Board approved Minutes of Regular Joint Meeting – July 25, 2017.

# 9E. LANDSCAPE MAINTENANCE AGREEMENT WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR IMPROVEMENTS ADJACENT TO 11382 BEACH BOULEVARD

The development of the property at the northeast corner of Beach Boulevard and Orangewood Avenue, the new Stanton Plaza, will include landscaping along Beach Boulevard. The California Department of Transportation owns the right of way where the landscaping will be placed. They are requiring that the City enter into an agreement to maintain this landscaping in the event it is not properly maintained by the adjacent property owner.

- The City Council declared that the project is categorically exempt under the California Environmental Quality Act, Class 1, Section 15301(h) as maintenance of existing landscaping; and
- 2. Approved an agreement with the California Department of Transportation to maintain the landscape improvements in the public right of way on Beach Boulevard; and
- 3. Authorized the Mayor and City Manager to bind the City of Stanton and the California Department of Transportation in said agreement.

# 9F. LICENSE AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY FOR AUTHORIZATION TO PLACE CONDUITS AND WIRES UNDER RAILROAD RIGHT OF WAY

The Union Pacific Railroad Company (UPRR) owns the right of way where conduits and wires need to be placed for the Western Avenue and Thunderbird Lane Traffic Signal Project. UPRR requires that the City enter into an agreement to acquire a Licensee for this work. Upon execution of this agreement, the City shall pay a one-time License fee of \$13,100.00.

- The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(b) – Existing facilities of both investor and publicly-owned utilities to provide electric power, natural gas, sewerage, or other public utility services; and
- 2. Approved a license agreement with the Union Pacific Railroad Company allowing the City to work within their right of way; and
- Authorized the Mayor and City Manager to bind the City of Stanton and the Union Pacific Railroad Company in said agreement; and
- 4. Approved a one-time License Fee of \$13,100.00.

# 9G. REJECTION OF ALL BIDS FOR THE RUTLEDGE AVENUE AND PALAIS ROAD ALLEY IMPROVEMENT PROJECT BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

Staff is requesting that the City Council reject all bids for the Rutledge Avenue and Palais Road Alley Improvement Project.

- The City Council determined that In accordance with the requirements of the California Environmental Quality Act, the action would not be deemed to be a project per Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
- 2. Rejected all bids for the Rutledge Avenue and Palais Road Alley Improvement Project.

## 9H. CHANGE ORDER FOR THE WESTERN AVENUE AND THUNDERBIRD LANE TRAFFIC SIGNAL PROJECT

The construction contract has been awarded for the Western Avenue and Thunderbird Lane Traffic Signal Project and the cost is \$179,849.00. Union Pacific Railroad has recently required additional design changes which will cost an additional \$81,165.01. The new costs for the mentioned work are in excess of the 10% authorization limit of the City Manager. Therefore, Staff requests that the Council authorize this Change Order 001 in the total additive amount of \$81,165.01 and authorize a 10% contingency based on the total project cost. The new project cost will be \$287,115.41, including the contingency.

- The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(c) – Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities; and
- 2. Approved Change Order 001 in the total additive amount of \$81,165.01 to DBX, Inc. for the Western Avenue and Thunderbird Lane Traffic Signal Project; and
- 3. Authorized the Mayor to execute Change Order No. 001; and
- 4. Authorized the City Manager to approve contract changes, not to exceed 10-percent.

#### **END OF CONSENT CALENDAR**

9D. ADOPTION OF RESOLUTION NO. 2017-33 UPHOLDING THE APPEAL TO MODIFY A CERTAIN CONDITION OF APPROVAL FOR CONDITIONAL USE PERMIT C17-02 ADOPTED BY THE PLANNING COMMISSION, TO ALLOW FOR THE SALE OF SINGLE SERVE BEER CONTAINERS IN CONJUNCTION WITH THE OPERATION OF A MINIMART WITH THE SALE OF BEER, WINE AND SPIRITS FOR THE PROPERTY LOCATED AT 10480 BEACH BLVD. IN THE CG (COMMERCIAL GENERAL) ZONE; SUBMITTED BY AVTAR SINGH

At the July 25, 2017 City Council meeting, the City Council heard an appeal to modify a certain condition of approval for Conditional Use Permit C17-02 to allow for the sale of single serve beer containers in conjunction with the operation of a mini-mart with the sale of beer, wine and spirits for the property located at 10480 Beach Boulevard. After reviewing the staff report and hearing public testimony, the City Council approved the appeal and directed staff to draft a resolution to modify the condition of approval to allow for the sale of single serve beer containers.

Staff report by Ms. Kelly Hart, Community and Economic Development Director.

The City Council questioned staff regarding the public noticing process and inquired if any correspondence was received after the first hearing which was held on July 25, 2017.

Motion/Second:

Shawver/Ramirez

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, and Warren)

NOES: None ABSTAIN: None ABSENT: None

- 1. The City Council declared that the project is categorically exempt per the California Environmental Quality Act (CEQA), under Section 15301 (Existing Facilities); and
- 2. Adopted Resolution No. 2017-33 upholding the appeal to allow the sale of single serve beer containers, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA UPHOLDING the appeal TO MODIFY A CERTAIN CONDITION OF APPROVAL FOR CONDITIONAL USE PERMIT C17-02 ADOPTED BY THE PLANNING COMMISSION, TO ALLOW FOR THE SALE OF SINGLE SERVE BEER CONTAINERS IN CONJUNCTION WITH THE OPERATION OF A MINI-MART WITH THE SALE OF BEER, WINE AND SPIRITS FOR THE PROPERTY LOCATED AT 10480 BEACH BLVD. IN THE CG (COMMERCIAL GENERAL) ZONE; SUBMITTED BY AVTAR SINGH".

#### 10. PUBLIC HEARINGS

# 10A. A REPORT ON THE END OF THE INTERNET AND CYBER CAFÉ MORATORIUM AND AN ORDINANCE ADOPTING REGULATIONS FOR THE OPERATION OF INTERNET AND CYBER CAFES IN THE CITY OF STANTON

The report includes a summary of actions taken during the moratorium period and an Ordinance adopting regulations for the operation of internet and cyber cafes in the City of Stanton.

Staff report by Ms. Kelly Hart, Community and Economic Development Director.

The public hearing was opened.

No one appearing to speak, the public hearing was closed.

Motion/Second:

Donahue/Shawver

**ROLL CALL VOTE:** 

Council Member Donahue AYE
Council Member Ethans AYE
Council Member Ramirez AYE
Mayor Pro Tem Shawver AYE
Mayor Warren AYE

Motion unanimously carried:

- 1. The City Council conducted a public hearing; and
- 2. Declared that the project is not subject to CEQA in accordance with Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where is can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 3. Received and filed report on summary of actions taken during the moratorium period; and
- 4. Introduced Ordinance No. 1069, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA AMENDING CHAPTER 5.68 OF TITLE 5, TABLE 2-5 of SECTION 20.215.020, TABLE 2-7 of SECTION 20.220.020, TABLE 2-9 OF SECTION 20.225.020, TABLE 2-11 of SECTION 20.230.020, AND SECTION 20.400.090 OF TITLE 20 OF THE STANTON MUNICIPAL CODE REGARDING INTERNET CAFES, CYBER CAFES, AND COMMERCIAL RECREATION FACILITIES"; and

5. Set Ordinance for adoption at the September 12, 2017, regular City Council meeting.

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AMENDMENT AND APPROVAL AT NEXT MEETING

## 10B. PUBLIC HEARING – SECOND READING OF ORDINANCE ESTABLISHING A SEWER USER FEE UNIT RATE FOR SEWER SERVICES

On March 1, 1988, the City of Stanton assumed operation and maintenance of sanitary sewer system improvements within its jurisdictional boundary under Orange County Reorganization No. 88. In order to provide sufficient revenue for the operation of the Stanton Sewer Department the City Council must annually adopt an ordinance to establish a user fee rate for sewer services for each fiscal year.

The City has recently completed an Annual Report sewer rate study which was preliminarily approved by the City Council at their meeting on June 13, 2017 which identifies the maximum annual sewer rates which may be charged annually for FY17/18 through FY21/22. Since the report included a change in the methodology used to calculate the Annual Sewer Service Charge for non-residential parcels, the City was required to comply with the requirements of Article XIIID, Section 6 which requires that the City conduct a public hearing on the proposed rate structure not less than 45 days after mailing a notice of the proposed change to each parcel.

Staff report by Mr. Stephen M. Parker, Administrative Services Director.

The City Council questioned staff regarding the public noticing process and requested that staff compare in detail the proposed rate scheduled compared to the past rate schedule.

The public hearing was opened.

No one appearing to speak, the public hearing was closed.

Mayor Warren requested for a tabulation of the protest that have been received.

Ms. Patricia A. Vazquez, City Clerk declared that no protests were received.

Motion/Second:

Shawver/Ramirez

ROLL CALL VOTE:

Council Member Donahue	AYE
Council Member Ethans	AYE
Council Member Ramirez	AYE
Mayor Pro Tem Shawver	AYE
Mayor Warren	AYE

#### Motion unanimously carried:

1. The City Council conducted a public hearing to receive public comment regarding the revised Sewer User Fee rate, which maintains a two percent reduction from the fiscal year 2014-2015 Sewer User Fee unit rate for residential properties and adjusts the methodology used to calculate the Annual Sewer Charge for non-residential properties to be based on land use and building area rather than parcel size until such time as the sewer rates are otherwise revised by a subsequent ordinance of the City Council; and

- Closed the public hearing, and requested for a tabulation of the protest that have been received by the City prior to the close of the public hearing. Declared that there is not a majority protest to the adoption of the revised Sewer User Fee schedule; and
- 3. Declared that the proposed ordinance is exempt from the California Environmental Quality Act ("CEQA") review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273; and
- 4. Approved the fiscal year 2017-2018 parcel list for levying of the annual Sewer User Fee unit rate (on file in the City Clerk's office); and
- 5. Performed the second reading of Ordinance No. 1068 entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ESTABLISHING RATES FOR THE ANNUAL SEWER SERVICE CHARGE FOR SEWER SERVICES"; and

6. Directed staff to establish an Appeal process to be approved by City Council in the next two months.

#### 11. UNFINISHED BUSINESS

#### 11A. APPROVAL OF ORDINANCE NO. 1067

This Ordinance was introduced at the regular City Council meeting of July 25, 2017.

Staff report by Ms. Patricia A. Vazquez, City Clerk.

Motion/Second:

Donahue/Ethans

**ROLL CALL VOTE:** 

Council Member Donahue AYE
Council Member Ethans AYE
Council Member Ramirez AYE
Mayor Pro Tem Shawver AYE
Mayor Warren AYE

Motion unanimously carried:

1. The City Clerk read the title of Ordinance No. 1067, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING CHAPTERS 2.32 AND 2.36 OF TITLE 2 (ADMINISTRATION AND PERSONNEL) AND CHAPTER 12.36 OF TITLE 12 (STREETS AND SIDEWALKS) OF THE STANTON MUNICIPAL CODE TO CHANGE THE NAME OF THE STANTON PARKS AND RECREATION COMMISSION TO THE STANTON PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION"; and

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- 2. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 3. Adopted Ordinance No. 1067.

#### 12. NEW BUSINESS

## 12A. APPROVAL OF FIFTH AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF STANTON AND THE COUNTY OF ORANGE FOR LAW ENFORCEMENT SERVICES

The current five-year agreement with the County of Orange for law enforcement services is for the period from July 1, 2017 to June 30, 2018. Due to new grant funding in the annual State's budget, Stanton has requested to add a new Community Enhancement Deputy effective September 1<sup>st</sup>. Other minor revisions to the contract are being made as well. The fifth amendment proposes the cost for services for FY 2017-2018 at \$10,417,166, with a decrease to the General Fund.

Staff report by Mr. James J. Wren, Public Safety Services Director.

The City Council questioned staff regarding the proposed addition of two cadets, insurance coverage, formal training for the cadets, and if the role of the Community Enhancement Deputy would change.

Motion/Second:

Ethans/Shawver

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, and Warren)

NOES: None ABSTAIN: None ABSENT: None

- 1. The City Council declared that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378(b)(4) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
- 2. Approved the Fifth Amendment to the Five-Year Agreement for Law Enforcement Services between the City of Stanton and the County of Orange; and
- 3. Approve Budget Adjustment No. 2018-03 in the amount of \$182,059 from the Public Safety Task Force Grant.

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#### 13. ORAL COMMUNICATIONS - PUBLIC

- Mr. Norris, resident, provided the City Council with an update on his Law Enforcement related master's program and on his attendance to the Second Annual Law Enforcement Job Fair hosted by the FBI Los Angeles.
- 14. WRITTEN COMMUNICATIONS None.

#### 15. MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

#### 15A. COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

 Mayor Warren reported on her attendance at the Community Flag Raising Ceremony for City of Stanton Day at the OC Fair, which held on August 2, 2017.

## 15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING

None.

#### 15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

Currently Scheduled:

September 5, 2017 (5:30 p.m.)
 Joint Study Session Meeting with the City Council, Planning Commission, Parks, Recreation and Community Services Commission, Public Safety Committee, and Youth Committee.

## 15D. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING LAND USE FOR THE BELL STREET PROPERTY

At the July 25, 2017 City Council meeting, Mayor Warren requested that this item be agendized for discussion.

Presentation by Ms. Kelly Hart, Community and Economic Development Director.

The City Council questioned staff regarding proper lighting onsite, proposed a lighted pathway connecting to the Lowden neighborhood, staging a pilot program, and evaluating the pilot programs once it ends.

- 1. The City Council received and filed the report; and
- 2. Directed staff to proceed with further research and to report staff's findings to the City Council at a future meeting.

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## 15E. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING POTENTIAL AMENDMENTS TO THE ORANGE COUNTY FIRE AUTHORITY CONTRACT

At the July 25, 2017 City Council meeting, Mayor Pro Tem Shawver requested that this item be agendized for discussion.

Presentation by Mayor Pro Tem Shawver:

 Mayor Pro Tem Shawver stated that he has gone through several funding options for the City to pay for its fire services and once he has completed his research, he will then report back to the City Council for evaluation.

The City Council received and filed the report.

#### 16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

None.

#### 17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

None.

#### 17A. ORANGE COUNTY FIRE AUTHORITY

At this time the Orange County Fire Authority will provide the City Council with an update on their current operations.

 Fire Captain Alan Wilkes provided the City Council with an update on their current operations.

Mayor Warren expressed her gratitude to Ms. Donna Marie Ramirez of REMAX for sponsoring the City's National Night Out event, which was held on August 2, 2017 at Stanton Central Park.

Mayor Warren wished Mr. James J. Wren, Public Safety Services Director a happy birthday.

18.	Motion carried at 7:18		
MAY	OR/CHAIRPERSON	N	
ATTI	EST:		
CITY	CLERK/SECRETA	RY	

### **CITY OF STANTON**

#### REPORT TO THE CITY COUNCIL

TO:

Honorable Mayor and City Council

DATE:

September 12, 2017

SUBJECT: JULY 2017 INVESTMENT REPORT

#### **REPORT IN BRIEF:**

The Investment Report as of July 31, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

#### **RECOMMENDED ACTION:**

- 1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Receive and file the Investment Report for the month of July 2017.

#### **BACKGROUND:**

The attached reports summarize the City investments and deposit balances as of July 2017. A summary of the City's investments and deposits is included as Attachment A. The details of the City's investments are shown in Attachment B. The City's cash and investment balances by fund type are presented in Attachment C.

#### **ANALYSIS:**

The City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of July 2017 was 1.05%. This report is the first month with the City taking over the portion of investments that was managed by Chandler Asset Management, and all City investments now have safekeeping with Bank of the West. The City's investments are shown on Attachment B and have a weighted investment yield of 1.80%. Including LAIF and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 1.28%, which exceeds the benchmark LAIF return of 1.05%.

The weighted average maturity of the City's investments at July 2017 is 1,048 days.

Including LAIF and a money market account, it is 751 days. LAIF's average maturity on July 31, 2017 was approximately 192 days.

The City has exceeded the LAIF benchmark return by increasing the weighted average maturity. With a weighted average maturity of slightly over 2 years, the City is well within the investment policy restriction of 3.5 years.

# **FISCAL IMPACT:**

All deposits and investments have been made in accordance with the City's 2017-18 Investment Policy. The portfolio will allow the City to meet its expenditure requirements for the next six months. Staff remains confident that the investment portfolio is currently positioned to remain secure and sufficiently liquid.

The City Treasurer controls a \$27.8 million portfolio with \$17.2 million in investments that has safekeeping with Bank of the West.

<b>ENVIRONMENTAL IMPAC</b>	T	•
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None.

### **LEGAL REVIEW:**

None.

# **PUBLIC NOTIFICATION:**

Through the agenda posting process.

# STRATEGIC PLAN OBJECTIVE ADDRESSED

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Concurred By:

Andrea Raez Aristondo

Administrative Services Intern

Stephen M. Parker, CPA

Administrative Services Director

Approved:

James A. Box City Manager

# Attachments:

A. Investments and Deposits

B. Investment Detail

C. Cash and Investment Balances by Fund Type

# INVESTMENTS AND DEPOSITS CITY OF STANTON, CA

July 31, 2017

State Pool (LAIF) - City portion <sup>1</sup> State of California On Investments <sup>2</sup> Various Vanoney Market Account Bank of the West On Subtotal - Investments	On Demand Various On Demand	Various	\$ 7,756,090			value	Source
State of California Various Bank of the West	On Demand Various On Demand	Various					
Various Bank of the West	Various On Demand	Various		\$ 7,756,090		27.92% \$ 7.756,091 LAIF	LAIF
Various Bank of the West	Various On Demand	Various					
Bank of the West	On Demand	7000	\$ 19,848,178	19,835,798	71.41%		19,856,637 Bank of the West
Bank of the West	On Demand	70000					
Subtotal - Investments		0.2370	\$186,081	186,081	0.67%		186,081 Bank of the West
Subtotal - Investments							
				\$ 27,777,969	100.00%	\$ 27,798,809	
posits/Main Checking -	- C	V)N	V/14	(4 120 148)		¢ (1 100 116)	/1 100 1/6) Rank of the West
Olty portion	Oll Delland	72	C)			1	Daily Of the Meet
Imprest Accts & Petty Cash Bank of the West On	On Demand	N/A	N/A	103,731		103,731	103,731 Bank of the West
Subtotal - Deposits				(1,025,414)	](:	\$ (1,025,414)	

Total Cash Investments and Deposits  $\,^3$ 

Weighted Average Weighted Average Maturity (days)

26,752,555

26,773,395

# NOTES:

The City's portfolio is in compliance with the City's 2017-18 Investment Policy.

The portfolio will allow the City to meet its expenditure requirements for the next six months.

<sup>&</sup>lt;sup>1</sup> Par Value amount represents entire LAIF balance, including City and Successor Agency portions

<sup>&</sup>lt;sup>2</sup> Cost amount includes \$58,005 adjustment made to City's books at 6/30/17 to adjust portfolio to market value, per GASB 31

<sup>&</sup>lt;sup>3</sup> Weighted average maturity and yield calculations include LAIF, investments and Money Market Account

# CITY OF STANTON INVESTMENTS JULY 2017

Investment Type/ Broker	Institution	CUSIP	Purchase Yield	Coupon Rate	Purchase Price	Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
Commercial Paper: Chandler Asset Management	Bank of Tokyo Mitsubishi NY	06538BVH3	1.272%	1.250%	99-66	5/11/2017	8/17/2017		200,000	199,319	199,888		
								11	200,000	199,319	199,888	0.72%	10%
Negotiable Certificates of Deposit: Multi-Bank Securities	American Express Centurion	02587DLD8	1.55%	1.550%	100.00	10/04/12	10/04/17	N	248,000	248,000	248,273		
Multi-Bank Securities, Inc.	Live Oak Banking Company	538036CN2	2.00%	2.00%	100.00	04/06/17	04/06/21	S.	249,000	249,000	249,082		
First Empire Securities	Medallion Bank BMM/ Book	58403B6F8 055804G04	1.80%	1.80%	100.00	04/07/17	04/07/20	S C	249,000	249,000	249,391		
Multi-Bank Securities, Inc.	State Bank of India	8562846V1	2.35%	2.35%	100.00	03/14/17	03/14/22	S	248,000	248,000	250,001		
Multi-Bank Securities, Inc.	Capital One Bank USA	140420Z52	2.35%	2.35%	100.00	03/15/17	03/15/22	S	248,000	248,000	249,996		
First Empire Securities	Wells Fargo Bank, NA	949763FQ4	2.10%	2.10%	100.00	03/15/17	03/15/21	ပ္ရင္	249,000	249,000	248,975		
First Empire Securities Cantella & Co., Inc	Ally Bank JP Morgan Chase Bank NA	48126XD93	2.35%	2.35%	100.00	03/16/17	03/16/22	3/16/2018	249,000	249,000	250,668		
First Empire Securities	Landmark Bank	51506VCA9	2.10%	2.10%	100.00	03/29/17	03/29/21	9/29/2017	248,000	248,000	248,422		
First Empire Securities	BMO Harris, NA	05581WNK7	2.00%	Variable	100.00	03/29/17	03/29/22	9/29/2017	248,000	248,000	248,370		
Cantella & Co., Inc Multi-Rank Securities, Inc	webbank The Park National Bank	24/54/JN6 700654AY2	1.95%	1.95%	100.00	03/30/17	09/30/20	SI SUIZO I	249,000	249,000	249,503		
Cantella & Co., Inc	American Express	02587CEL0	2.20%	2.20%	100.00	05/03/17	05/03/21	N N	247,000	247,000	247,395		
Multi-Bank Securities, Inc.	Direct Federal Credit Union	25460FAQ9	1.75%	1.75%	100.00	05/24/17	02/24/20	8	249,000	249,000	248,935		
Cantella & Co., Inc Multi Book Securities Inc	Synchrony Bank Nomedica Credit Haion	87165EL96 67054NAF0	2.40%	2.40%	100.00	05/30/17	11/30/20	2 2	247,000	244,000	249,065		
Mont-Daily Occumies, Inc. First Empire Securities	American Eagle Bank	02554BCN9	2.10%	2.10%	100.00	06/09/17	05/23/22	2	150,000	150,000	149,202		
First Empire Securities	First Bank Richmond	319267GC8	1.80%	1.80%	100.00	06/23/17	11/23/20	S	247,000	247,000	246,170		
First Empire Securities	First Bank of Highland Park	319141GL5	2.10%	2.10%	100.00	6/21/2017	6/21/2022	2	247,000	247,000	245,427		
Cantella & Co., inc	Goldman Sachs Bank USA	38148PKX4	2.35%	2.35%	100.00	6/21/2017	6/21/2022	<u> </u>	247,000	247,000	248,277		
Cantella & Co., inc Multi-Rook Securities, Inc.	Comenity Capital Bank Generations Community Fed Credit	371481 AB4	1.65%	1.65%	100.00	6/28/2017	6/28/2019	22	249,000	249.000	249,184		
First Empire Securities	Discover Bank	2546725D6	2.10%	2.10%	100.00	7/6/2017	7/6/2021	2	247,000	247,000	248,020		
Cantella & Co., Inc	Barolays Bank	06740KKC0	2.00%	2.00%	100.00	7/12/2017	7/12/2021	25	247,000	247,000	247,067		
First Empire Securities	Abacus Federal Savings Bank MB Einandal Bank	55266CVAV3	1.85%	1.95%	36.00	712/1/2017	7/24/2021	\$ <u>\$</u>	249,000	249,000	248,086		
Cantella & Co., Inc	Capital One NA	14042RGN5	2.30%	2.30%	100.00	7/19/2017	7/19/2022	S	247,000	247,000	247,482		
First Empire Securities First Empire Securities	Third Federal Savings and Loan HSBC Bank USA, NA	88413QBN7 40434YMK0	2.00% 2.15%	2.00% 2.15%	100.00	7/28/2017 7/26/2017	7/28/2021	NC 7/26/2018	248,000 247,000	248,000	248,010		
									7.345.000	7.345.000	7.355.929	26.44%	30%
U.S. Government Agency Securities:									200				:
Chandler Asset Management	FHLB	3130A0JR2	1.65%	2.38%	103.07	11/23/15	12/13/19	S 5	200,000	205,698	204,188		
Chandler Asset Management Chandler Asset Management	THLB FECR	3133FGCA1	1.06%	1.06%	100.01	10/25/16	06/03/19	2 2	200,000	200,010	198,728		
Chandler Asset Management	FHLB	3130A7CV5	1.46%	1.38%	26.7	02/17/16	02/18/21	S	210,000	209,166	208,165		
Chandler Asset Management	THLB	313382K69	1.53%	1.75%	101.72	03/23/16	03/12/21	S 5	190,000	192,005	190,488		
Chandler Asset Management	1 H.B	3130A7PV1	1.20%	1.38%	99.80	04/12/16	04/05/21	2 2	200,000	200,432	197,042		
Chandler Asset Management	FHLB	3130AABG2	1.97%	1.88%	98.36	11/30/16	11/29/21	2	100,000	99,536	100,430		
Chandler Asset Management	FHLMC	3137EAEC9	1.24%	1.13%	98.98	08/12/16	08/12/21	<u> </u>	200,000	198,898	195,056		
Chandler Asset Management	FHLMC	313/EADWS	1.25%	1.13%	100.42	9/30/2015	10/19/2018	N S	195,000	195,014	194,542		
Changler Asset Management	FINA	3135G0G72	1.17%	1.13%	99.39	10/30/2015	12/14/2018	S	195,000	194,709	194,417		
Chandler Asset Management	FNMA	3135G0J20	1.31%	1.38%	100.01	4/12/2016	2/26/2021	Š	200,000	200,630	198,012		
Chandler Asset Management	FNMA	3135G0K69	1.23%	1.25%	99,75 70,75	8/15/2016	5/6/2021	O 5	200,000	200,168	195,986		
Chandler Asset Management	FINNE	3130G0D/3	1.21%	1,88%	102.30	2/1/2016	12/11/2020	2 2	185.000	188.349	185,955		
Chandler Asset Management	FINA	3135G0F73	1.50%	1.50%	100.36	1/20/2016	11/30/2020	NO O	190,000	190,035	189,280		
Chandler Asset Management	FNMA	3135G0T45	1.89%	1.88%	99.78	4/20/2017	4/5/2022	S S	200,000	199,830	200,062		
Chandler Asset Management Cantella & Co Tro	FINMA	3135G0H55 3134GA4V3	1.50%	1.88% Variable	102.11	1/20/2016 03/09/17	12/28/2020 02/28/22	NC 8/28/2017	790,000 250,000	193,385 250,000	191,547 249,280		
Cantella & Co., Inc	FHLB	3130AAWM6	2.00%	Variable	100.00	03/29/17	03/29/22	9/29/2017	500,000	200,000	500,155		
									4,370,000	4,383,746	4,354,640	15.78%	100%
Commercial Daper								1					

# CITY OF STANTON INVESTMENTS JULY 2017

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
US Treasury Chardier Asset Management	US Treasury	912828VA5 912828N89 912828UV0 912828WC0 912828TH3 912828UB4 912828UB4 912828UB5 912828UB5 912828UB5 912828UB5 912828UB5 912828UB5 912828UB5	1,28% 1,21% 1,68% 1,76% 1,19% 1,137% 1,38% 1,38% 1,38% 1,98% 1,98%	1.125% 1.375% 1.125% 2.125% 1.550% 1.000% 1.250% 1.375% 1.375% 1.375% 2.000% 2.626%	99.86 100.65 97.75 101.61 98.88 98.48 100.16 100.24 99.73 100.42	0201/16 02/24/16 12/22/15 12/22/15 12/22/15 10/29/15 10/29/15 05/28/15 05/28/15 05/28/15 12/13/2017	04/30/20 01/31/21 03/31/20 03/31/20 07/31/19 11/30/19 04/30/19 04/30/20 11/30/21 02/15/22 01/24/22	22222222222222	100,000 200,000 200,000 200,000 200,000 110,000 110,000 175,000 200,000	99,356 201,555 195,907 203,790 200,282 187,789 160,007 190,007 194,303 199751	99,113 198,313 198,332 203,554 201,164 109,008 159,750 118,968 201,938 201,938		
								11	2,125,000	2,121,927,04	2,126,196	7.64%	100%
Medium-Term Corporate Notes: Multi-Bank Securities Chandler Asset Management	Sallie Mae Bank JP Morgan Note Qualcomm Inc Qualcomm Inc Qualcomm Inc Qualcomm Inc Apple Inc Berkshire Hathaway Praxai Inc Visa Inc Visa Inc Microsoft Corp Fraces Filandial Corp	795450PJ8 48126EAA5 437252AG8 63399XAX3 037833BQ2 084664CK5 084670BQ0 74005PBH6 92826CAB8 594918PP8 66371RW44	1.60% 1.63% 1.28% 1.33% 1.33% 1.54% 1.21% 1.54% 1.58%	1.60% 2.000% 1.40% 2.25% 1.01% 1.01% 1.25% 2.20% 1.55% 1.55%	100.00 101.28 99.87 103.87 100.87 99.96 102.76 100.08 102.56	10/01/12 01/24/14 05/28/15 08/11/16 02/16/16 08/08/16 09/03/16 09/03/16 08/08/16	09/19/17 06/15/17 05/15/17 05/15/19 02/22/19 03/15/19 12/14/20 07/08/21 03/17/18	NC NC NC NC NC NC NC NC NC NC NC NC NC N	7.25,000 100,000 135,000 115,000 115,000 100,000 125,000 125,000 125,000 125,000 125,000 125,000	100,000 15,924,50 14,786.70 128,786.70 1128,786.70 114,980.46 54,946.65 102,896.00 125,100.00 125,404.00 124,810.00 178,414.40	100,098.00 150,033.00 134,927.10 115,435.85 54,665.05 100,991.00 124,683.75 151,691.25 121,611.25	7.504%	%001
Chandler Asset Management	Exch manic Corp Bank of New York John Deere Capital Corp American Honda Finance Charles Schwab Corp Toyota Motor Gredit Corp State St Corp	2023103474 06404CU1 24422ET.3 02665WAZ4 97159HHP8 80851QDA9 89236TDE2 857477AV5	1.15% 2.06% 2.05% 2.05% 1.25% 1.45%	2.20% 2.65% 2.45% 2.63% 6.38% 1.40%	100.56 100.28 101.22 100.37 101.21 101.21 99.88	02/04/16 01/03/17 04/20/17 01/19/17 05/10/17 05/17/16	05/15/19 01/06/22 09/24/22 09/01/17 05/20/19 05/19/21	4/15/2019 NC NC NC NC NC	115,000 130,000 125,000 125,000 125,000 125,000 125,000 125,000	116,290,30 129,963,60 125,661,25 125,666 126,875 124,825 124,784	115, 953.35 132,572.70 127,117.50 125,787.50 124,616.25 124,246.25 2,267.251	8.20%	30%
Municipal Bonds First Empire Securities First Empire Securities Cantella & Co., Inc Multi-Bank Securities, Inc. Multi-Bank Securities, Inc. Multi-Bank Securities, Inc.	Riverside CA Pension Obligation Bond Riverside CA Pension Obligation Bond LA County CA RDA Refunding Auth. Tax Allocation Taxable West Covinta Series B Pornora CA FPA Lease Bond CA ST Housing Finance Agency RDA CA ST Housing Finance Agency RDA Brawley CA Pension Obligation Bond Brawley CA Pension Obligation Bond	769036BB9 769036BB9 54465AHP0 73208MCX4 13034PZF7 13034PZH3 105710AA5	2.25% 2.40% 2.08% 2.25% 2.04% 1.52%	2.50% 2.50% 2.50% 2.42% 2.30% 1.75%	101.16 100.45 101.67 100.60 100.75 100.75	6/20/2017 7/24/2017 6/26/2017 6/23/2017 7/24/2017 7/24/2017	6/1/2022 6/1/2022 9/1/2021 4/1/2021 8/1/2020 8/1/2020	99 999 <u>99</u>	500,000 240,000 400,000 500,000 250,000 350,000 1,005,000	505,800 241,080 406,684 503,000 251,875 352,625 1,007,462	500,445 240,214 400,648 501,405 250,008 350,179 1,006,910		}
Asset-Backed Securities: Chandler Asset Management	Toyota Auto Receivables 2015A Toyota Auto Receivables Owner 2016-D Nissan Auto Receivables Honda Auto Receivables Honda Auto Receivables Honda Auto Receivables John Deere Owner Trust John Deere Owner Trust	89236WAC2 89231LAB3 65478WAB1 43813NAC0 43814NAB1 43814HAC2 654747AB3 477877AB3	1.44% 1.07% 1.05% 1.05% 0.89% 0.89% 1.51% 1.51%	1.12% 1.06% 1.04% 1.04% 1.01% 0.38% 1.47% 1.50%	99.99 99.89 100.01 100.01 100.00 99.98 99.98 99.98	03/04/15 10/04/16 08/02/16 05/13/15 02/16/16 03/22/1/7 02/22/1/7	02/15/19 05/15/19 02/21/19 06/18/18 06/15/18 01/15/20 11/15/18	999999999	3,245,000 32,370 67,246 42,920 45,641 17,491 3,927 40,000 40,000 13,582	3.268.526 32.364 67.241 42.918 45.634 10.865 3.883 40,000 40,000 13,579	3,249,807 32,341 67,155 42,866 45,586 17,491 3,927 39,992 13,574	41.77%	100%
								11	303,178	296,282	302,926	1.07%	10%

# CITY OF STANTON INVESTMENTS JULY 2017

Investment Type/ Broker	institution	CUSIP	Purchase Yield	Coupon Rate	Purchase Price	Date Purchased	Date of Maturity (	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
Subtotal Investments Prior Year Adjustment GASB 31 Investments Held With Bank of the West			1.80% Weighted Average			<b>L</b>	1,048 WAM	days	19,848,178	19,893,803 58,005 19,835,798	19,856,637	71.62%	
State Treasurer's Pool Money Market Acct	Local Agency Investment Fund (LAIF) Bank of the West	was A.M.(	11.10.59% [F] 0.29%			<b>H</b>	8/1/2017	ON N	7,756,090	7,756,090	7,756,091	27.92% 0.67%	100% 100%
Total Investments													
Total Money Market, LAIF and Investments		•	128% incl LAIF, investme Weighted and money market Average Yield	1.28% incl LAIF, investments Weighted and money market Average Yield	itments rket		751 WAM	days	27,790,349	27,777,969	27,798,809	100.21%	

# CITY OF STANTON CASH AND INVESTMENT BALANCES BY FUND TYPE July 31, 2017

Fund Tuno	Cash and		Tatala
Fund Type	Investments	`	Totals
General Fund:			
Pooled	\$ (5,510,520)		
Other Accounts *	20,125,611	\$	14,615,090
Special Revenue, Capital Proje	 ects and Enterprise F	 unds:	
Gas Tax	1,449,030		
Measure M	1,460,152		
Fire Emergency Services	(142,366)		
Lighting & Median Maint.	1,774,327		
Sewer Maintenance	3,794,691		
Other	1,738,201		10,074,034
Internal Service Funds			1,337,880
Trust Funds			725,550
Total Cash and Investmen	t Balances	\$	26,752,555

<sup>\*</sup> Money Market, Imprest Accounts, Petty Cash and Investments

# **CITY OF STANTON**

# REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO:

Honorable Chair and Members of the Successor Agency

DATE:

September 12, 2017

SUBJECT: JULY 2017 INVESTMENT REPORT (SUCCESSOR AGENCY)

# REPORT IN BRIEF:

The Investment Report as of July 31, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

# RECOMMENDED ACTION:

- 1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Receive and file the Investment Report for the month of July 2017.

#### BACKGROUND:

The attached reports summarize the Successor Agency investments and deposit balances as of July 2017. A summary of the Agency's investments and deposits is included as Attachment A. The Agency's cash balances by fund are presented in Attachment B.

# **ANALYSIS:**

The Agency's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of July 2017 was 1.05%.

The Agency recently refunded the Tax Allocation Bonds for 2011A and B as well as a portion of the 2010 series with series 2016C & D bonds. The Agency's investments are shown on Attachment A and have a weighted investment yield of 0.62%, which is below the benchmark LAIF return of 1.05%, as the portfolio is completely liquid.

With a completely liquid portfolio, the weighted average maturity of the Agency's

investments at July 31, 2017 is 1 day. LAIF's average maturity at July 31, 2017 is approximately 192 days.

# **FISCAL IMPACT:**

All deposits and investments have been made in accordance with the City's 2017-18 Investment Policy.

The portfolio will allow the Agency to meet its expenditure requirements for the next six months.

# **ENVIRONMENTAL IMPACT:**

None

# **LEGAL REVIEW:**

None.

# **PUBLIC NOTIFICATION:**

Through the agenda posting process.

# STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Concurred By:

Andrea Rae Aristondo

Administrative Services Intern

Stephen M. Parker, CPA

Administrative Services Director

Approved:

James A. Box City Manager

# Attachments:

A. Investments and Deposits

B. Cash Balances by Fund

# SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY INVESTMENTS AND DEPOSITS July 31, 2017

	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Par Value	Cost	Market	MV Source
State Treasurer's Pool - SA portion Fund (LAIF) State of California	te of Ca	lifomia	On Demand	1.05%	\$ 8,277,054	8,277,054 \$ 8,277,054 \$ 8,279,316 LAIF	\$ 8,279,316	LAIF
Bank of the West Bank of the	ik of the	the West	On Demand	N/A	(1,204,989)	(1,204,989)	Bank (1,204,989) West	Bank of the West
Bank of the West Money Bank of the West	ık of the	West	On Demand	0.29%	9,138,692	9,138,692	Bank 9,138,692 West	Bank of the West

Total Cash Investments and Deposits

Bond Funds Held by Trustees:

Investment		lssuer/	CUSIP	Date of	Interest	Par		Market	<b>≥</b> M<
Туре	Institution	Broker	Number	Maturity	Rate	Value	Cost	Value	Source
2010 Tax Allocation Bonds (Tax-Exempt)	xempt)								
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$8.65	\$8.65	\$8.65	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2 On Demand	On Demand	0.02%	\$0.06	\$0.06	\$0.06	\$0.06 US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2 On Demand	On Demand	0.02%	\$20.07	\$20.07	\$20.07 US Bank	JS Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.06	\$0.06	\$0.06	\$0.06 US Bank
Cash Equivalent	LAIF	US Bank	99LA009W8 On Demand	On Demand	1.05%	\$1,137,615.55	\$1,137,615.55	\$1,137,615.55 US Bank	JS Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt)

\$1,137,644 \$1,137,644

Investment	1,000	Issuer/	CUSIP	Date of	Interest	Par	+200	Market	MV
adk I	Insulation	DIONEI	Isallins.	Maturity	l vare	Value	1503	Adiac	2000
2016 Series A and B									
Debt Service Fund	-								
Cash Equivalents	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$21.41	\$21.41	\$21.41	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$600,042.74	\$600,042.74	\$600,042.74 US Bank	US Bank
Principle Account									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$345,329,53	\$345,329.53	\$345,329.53	US Bank
									-
Total 2016 Series A and B							\$ 945,394	\$ 945,394	
Investment		lssuer/	CUSIP	Date of	Interest	Par		Market	MV
Туре	Institution	Broker	Number	Maturity	Rate	Value	Cost	Value	Source
2016 Series C and D									
Debt Service Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$20.75	\$20.75	\$20.75	US Bank
Interest Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$25.54	\$25.54	\$25.54	\$25.54 US Bank
									_

Total 2016 Series C and D

\$0.00 US Bank

\$0.00 \$0.00

46

₩,

4

\$2,083,084

\$2,083,084

\$0.00 US Bank

\$0.00 \$0.00

0.02% 0.02%

US Bank US Bank US Bank

> US Bank Money Market US Bank Money Market

Principle Account:
Cash Equivalent
Cost of Issuance Fund:
Cash Equivalent

9AMMF05B2 On Demand 9AMMF05B2 On Demand

# Total Bond Fund Investments and Deposits (3)

(1) - There have been no exceptions to the Investment Policy.
(2) - The Successor Agency is able to meet its expenditure requirements for the next six months.
(3) - Restricted Bond Funds are held by the fiscal agent.

# SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

# POOLED CASH BALANCES BY FUND TYPE July 31, 2017

	Fund	Cash Balance
710	Project 2000 Debt	
	Service Fund	-
711	Redevelopment Debt	
	Service Fund	_
712	Redevelopment Obligation Retirement	
	Fund	7,285,758
720	Low and Moderate Income	
	Housing Fund	-
	Housing Successor Fund	_
730	Community Redevelopment	
	Administration Fund	-
	Successor Agency Admin Fund	(220,175)
740	Redevelopment Project	
	Fund	_
744	Suggest Agency Project Found	0.400
741	Successor Agency Project Fund	6,483
741	Cash DDR Clawback	9,138,692

TOTAL CASH BALANCE

\$ 16,210,757

# **CITY OF STANTON**

# REPORT TO THE STANTON HOUSING AUTHORITY

TO:

Honorable Chair and Members of the Successor Agency

DATE:

September 12, 2017

SUBJECT: JULY 2017 INVESTMENT REPORT (HOUSING AUTHORITY)

# **REPORT IN BRIEF:**

The Investment Report as of July 31, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

### RECOMMENDED ACTION:

- 1. Stanton Housing Authority find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Receive and file the Investment Report for the month of July 2017.

# BACKGROUND:

The attached reports summarize the Stanton Housing Authority investments and deposit balances as of July 2017. A summary of the Housing Authority's investments and deposits is included as Attachment A. The Housing Authority's cash balances by fund are presented in Attachment B.

# ANALYSIS:

The Housing Authority's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of July 2017 was 1.05%.

The Agency's investments are shown on Attachment A and have a weighted investment yield of 1.05%, as almost the entire portfolio is invested in LAIF.

With investments almost completely in LAIF, the portfolio is completely liquid, and the weighted average maturity of the Housing Authority's investments at July 31, 2017 is 1 day. LAIF's average maturity at July 31, 2017 is approximately 192 days.

# **FISCAL IMPACT:**

All deposits and investments have been made in accordance with the City's 2017-18 Investment Policy.

The portfolio will allow the Housing Authority to meet its expenditure requirements for the next six months.

# **ENVIRONMENTAL IMPACT:**

None

# **LEGAL REVIEW:**

None.

# **PUBLIC NOTIFICATION:**

Through the agenda posting process.

# STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Concurred By:

Andreá Rlez Aristondo

Administrative Services Intern

Stephen M. Parker, CPA

Administrative Services Director

Approved:

James A. Box City Manager

# Attachments:

- A. Investments and Deposits
- B. Cash Balances by Fund

# SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY INVESTMENTS AND DEPOSITS

July 31, 2017

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	P Va	Par Value	Cost		Market Value	MV Source
State Treasurer's Pool - HA portion	Local Agency Investment Fund (LAIF)	State of California On Demand	On Demand	1.05%	<del>69</del>	639,764 \$		639,764 \$	639,939  LAIF	LAIF
Imprest Account - SA portion	Bank of the West	Bank of the West On Demand	On Demand	N/A	69	(93,138)	; <del>6</del> )	(93,138)	Bank (93,138) West	Bank of the West
State Treasurer's Pool - Housing Authority Account	Local Agency Investment Fund (LAIF)	State of California On Demand	On Demand	1.05%	\$ 5	5,265,000 \$	\$ 5,26	5,265,000 \$	5,266,438  LAIF	LAIF
										****

Total Cash Investments and Deposits

5,811,626

Notes:
(1) - There have been no exceptions to the Investment Policy.
(2) - The Housing Authority is able to meet its expenditure requirements for the next six months.

# **HOUSING AUTHORITY**

# POOLED CASH BALANCES BY FUND TYPE July 31, 2017

Fund	Cash Balance
285 Housing Authority Fund	5,811,626
TOTAL CASH BALANCE	\$ 5,811,626

# **CITY OF STANTON**

# REPORT TO THE CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT: APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF STANTON AND THE CITY OF MISSION VIEJO FOR THE ORANGE COUNTY SHERIFF-CORONER DEPARTMENT'S CONTRACT

LAW ENFORCEMENT COST AND EFFICIENCY STUDY

# REPORT IN BRIEF:

The thirteen cities in Orange County that contract for law enforcement services with the Orange County Sheriff-Coroner Department are conducting an efficiency study to gain a better understanding of the annual cost increases associated with the contract. The results of the study will utilized to create greater efficiencies in the delivery of law enforcement services.

# **RECOMMENDED ACTION:**

- 1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378(b)(4) - The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
- 2. Approve the Memorandum of Understanding between the City of Stanton and the City of Mission Viejo for the Orange County Sheriff-Coroner Department's Contract Law Enforcement Cost and Efficiency Study; and
- 3. Authorize the City Manager to execute the Memorandum of Understanding; and
- 4. Approve Budget Adjustment No. 2018-05 in the amount of \$18,500.00 from Fund Balance.

# **BACKGROUND:**

The City of Stanton has contracted with the Orange County Sheriff Department (OCSD) for the provision of law enforcement services since 1988. On average over the last five years, the cost of contracts for the thirteen cities that contract with OCSD has risen by approximately 26%. All involved parties agree that a number of the increases are not in the control of the OCSD; however it is appropriate to review the methodologies and costing models utilized by the OCSD. The cost of law enforcement services represents a significant portion of the operating budget in the cities that contract with OCSD. In order to ensure the long-term sustainability of these contract relationships, a detailed analysis of the OCSD contract is appropriate.

The City of Mission Viejo will serve as the lead agency and issue a formal Request for Proposal to identify a qualified consulting firm to conduct the analysis of the city contracts.

### ANALYSIS:

All thirteen contract cities contracting with OCSD for law enforcement services desire to gain a more detailed understanding of the trends and issues resulting in the annual increase in cost of service. As a result, once the consultant is awarded the contract to begin the study they will meet with Stanton personnel to discuss issues related to the contract cost and related services. The results of the study will be an opportunity to create a dialogue with the OCSD in to create greater efficiencies in the delivery of law enforcement services.

### FISCAL IMPACT:

The estimated cost of the Efficiency Study is \$300,000, which will be shared by the 13 cities in Orange County that contract for law enforcement services with the Orange County Sheriff-Coroner Department. The pro-rata cost share is based on population, creating a financial obligation for the City of 6.15% of total cost which equates to \$18,436.84. A budget adjustment in the appropriate amount has been created to utilize funds from the cities Fund Balance.

#### **ENVIRONMENTAL IMPACT:**

In accordance with the requirements of CEQA, this project has been determined to be exempt under Section 15378(b)(4).

# **LEGAL REVIEW:**

None.

#### **PUBLIC NOTIFICATION:**

Through the regular agenda process.

# STRATEGIC PLAN OBJECTIVE ADDRESSED:

- 1. Provide a Safe Community
- 2. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Concurred by:

**Public Safety Services Director** 

Stepher M. Parker

Administrative Services Director

Approved by:

Reviewed by:

James A. Bbx City Manager

Matthew E. Richardson

City Attorney

# Attachments:

- Memorandum of Understanding By and Between the City of Mission Viejo and Α. the City of Stanton for the Orange County Sheriff-Coroner Department's Contract Law Enforcement Cost and Efficiency Study.
- Budget Adjustment Authorization # 2018-05 В.

# MEMORANDUM OF UNDERSTANDING

# BY AND BETWEEN

# THE CITY OF MISSION VIEJO

# AND

THE CITIES OF ALISO VIEJO, DANA POINT, LAGUNA HILLS, LAGUNA NIGUEL, LAGUNA WOODS, LAKE FOREST, RANCHO SANTA MARGARITA, SAN CLEMENTE, SAN JUAN CAPISTRANO, STANTON, VILLA PARK, AND YORBA LINDA

# **FOR**

# THE ORANGE COUNTY SHERIFF-CORONER DEPARTMENT'S CONTRACT LAW ENFORCEMENT COST AND EFFICIENCY STUDY

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"MOU")	is eff	ective	and e	enforce	able t	this		da	ay of _				, 2	017,
by and b	etwe	en th	e CITY	OF N	1ISSI	ON VIE	EJO, (	("MISS	SION Y	√IEJO"	) and	the CI	TIES	S OF
ALISO \	√IEJC	), DA	NA PC	DINT, L	_AGU	NA HI	LLS,	LAGU	INA N	IGUEL	, LAG	UNA \	NOC	DS,
LAKE F	FORE	ST,	RANC	HO S	ANTA	A MAI	RGAF	RITA,	SAN	CLEM	1ENT	E, SA	N J	UAN
CAPIST	RAN	O, ST	ANTO	N, VIL	LA P	ARK, A	AND \	ORB.	A LIN	DA, all	of wh	ich are	e ger	neral
law cities	s and	l mun	icipal d	corpora	ations	organ	ized a	and ex	kisting	under	the la	ws of	the S	State
of Califo	ornia	(the	"CITIE	ES").	The	forego	ing (	CITIES	S may	each	here	inafter	also	be
referred	to sir	ngular	lv as a	a "Party	y" and	collec	ctively	as "P	arties	37				

# RECITALS

WHEREAS, the Parties individually contract with the Orange County Sheriff's Department (the "Sheriff") for law enforcement services pursuant to individual, annual contracts (the "Agreements"); and

WHEREAS, with the exception of the number and classification of direct positions purchased, the terms of the Agreements and the cost assumptions, methodologies and allocations of indirect costs, regional/shared staffing, and other cost/revenues are generally applied to each Party's individual law enforcement service Agreement with the Sheriff; and

WHEREAS, the Parties acknowledge that over the last ten fiscal years, costs charged by the Sheriff have increased on average by 33%, with approximately 26% of the increase occurring in the last five years; and

WHEREAS, the Parties acknowledge that most changes to cost are not within the Parties control, but are within the control of several County of Orange entities: the Orange County Board of Supervisors, the Sheriff, other County agencies, and the Orange County Employees Retirement System; and

WHEREAS, the Parties have concluded, based on facts, that the cost of the Sheriff's Agreement is becoming a greater percentage of the Parties General Fund budgets and threatens the provision of other vital municipal services; and

WHEREAS, the Parties recognize that the provision of law enforcement services and overall public safety is a primary role of local government and agree that it is in the best interests of the Parties and the Sheriff to explore options and efficiencies that will ensure the long-term sustainability of the Sheriff's individual and aggregate contract law enforcement services; and

WHEREAS, the Parties further recognize the need to have an independent third party review and analyze the existing Agreements model, cost assumptions,

methodologies and allocations, and cost-benefit of certain programs and law enforcement strategies; and

WHEREAS, the Parties have expressed an interest to collaborate on retaining the services of a qualified professional consulting firm or combination of firms to evaluate the Agreements, analyze alternative service delivery models within the Agreements, review cost assumptions, methodologies and allocations, and determine the cost-benefit of certain programs and prepare a final report with recommendations (hereinafter collectively referred to as the "PROJECT"); and

WHEREAS, the Parties have agreed to mutually and proportionally share in the costs of the PROJECT; and

WHEREAS, the Parties wish to enter into this MOU for the purpose of formalizing the agreement to carry out the PROJECT by and between the Parties; and

WHEREAS, each Party hereby commits that it shall designate a responsible individual(s) to act as the lead for the respective Party and that each Party shall further commit to attend regular meetings as agreed to by the majority of the Parties and to diligently and actively participate and cooperate with each and every other Party in order to facilitate the timely completion of the PROJECT.

NOW, THEREFORE, in light of the joint and mutual consideration by and from each Party, and to accomplish the intent of the Parties, the Parties enter into this MOU with respect to the matters set forth herein as follows:

# **AGREEMENT**

1. <u>Cooperation</u>. The Parties agree to cooperate and coordinate to the extent practicable in the performance of the work required for the PROJECT.

Furthermore, the Parties agree that each will cooperate and coordinate with the other in all duties, obligations, and activities covered by this MOU. Further, the Parties agree to work diligently together and in good faith, using their reasonable best efforts in the performance of this MOU.

- 2. <u>Designated Personnel.</u> In order to ensure prompt and continued cooperation and coordination between the Parties, the Parties agree to each designate, identify and authorize a responsible individual to act on behalf of and as the lead for the Party and to perform any administrative tasks needed as part of this MOU. Each Party shall designate its City Manager, or the City Manager's designee, as the responsible individual. The intent of the Parties is that the responsible individual shall possess the relevant experience and authority to address the various issues that may arise during the term of this MOU. Notwithstanding Section 3 below, all communications relating to this MOU or the PROJECT shall be exchanged between the designated individuals for each Party.
- 3. <u>Term.</u> This MOU shall continue in full force and effect through December 31, 2018, unless terminated earlier by mutual written consent of all of the Parties. Termination shall not occur by action of a Party, or the Parties, until all payments due or costs encumbered have been paid in full. The term of this MOU may only be extended upon mutual written agreement of the Parties.
- 4. <u>Contract Law Enforcement Services Evaluation.</u> The Parties agree that the most efficient way to accomplish the goals and objectives of this MOU and to explore various options and recommendations to improve efficiencies and control costs is to retain the services of a qualified professional consulting firm or combination of

firms, who are to conduct a comprehensive Contract Law Enforcement Services Evaluation.

- A. As the lead agency, MISSION VIEJO will conduct a formal competitive Request for Proposal (RFP) process and contract with a qualified professional consulting firm or firms to undertake and complete the PROJECT. A copy of the draft Scope of Work to be included in MISSION VIEJO's RFP for the PROJECT is attached hereto as Exhibit A. The CITIES will assist MISSION VIEJO in the selection process.
- B. As the lead agency, MISSION VIEJO will, on a cost shared by the Parties, retain a consultant to act as PROJECT MANAGER to coordinate the RFP process, oversee the work of the professional firm or firms retained by MISSION VIEJO to undertake and complete the PROJECT and to coordinate the activities and efforts of the Parties pertaining to the PROJECT, including scheduling, data management and meeting arrangement.
- C. The Parties will share mutually and proportionally in the cost of the PROJECT and the PROJECT MANAGER. Exhibit B to this MOU shows a Cost Allocation Summary for each of the Parties based on an initial budget of \$300,000. In the event PROJECT costs are determined to exceed the initial budget of \$300,000, the Parties will meet and confer to discuss the anticipated cost of the PROJECT.

- 5. <u>Initial Payment</u>. The Parties agree to have the MOU approved no later than September 26, 2017. Upon final approval, the CITIES agree to send executed copies of the MOU to MISSION VIEJO together with an initial payment equal to each Parties pro-rata cost share shown in Exhibit B.
- 6. Final True-up. Upon final completion of the PROJECT, MISSION VIEJO will provide a final accounting of all PROJECT and PROJECT MANAGER expenditures (hereinafter, "COSTS") to the CITIES. "Final completion" shall mean that the majority of the Parties deem the PROJECT complete. MISSION VIEJO shall submit a reasonably detailed accounting of all COSTS incurred by the PROJECT, including the PROJECT MANAGER, to the Parties after final completion. If the total COSTS exceed the initial PROJECT budget of \$300,000, MISSION VIEJO will invoice each Party for their pro-rata share of the excess COSTS, pursuant to the Cost Allocation Summary in Exhibit B. CITIES agree to pay MISSION VIEJO in full on or before sixty (60) calendar days of receipt of said invoice. If final COSTS are less than the initial budget of \$300,000, MISSION VIEJO will refund each Party their pro-rata share of the budget savings pursuant to the Cost Allocation Summary in Exhibit B. MISSION VIEJO agrees to issue said refunds on or before sixty (60) calendar days after calculation of such overage by MISSION VIEJO.
- 7. Applicable Laws. This MOU shall be governed by and construed according to all applicable federal, state and local laws, statutes, rules, regulations, and ordinances. The Parties warrant that in the performance of this MOU, each shall comply with all applicable federal, state and local laws, statutes, rules, regulations, and ordinances promulgated thereunder.

- 8. <u>Complete Agreement.</u> This MOU, including all exhibits and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the term(s) and condition(s) of the agreement between the Parties and it supersedes all prior representations, understandings, and communications. The invalidity in whole or in part of any term or condition of this MOU shall not affect the validity of any other term(s) or condition(s).
- 9. <u>Amendments</u>. This MOU may only be modified or amended in writing by agreement of the Parties. All modifications, amendments, changes, and revisions of this MOU, in whole or in part, and from time to time, shall be executed by each Party and shall be binding upon all Parties.
- 10. <u>Counterparts</u>. This MOU may be executed in one or more counterparts, all counterparts shall be valid and binding on the party executing them, and all counterparts shall together constitute one and the same document for all purposes.
- 11. <u>Effective Date</u>. The above understandings shall serve as a guide to the intent and expectations of the parties involved in this MOU. This MOU shall be effective upon execution of all Parties.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Memorandum of Understanding to be executed on the date first above written.

MISSION VIEJO:	<u>CITIES:</u>
CITY OF MISSION VIEJO	CITY OF ALISO VIEJO
By: Dennis Wilberg City Manager	By:
ATTEST:	ATTEST:
By: Karen Hamman City Clerk	By: Mitzi Ortiz City Clerk
APPROVED AS TO FORM:	APPROVED AS TO FORM:
William P. Curley, City Attorney	Scott C. Smith, City Attorney

# CITY OF DANA POINT CITY OF LAGUNA HILLS By: By: Bruce E. Channing Mark Denny City Manager City Manager ATTEST: ATTEST: Ву: \_\_ By: \_\_ Kathy Ward Melissa Au-Yeung City Clerk Assistant to City Manager/ City Clerk APPROVED AS TO FORM: APPROVED AS TO FORM: Patrick Munoz, City Attorney Gregory E. Simonian, City Attorney CITY OF LAGUNA NIGUEL CITY OF LAGUNA WOODS By:\_\_ Stephen Erlandson Christopher Macon Interim City Manager City Manager ATTEST: ATTEST: Yolie Trippy Eileen Gomez City Clerk Deputy City Clerk APPROVED AS TO FORM: APPROVED AS TO FORM: Terry Dixon, City Attorney David Cosgrove, City Attorney

CITY OF LAKE FOREST	CITY OF RANCHO SANTA MARGARITA							
Rv.								
By: Debra Rose City Manager	By:							
ATTEST:	ATTEST:							
By: Stephanie Smith City Clerk  APPROVED AS TO FORM:	By: Amy Diaz City Clerk							
7.1.1.1.0.1.2.5.1.0.1.0.1	APPROVED AS TO FORM:							
Matthew E. Richardson, City Attorney	Gregory E. Simonian, City Attorney							
CITY OF SAN CLEMENTE	CITY OF SAN JUAN CAPISTRANO							
Ву:	By:							
By: James Makshanoff City Manager	By: Benjamin Siegel City Manager							
ATTEST:	ATTEST:							
By: Joanne Baade City Clerk	By: Maria Morris City Clerk							
APPROVED AS TO FORM:	APPROVED AS TO FORM:							
Scott Smith, City Attorney	Jeff Ballinger, City Attorney							

CITY OF STANTON	CITY OF VILLA PARK
By: James A. Box City Manager	By: Steve Franks City Manager
ATTEST:	ATTEST:
By: Patricia A. Vazquez City Clerk	By: Jarad Hildenbrand City Clerk
APPROVED AS TO FORM:	APPROVED AS TO FORM:
Matthew E. Richardson, City Attorney	Todd Litfin, City Attorney
By:Mark Pulone City Manager	
ATTEST:	
By: Marcia Brown City Clerk	
APPROVED AS TO FORM:	
Todd Litfin, City Attorney	

# EXHIBIT A

# SCOPE OF WORK

# SCOPE OF WORK

# ORANGE COUNTY SHERIFF-CORONER DEPARTMENT'S LAW ENFORCEMENT COST AND EFFICIENCY STUDY

# BACKGROUND

Thirteen cities currently contract with the Orange County Sheriff-Coroner Department (OCSD) for law enforcement services:

- Aliso Viejo
- Lake Forest

Stanton

- Dana Point
- Mission Viejo

Villa Park

- Laguna Hills
- Rancho Santa Margarita
- Yorba Linda

- Laguna Niguel
- San Clemente
- Laguna Woods
- San Juan Capistrano

OCSD services the contract cities over three patrol areas; North Patrol, Southeast Patrol, and Southwest patrol.

Over the last ten fiscal years, costs charged by OCSD for law enforcement services have increased on average by 33%, with approximately 26% of the increase occurring in the last five years. During the last four fiscal years, average growth in contract costs has ranged from 5.69% to 7.40% where prior years experienced growth ranging from 0.31% to 3.00%.

While contract costs may change due to changes in service hours in a given year or changes in staffing levels requested by the contracting City, most changes to cost are not within a contracting City's control. Most changes are within the control of the Orange County Board of Supervisors (BOS), OCSD, other County agencies such as the County's Auditor Controller or Risk Management Unit, and agencies outside the County such as the Orange County Employees Retirement System (OCERS). The primary driver of increased costs over time has been increases in salaries and benefits. New programs implemented by OCSD have also impacted direct charges and allocated overhead.

The cost model used by OCSD was developed prior to 2002 with minimal changes until approximately 2006 to 2008 when allocations for new programs or modifications for changes to existing programs began to be implemented. Changes include (but are not limited to) charges for Patrol Video Systems (PVS), addition of the Field Training Bureau, addition of the Southeast Substation including addition of positions, addition to Command Staff impacting allocated overhead.

Costs for certain services have seen significant growth including salaries and benefits, enhanced helicopter services, and increased overhead costs being allocated to contract cities. At the same time, credits to cities from citation revenues have significantly decreased. The average rate of cost increases over the last four years (5.69%, 6.83%, 6.81 %, and 7.40%) significantly outpace growth in cities' revenues and changes in the

Consumer Price Index for All Urban Consumers (CPI\_U) for the region. Cost increases at current rates are no longer sustainable. Cities are looking to partner with OCSD and the County of Orange to develop solutions toward stabilizing costs while continuing the quality service that OCSD is known for.

It is understood and agreed that the protection of our region, and each City specifically, is the primary role of government. To that end, the attraction, and more vital, the retention of top quality law enforcement personnel is of primary importance. Yet, costs must balance the ability to afford the expected service levels.

# **OBJECTIVE**

All thirteen cities contracting with OCSD for law enforcement services desire to gain a more detailed understanding of the trends and issues resulting in annual increases in the cost of service, which continue to exceed 5% on an ongoing basis. The County leadership, including our Sheriff and County of Orange Executive Staff, also support the completion of this exercise. To this end, the cities desire to understand the underlying methodology of calculating and allocating specific costs and revenues charged or credited by OCSD to the contract cities.

# **SCOPE OF WORK**

Project tasks shall include, but are not necessarily limited to, the following. If the Proposer feels that additional tasks are warranted, they must be clearly identified in the proposal. The Proposer is encouraged to recommend other tasks that it deems appropriate to achieve the objectives set forth in this RFP.

- Meet with cities to understand their concerns related to the cost of law enforcement services
- 2. Review the current internal cost study (compliant with Title 2, Code of Federal Regulations, Part 225 Cost Principles for State, Local and Indian Tribal Governments) and document changes occurring over the last ten years that have had significant impact (1% or more) on law enforcement costs charged to contract cities. Changes may include operational changes, rate changes, and changes to cost capture and allocation methodologies.
- 3. Review a copy of Orange County Board of Supervisors Resolution No. 89-1160 dated August 8, 1989, directing the Sheriff-Coroner as to what services are to be provided county-wide to all Orange County cities at no-cost, and allowing recovery of costs from contract cities to the extent that the level-of-service requested by the city is greater than that given to other Orange County cities free-of-charge.
- 4. For services received by cities per Resolution No. 89-1160 (per item 3 above), meet with OCSD staff to gain an understanding of how OCSD defines when contract cities are provided greater service than given to other Orange County cities. Document

- how the OCSD defines when a city "requests" greater service, and how OCSD tracks or monitors usage.
- 5. Review and document the methodology used to measure and allocate costs for significant changes (as identified in item 2 above), and other programs as summarized below:
  - a. Division, Department and County-wide overheads.
    - i. Are supervision, administrative and other costs related to units falling under Resolution No. 89-1160 removed from total overhead costs allocated?
    - ii. What has been the impact of increased staffing (both sworn and civilian) in overhead support units in terms of cost and performance? Have stated goals supporting staffing increases been met?
  - b. Substations serving North, Southeast, and Southwest patrol areas:
    - i. Is there opportunity to consolidate regional teams and share supervisory positions (e.g.: shared lieutenant and/or sergeants)?
    - ii. Are any costs included in the Southeast Substation operating lease capital in nature that should be charged through the Countywide Cost Allocation Plan (CWCAP) and not direct as an operating lease cost?
    - iii. Would it be feasible to allocate substation costs on a County-wide model versus the current regional model and what would be the cost impact on individual cities?
  - c. Helicopter Services.
    - i. What costs are included and excluded from helicopter services allocated?
    - ii. How have services provided and costs changed since the agreement with ABLE (a joint agreement for maintenance with the cities of Costa Mesa and Newport Beach) was discontinued?
    - iii. Has there been a change in philosophy in what is base level service over the last five years?
    - iv. Are calls for fire support, other law enforcement agency support, unincorporated support, etc. appropriately removed from city allocations?
    - v. Do flight logs, calls for services, and priority level of calls, support the enhanced services allocations?

vi. Is there a more accurate methodology for allocating enhanced helicopter services, such as square miles covered, calls for service, or other method compared to allocating by the number of deputy FTEs (see item six below).

# d. Field Training Bureau.

- i. Review program statistics for pass and fail rates for all participants broken out by first time and repeat participants since program inception.
- ii. Determine the number of participants who drop out and do not return.
- iii. Are program goals being met based on current statistics?
- iv. Do program statistics justify all costs allocated as patrol training that should be allocated, and are allocation methods appropriate?
- v. How do other County Sheriff operations (e.g.: Los Angeles, San Diego, Riverside, San Bernardino) allocate cost for training with contracting agencies?
- e. General Liability and Workers Compensation Annual Insurance Costs.
  - Document the last five year history of annual costs charged to OCSD by the County Executive Office, Risk Management Unit.
  - ii. Document whether the impact of jail claims and patrol claims on costs can be segregated or reasonably estimated?
  - iii. Review claims over the last five years to determine if new programs are reducing risk and costs, e.g. do programs such as the Field Training Bureau appear to have a positive impact?

# f. Traffic Citation Revenue.

- i. Document the collection, reporting and allocation methods for citation revenues.
- ii. Obtain traffic citation statistics for the last five years by city to include the number of citations issued and the value of fines charged.
- iii. Obtain a list of collections and outstanding fines for the last five years.
- iv. Review the statistics collected against revenues credited to cities to determine if allocations appear reasonable.
- g. Cost of Sworn Staff.

- i. Confirm that sworn staff are charged to contract cities at top step.
- ii. Determine if there is a more representative methodology of charging sworn staff to contract cities, such as an individual's actual rate of pay or an average rate of pay.
- iii. Determine if retirement rates passed through appropriately reflect rates for new sworn staff subject to lower benefit retirement plans. Review rate calculations projected by the County Executive Office for reasonableness.
- 6. Identify potential alternatives to cost allocation methodologies for the programs identified in item five above and calculate an estimated cost impact to cities for identified alternatives.
  - a. Is there an alternative or more appropriate base of allocation (e.g. allocation based on number of calls or full-time equivalents assigned to a City, etc.)?
  - b. Is the calculation of credits for vacancies and overtime assumptions a fair methodology? How can this be refined to better show actual cost of services at the contract level?
- 7. Meet with OCSD contract and cost unit staff to determine new programs that may impact law enforcement costs over the next two to five years. Determine if there is a method to forecast potential costs impacts. Results might be a cost range, a percentage impact, or other method that will allow cities to plan for future increases.
- 8. Can efficiencies be found by consolidating the accounting, purchasing and human resources units between the OCSD and the County to reduce administrative overhead costs?
- 9. An optional direct purchase position under the Agreement is the School Resource Officer (\$RO). Some of the cities purchase this position, some share the cost of an SRO with other cities and a few cities have opted not to purchase an SRO. The number of \$ROs purchased by each city varies. As an alternative to the current structure, determine if an optional, regional/shared staffing approach could achieve operational and staffing efficiencies and cost savings.
- 10. The Sheriff offers a Drug Enforcement Team (DET) as an optional program. If a city opts into the program, then they are required to assign one of their DSII Patrol deputies to the DET team and are charged their pro rata share of one DET Sergeant and one DET Investigator. Calculate the total cost of the DET program and evaluate its effectiveness and determine if the program justifies the assignment of a DSII Patrol Deputy as opposed to reassigning the DSII Patrol Deputy to the normal patrol complement.

- 11. As an alternative to the current DET program structure, determine if Deputy staffing of the DET team should fall under the regional/shared staffing approach and if this could achieve operational and staffing efficiencies and cost savings.
- 12. Under the current contract model, Investigators are direct purchase positions and each city is required to purchase Investigators. The number of Investigators purchased by each city varies. Supervision of Investigators is not included in the regional/shared staff, but is instead allocated under Division Overhead. As an alternative to the current structure, determine if a regional/shared staffing approach could achieve operational and staffing efficiencies and cost savings.
- 13 Provide samples of various County Contract models for consideration by the group. Provide comments for discussion if other models value review and potential for consideration.

The successful respondent shall be required to retain all working papers and related supporting documents, including records of professional time spent, for a period of five years after delivery of the required reports, unless notified in writing by City of Mission Viejo of the need to extend the retention period. The Proposer further agrees to allow City of Mission Viejo staff to review such documents upon written request at any time during the retention period.

(END OF SCOPE OF WORK)

Orange County Sheriff-Coroner Department's Contract Law Enforcement Cost and Efficiency Study

# Cost Allocation Summary

Estimated Costs:	\$ 300,000			
City	Population*	Population %	Pro-Rata Cost Share	nare
Aliso Vieio	50,312	7.81%	\$ 23,417.59	7.59
Dana Point	33,699	5.23%	\$ 15,685.12	5.12
Laguna Hills	31,544	4.89%	\$ 14,682.08	2.08
l aguna Niguel	689'99	10.35%	\$ 31,040.23	0.23
l aguna Woods	16,319	2.53%	\$ 7,59	7,595.64
lake Forest	84,931	13.18%	\$ 39,530.92	0.92
Mission Vielo	96,763	15.01%	\$ 45,038.10	8.10
Rancho Santa Magarita	48,602	7.54%	\$ 22,621.68	1.68
San Clemente	65,975	10.24%	\$ 30,707.90	7.90
San Juan Capistrano	36,262	5.63%	\$ 16,878.06	8.06
Stanton	39,611	6.15%	\$ 18,436.84	6.84
Villa Park	5,944	0.92%	\$ 2,76	2,766.62
Vorba Linda	068'29	10.53%	\$ 31,599.23	9.23
Totals	644,541	100.00%	300,000.00	0.00

<sup>\*</sup> - CA DOF Population Estimates as of 01/01/2017

# CITY OF STANTON BUDGET ADJUSTMENT AUTHORIZATION Fiscal Year: 2017-18 BA # 2018-05 Department: **Public Safety** Date: August 29, 2017 Requested By: Jim Wrenn Title: Public Safety Director City Council Approval: Date: September 12, 2017 Availability of Funds: Title: Administrative Services Director Administrative Services Department Current : Increase (Decrease) Amended Amount Transfer **Account Description Account Number** General Fund: Law Enforcement -Contractual Services 101-2100-608100 <u>- \$ 18,500 \$</u> 18,500 General Fund: Fund Balance 101-0000-304320 \$ 2,557,712 **\$** (18,500) **\$** 2,539,212 JUSTIFICATION: To provide appropriation foran OCSD Cost and Efficiency Study Budget Adjustment Request Approved: City Manager Date Budget Adjustment Processed:

\*\*\* PRINT ON BLUE PAPER ONLY \*\*\*

Entered by

Date posted

# CITY OF STANTON

# REPORT TO THE CITY COUNCIL

TO:

Honorable Mayor and City Council

DATE:

September 12, 2017

SUBJECT: CARRYOVER PURCHASE ORDERS FROM FY 2016-17 TO FY 2017-18

# REPORT IN BRIEF:

At each fiscal year end, City staff reviews remaining unspent budget appropriations at the end of the year to determine if any encumbered purchase orders should be carried forward from one fiscal year to the next. This report requests the carryover of 7 open purchase orders from FY 2016/17 to FY 2017/18, totaling \$116,947.92.

# **RECOMMENDED ACTION:**

- 1) That City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a director reasonably foreseeable indirect physical change in the environment) and 15060 (c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.
- 2) That City Council adopt Resolution No. 2017-38 approving the carryover of certain purchase orders from fiscal year 2016/17 to fiscal year 2017/18.

# **BACKGROUND:**

At the end of each fiscal year, departments are asked to review their budgets and determine, what, if any, purchase orders should be carried over to the subsequent fiscal year or closed. City Council is requested by staff to carry over to the next fiscal year purchase orders for which remaining funds are available on the purchase order and the project is not completed.

# ANALYSIS:

No budget adjustment is necessary this year to provide for the carryover of unspent appropriations as of June 30, 2017 to fiscal year 2017/18.

City staff does request that \$116,947.92 of encumbered appropriations from 7 open purchase orders as of June 30, 2017 be carried over to fiscal year 2017/18. Details for these 7 purchase orders (purchase order number, account number, vendor name, description and amount) are listed on the accompanying Exhibit A.

# **FISCAL IMPACT:**

The action to carryover the requested \$116,947.92 of encumbered appropriations will increase the FY 2017/18 Budget by those amounts. The most significant dollars in encumbrances are in Measure M Grant, Gas Tax, and CDBG Funds. The General Fund is not impacted. When the FY 2017/18 Budget was being developed, the amount of remaining funds in the related purchase orders were unable to be determined.

# **ENVIRONMENTAL IMPACT:**

None.

# **LEGAL REVIEW:**

The City Attorney has reviewed and approved this report.

# **PUBLIC NOTIFICATION:**

Through the agenda posting process.

### STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Stephen M. Parker, CPA

Administrative Services Director

Approved:

James A. Box City Manager

### Attachments:

A. Resolution No. 2017-38
 Exhibit A – Purchase Order Carryover List

# **RESOLUTION NO. 2017-38**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE CARRYOVER OF CERTAIN APPROPRIATIONS FROM FY 2016/17 TO FY 2017/18

WHEREAS, the City Council of the City of Stanton adopted the FY 2016/17 City Budget with the passage of Resolution No. 2016-36; and

WHEREAS, certain 2016/17 purchase orders identified in Exhibit A will not be closed until FY 2017/18 and were not included in the 2017/18 adopted budget due to timing constraints inherent in the budgetary process.

**NOW THEREFORE, BE IT RESOLVED** that the appropriations for the expenditures included in Attachments A shall be carried over into FY 2017/18, and that the Administrative Services Director shall cause the necessary increases in appropriations to be made to the 2017/18 Budget to reflect such carryovers.

CAROL WARREN, MAYOR	
APPROVED AS TO FORM:	
ALTHOUS NO TOTAL	
MATTHEW E RICHARDSON	

CITY ATTORNEY

ADOPTED, SIGNED AND APPROVED this 12th day of September, 2017.

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2017-38 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on September 12, 2017, and that the same was adopted signed and approved by the following vote to wit:
AYES:
NOES
ABSENT:
ABSTAIN:
PATRICIA A. VAZQUEZ

ATTEST:

# City of Stanton Purchase Order Carryovers From FY 2016-17 to FY 2017-18

PO Number	Account Number	Vendor Name	Description	Am	Amount
488		AndersonPenna Partners, Inc	Design of Kermore Lane Reconstruction Project	\$	\$ 4,595.00
628	220-3500-710190	Tait & Associates Inc	Design Support & Plan Development	↔	13,723.75
661	501-3700-608105	Harris & Associates Inc	Sewer System Fee Structure Consulting	↔	3,860.00
662	220-3510-710106		Cabinet & Equipment for Western/Thunderbird	❖	30,110.92
663	220-3510-710106	JTP Supply Company, Inc	Western/Thunderbird Signal Traffic Pole	Ş	20,945.25
670	211-3510-710205		Design for City Hall Plaza Improvement	↔	19,511.50
670	222-1600-710145	David Volz Design	Thunderbird Sewer Construction Management & Inspection	❖	19,511.50
672	220-3500-710190	El Camino Construction & Engineering	Driveway for Pyles School	<b>₹</b> \$	\$ 4,690.00

\$ 116,947.92

# **CITY OF STANTON**

# REPORT TO THE CITY COUNCIL

TO:

Honorable Mayor and City Council

DATE:

September 12, 2017

SUBJECT:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON,

CALIFORNIA APPROVING FINAL TRACT MAP NO. 17943

# REPORT IN BRIEF:

The final tract map for the development of twenty-five (25) single-family condominiums with thirty-four (34) parking spaces, plus two (2) per unit, open space and a private street on a 58,508 square foot site located at 8081 Lampson Avenue is submitted for final certification and recordation.

# **RECOMMENDED ACTION:**

# That the City Council:

- 1. Adopt Resolution No. 2017-35 (Attachment A) approving final Tract Map No. 17943; and
- 2. Find that the recordation of Tract Map No. 17943 will not be in violation of any of the provisions of Section 66474, 66474.1, and 66474.2 of the Subdivision Map Act; and
- 3. Find that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, or any specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3 of Division 1 of the Government Code; and
- 4. Direct the City Clerk to endorse on the face of the map of Tract Map No. 17943, the certificate which embodies the approval of said map, and submit the map to the County Recorder of Orange County for recording.

# **BACKGROUND:**

On November 8, 2016 the Planning Commission of the City of Stanton adopted Precise Plan of Development (PPD-776), for development of 25 single-family condominiums located 8081 Lampson Avenue.

# ANALYSIS AND JUSTIFICATION:

Recording of final tract map is required per Section 66426 of the Subdivision Map Act. The City Engineer has reviewed the final Tract Map No. 17943 and all associated documentation, and is satisfied that the final tract map substantially complies with the Precise Plan of Development (PPD-776).

Orange County Public Facilities and Resources Department (PF&RD), has also reviewed and approved the said final Tract Map No. 17943, and has certified to the technical correctness and its compliance with the provisions of the Subdivision Map Act.

# **FISCAL IMPACT:**

None.

# **ENVIRONMENTAL IMPACT:**

In accordance with the requirements of the California Environmental Quality Act (CEQA), this project has been determined to be categorically exempt under Section 15332, Class 32 (In-Fill Development).

# PUBLIC NOTIFICATION:

Public notification provided through the regular agenda process.

# **LEGAL REVIEW:**

None.

# STRATEGIC PLAN OBJECTIVE ADDRESSED:

5 - Provide a high quality of life.

Prepared by:

Allan Rigg, P.E. City Engineer

Approved by:

James A. Box City Manager

Attachments:

A. Resolution No. 2017-35

Reviewed by:

Kelly Hart

Community & Economic Development Director

# **RESOLUTION NO. 2017-35**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING FINAL TRACT MAP NO. 17943 FOR THE PROPERTY LOCATED AT 8081 LAMPSON AVENUE.

WHEREAS, on November 8, 2016, Resolution No. 2016-42 of the Planning Commission of the City of Stanton was adopted which approved Precise Plan of Development (PPD-776) for the development of 25 single-family condominiums located at 8081 Lampson Avenue; and

WHEREAS, all necessary documentation associated with this subdivision have been reviewed by the City Engineer; and

WHEREAS, the final map is substantially in compliance with the previously approved Precise Plan of Development (PPD-776); and

WHEREAS, the City Council has made the finding that none of the conditions for mandatory denial exist relative to the proposed subdivision, in accordance with Section 66474, 66474.1 and 66474.2 of the Subdivision Map Act; and

WHEREAS, the City Council finds that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, or any specific plan adopted pursuant to Article 8 (commencing with Section) 65450) of Chapter 3 of Division 1 of the Government Code; and

WHEREAS, the City Council finds that final Tract Map No. 17943 satisfies the provisions of the Subdivision Map Act, Stanton Municipal Code and the Conditions of Approval,

**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Stanton, California, hereby approves final Tract Map No. 17943.

CAROL WARREN, MAYOR
APPROVED AS TO FORM:
MAL RICHARDSON, CITY ATTORNEY
ATTEST:
I, Patricia Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIF that the foregoing Resolution, being Resolution No. 2017-27 has been duly signed the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton Council, held on June 27, 2017, and that the same was adopted, signed and approve by the following vote to wit:
AYES:
NOES:
ABSENT:
ABSTAIN:
PATRICIA VAZQUEZ. CITY CLERK
EMINICIA VAZUUEZ, GUT GLERN

ADOPTED, SIGNED AND APPROVED this 12th day of September 2017.

# CITY OF STANTON

# REPORT TO THE CITY COUNCIL

TO:

Honorable Mayor and City Council

DATE:

September 12, 2017

SUBJECT: RESOLUTION AMENDING THE POSITION CLASSIFICATION MANUAL

# **REPORT IN BRIEF:**

The attached Resolution makes changes to the Position Classification Manual by adding the job position of Grants Administrator.

# **RECOMMENDED ACTION**

# That City Council:

- Declare that this project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(2) - continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy or procedure making; and
- 2. Adopt Resolution No. 2017-36 amending the Position Classification Manual; and
- 3. Approve Budget Adjustment No. 2018-07 to record a Grants Administrator salary and benefits and offsetting revenue from North Orange County Public Safety Task Force cities.

### ANALYSIS AND JUSTIFICATION:

The City of Stanton is part of the North Orange County Public Safety Task Force along with the cities of Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia and Yorba Linda. The participating cities intend to work together toward the mutual goal of providing maximum available assistance to support its regional communities using local collaborative efforts to reduce violence through prevention, intervention and suppression activities through the use of evidence-based services.

A current city employee has been designated as the administrator for the North Orange County Public Safety Task Force. The designee for this position will be responsible for coordinating the administrative framework and wraparound effort to meet the Task Force's goals and objectives of the services in the region. Currently there is no position in the City's Position and Classification Manual that reflects the essential functions and duties of this position, hence the need to create a corresponding job classification. The job description for the position, Grants Administrator, can be found as Exhibit "B" to Resolution 2017-36 herein included as Attachment 1.

# **FISCAL IMPACT:**

The General Fund reserves will increase with the change of duties. Budget Adjustment No. 2018-07 records the FY 17/18 salary and benefits for the Grant Administrator as well as the revenue anticipated from North Orange County Public Safety Task Force cities that will reimburse the General Fund for grant administration and accounting costs.

# **ENVIRONMENTAL IMPACT:**

Not applicable.

# STRATEGIC PLAN OBJECTIVE ADDRESSED:

6. Maintain and Promote a Responsive, High Quality and Transparent Government.

# **PUBLIC NOTIFICATION:**

Through the normal agenda process.

Prepared by:

Cynthia Guzman

Human Resources Specialist

Approved by:

James A. Box City Manager

### Attachments:

- 1. Resolution No. 2017-36
- 2. Budget Adjustment No. 2018-07

# **RESOLUTION NO. 2017-36**

# A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING THE POSITION CLASSIFICATION MANUAL

**WHEREAS**, Chapter 2.44.02 of the Stanton Municipal Code requires the establishment of a Position Classification Plan; and

**WHEREAS**, Resolution No. 87-15 adopted that Position Classification Plan as a Position Classification Manual; and

WHEREAS, Resolution No. 2017-25 included the most recent revisions to the Position Classification Manual: and

WHEREAS, there is a need to change that plan by adding or deleting job classifications, and or changing certain elements of job classifications; and

WHEREAS, those changes are detailed in Exhibit "A" of this Resolution.

# NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AS FOLLOWS:

- 1. The changes as detailed in Exhibit "A" are incorporated into the Position Classification Manual.
- 2. The position description included as Exhibit "B" to this Resolution is hereby adopted.
- 3. All parts of the Position Classification Manual not changed by Exhibits "A" and "B" shall remain effective.

ADOPTED, SIGNED AND APPROVED this 12th day of September, 2017.

CAROL WARREN, MAYOR	_
APPROVED AS TO FORM:	
MATTHEW E. RICHARDSON, C	CITY ATTORNEY

the foregoing and attested I	Equez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that Resolution, being Resolution No. 2017-36 has been duly signed by the Mayor by the City Clerk, all at a regular meeting of the Stanton City Council, held on 2, 2017, and that the same was adopted, signed and approved by the to wit:
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
DATRICIA VA	AZOLIEZ CITY CLERK

ATTEST:

# EXHIBIT "A"

Pursuant to Resolution 2017-36, the following position classification and associated salary range is added or modified in the Position Classification Manual:

**POSITION** 

**SALARY RANGE** 

**Grants Administrator** 

26

# EXHIBIT "B"

### CITY OF STANTON

Job Title: Grants Administrator Department:

Salary Range: 26 Reports to: Department Head/Manager

# SUMMARY DESCRIPTION

The purpose of this position is to administer grants; assist in planning, organizing, and directing the implementation of grant funded programs in the area of employment; advise City policy makers, management and the general public regarding grant matters; participate in the preparation of the program budget; prepare and process contract documents; participate in project monitoring and assure compliance with requirements as well as all other applicable laws and regulations.

# **ESSENTIAL FUNCTIONS AND BASIC DUTIES**

The following duties are normal for this position. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Administers grant programs in accordance with funding source rules and federal/state regulations.
- Acts as the City's liaison and meets with representatives of funding sources and stakeholders to discuss strategies, timetables, implementation of services and support.
- Executes all grant/project modifications including grant and/or funding period, budget modifications, or change of scope/objectives.
- Communicates approved modifications to all affected parties and completes documentation for the project file.
- Collects and evaluates data and emerging trends to measure performance and outcomes of grant funded programs and activities.
- Monitors the progress of partners and facilitates interagency/collaboration and troubleshooting.
- Compiles and submits progress reports as required/requested while maintaining a
  master system of all grant report deadlines and assists project leads to ensure timely
  submission of requisite reports.
- Creates and maintains master files on grants and monitors paperwork connected with grant funded programs.
- Reviews all grant reports prior to submission to funder to assess completeness and alignment with funder requirements. As appropriate, assists with development of

- reporting templates, evaluation systems and other tools to yield high-quality program reports.
- Monitors funding opportunities and conducts proactive funding research to identify potential sources for projects. Disseminates appropriate funding opportunities to departmental staff for consideration.
- Maintains ongoing list of projects seeking funding and tracks progress towards full funding.
- Coordinates with Finance staff to budget and monitor appropriate grant expenses.
- Prepares all grant related receipts for reimbursable items with supporting documentation; clarify invoice line items from budget worksheets, invoices and itemized receipts; assemble and submit supporting documentation.
- Assists in developing, planning and implementing program goals and objectives; assists in the development of and implementation of policies and procedures.
- Coordinates program activities with those of other divisions, departments and outside agencies and organizations.
- Represents the City at public meetings; consults with other City staff on matters regarding grant programs. Participates in special task forces as needed or assigned and coordinates activities with outside agencies.
- Prepares and presents staff reports and other necessary correspondence.
- Responds to and resolve difficult citizen inquiries and complaints.
- Participates in professional groups and organizations as necessary.

# Additional Tasks and Responsibilities:

Performs related duties as assigned.

# KNOWLEDGE

- Background in government program administration and/or grant programs with strong organizational skills and attention to detail and ability to produce results in a deadline driven environment.
- Materials, equipment, regulations, principles, procedures and/or practices necessary to perform the required duties including but not limited to grants administration and federal regulations relating to grant funded programs.
- Organizational and management practices as applied to the analysis and evaluation of programs, policies and operational needs.
- Principles and practices of program development and administration.
- Recent developments, current literature and sources of information related to grant program administration and implementation.
- Principles and techniques of budget development and administration.
- Pertinent Federal, State and local laws, codes and regulations.
- Modern office practices, methods and computer equipment; principles of effective record keeping and reporting.
- English usage, spelling, vocabulary, grammar and punctuation.
- Principles of basic mathematics.

- Modern techniques for effective communication with members of the public.
- Safe driving principles and practices.

# ABILITIES/SKILLS

- Operate modern office equipment including computer equipment.
- Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals.
- Research, analyze and evaluate new service delivery methods, procedures, and techniques.
- Prepare and administer budgets.
- Prepare clear and concise reports.
- Interpret, explain and fairly apply pertinent Federal, State and local laws, codes and regulations.
- Maintain and update records, logs and reports.
- Respond to inquiries, complaints, and requests for service in a fair, tactful and timely manner.
- Communicate clearly and concisely, both orally and in writing.
- Establish, maintain and foster positive and harmonious working relationships with those contacted in the course of work.

### EXPERIENCE/TRAINING/EDUCATION

Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

- Four years of increasingly responsible grant program administration experience.
- Equivalent to a Bachelor's degree from an accredited college or university with major course work in public or business administration or a related field.

# LICENSE/CERTIFICATE

• Possession of, or ability to obtain, an appropriate, valid California driver's license.

# PHYSICAL ACTIVITIES AND REQUIREMENTS

- Ability to work in a standard office environment requiring prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, crouching and stooping in the performance of daily activities.
- Occasional pushing, pulling, dragging and lifting office items weighing 25 lbs.

- Movements frequently and regularly require using the wrists, hands and fingers to operate computers and office equipment.
- Willingness to work variable hours including nights, weekends and/or holidays.
- Ability to hear and convey detailed or important instructions or information verbally and accurately.
- Average visual acuity to prepare and read documents.
- Ability to communicate with both the public and co-workers in a clear and concise manner.
- · Ability to travel to different sites and locations.
- Exposure to outdoor conditions and inclement weather.
- Adapt to standard office sounds generated by office equipment as well as standard noise levels resulting from communication with co-workers and the general public.

The City of Stanton is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

# CITY OF STANTON BUDGET ADJUSTMENT AUTHORIZATION Fiscal Year: 2017-18 BA # \_\_2018-07 Department: Public Safety Date: August 31, 2017 Requested By: James Wren Title: Public Safety Services Director City Council Approval: Date: September 12, 2017 Availability of Funds: Title: Administrative Services Director Administrative S Current Amended Amount : Increase Budget : (Decrease) Account Description Account Number General Fund: Public Safety - Salaries-Regular 101-2100-501110 \_\_- \$ 94,000 \$ 94,000 General Fund: Charges for Services 101-0000-433100 2 <u>- \$ (140,000)</u> \$ (140,000) General Fund: Fund Balance 101-0000-304320 \$ 2,539,212 \$ <u>46,000</u> <u>\$ 2,585,212</u> JUSTIFICATION: To record appropriation for Grants Administrator and offsetting PSTF charges for services. Budget Adjustment Request Approved: Budget Adjustment Processed: Entered by

\*\*\* PRINT ON BLUE PAPER ONLY \*\*\*

Cate posted

# CITY OF STANTON

# REPORT TO CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE RUTLEDGE

AVENUE AND PALAIS ROAD ALLEY IMPROVEMENT PROJECT BY THE

CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

# REPORT IN BRIEF:

The seven bids for the Rutledge Avenue and Palais Road Alley Improvement Project was opened on August 24, 2017. Based on the post-bid analysis of the bids received, staff recommends the bid submitted by Hardy & Harper, Inc. to be responsible and responsive.

The construction cost for the Rutledge Avenue and Palais Road Alley Improvement Project is estimated at \$1,129,200.00, which includes a contingency and inspection services.

# **RECOMMENDED ACTION:**

- 1. Approve the plans and specifications for the Rutledge Avenue and Palais Road Alley Improvement Project; and
- 2. Award a construction contract for the Rutledge Avenue and Palais Road Alley Improvement Project to the lowest responsible bidder, Hardy & Harper Inc., for the amount of \$941,000.00; and
- 3. Authorize the City Manager to bind the City of Stanton and Hardy & Harper Inc. in a contract for the construction of the Rutledge Avenue and Palais Road Alley Improvement Project; and
- 4. Declare this project to be categorically exempt under the California Environmental Quality Act, Class 1, Section 15301c; and
- 5. Authorize the City Manager to approve contract changes, not to exceed 10-percent.

# **BACKGROUND:**

The area within the project limits has experienced numerous street failures in the past several years. The estimated project cost of \$1,129,200.00 is as follows:

Base Bid (Hardy & Harper Inc.)	\$ 941,000.00
Construction Contingency (10%)	\$ 94,100.00
Inspection Services (10%)	\$ 94,100.00
Total Estimated Project Cost	\$ 1,129,200.00
(rounded up to nearest hundred)	

This project-will-require-construction-inspection-services-which-are-expected to-cost approximately 10-percent of the contract cost. The contract for construction management services will be brought back before City Council when a pre-qualified firm has been selected to perform the services.

# **ANALYSIS/JUSTIFICATION:**

The project was advertised for bids on June 29, 2017. On July 24, 2017, eleven (11) proposals were received. The lowest bid was for \$963,461.00. The lowest bidders made a significant error which increased the bid price. Staff consulted our City Attorney regarding their ability to lower their bid. Per Public Code Section 5100 et seq govern mistakes in bids. The City cannot allow the bidder to correct the mistake because doing so would permit after the fact negotiations. As such the City rebid the project on August 10, 2017.

Notices announcing the solicitation of bids for this project were posted local on F.W. Dodge publication known as the "Green Sheets" and on Bid America. Staff also sent the notice inviting bids to local contracting companies familiar with the City that have bid on similar projects locally.

The bids were publicly opened on August 24<sup>th</sup>, 2017 at 2:00 p.m. Seven (7) bids were received:

Company		Bid	
Hardy & Harper, Inc.	\$	941,000.00	
Sequel Contractors, Inc.	\$	967,489.50	
Palp Inc. DBA Excel Paving Company	\$	1,019,158.00	
All American Asphalt	\$	1,076,331.62	
Harry H. Jon Construction	\$	1,085,219.40	
The R.J. Noble Company	\$	1,104,915.75	
Sully-Miller Contracting Company	\$	1,159,033.00	
	Hardy & Harper, Inc. Sequel Contractors. Inc. Palp Inc. DBA Excel Paving Company All American Asphalt Harry H. Jon Construction The R.J. Noble Company	Hardy & Harper, Inc. \$ Sequel Contractors. Inc. \$ Palp Inc. DBA Excel Paving Company All American Asphalt \$ Harry H. Jon Construction \$ The R.J. Noble Company \$	Hardy & Harper, Inc.       \$ 941,000.00         Sequel Contractors. Inc.       \$ 967,489.50         Palp Inc. DBA       \$ 1,019,158.00         Excel Paving Company       \$ 1,076,331.62         Harry H. Jon Construction       \$ 1,085,219.40         The R.J. Noble Company       \$ 1,104,915.75

Staff has reviewed the submitted bid documents and found Hardy & Harper, Inc. in compliance with the contract documents. A check of the references submitted indicates that the bidder has successfully completed similar projects within Southern California. Upon successful execution of the contract documents, the project is expected to begin construction in October. The contractor will have approximately ten (10) weeks to complete the project. Staff will be awarding the contract based on Bid Schedule A and Bid Schedule B which is the common way of reconstructing a street. Bid schedule C dealt with a method of cement stabilized pulverized based treatment. This method is meant to save on materials, but it has a higher labor cost.

# **FISCAL IMPACT:**

This project was budgeted for the FY 17/18 Capital Improvement Program. Funds for the project are available in the Measure M Fund account number 220-3500-710190 and the Gas Tax Fund account number 211-3500-710190. This project will not have any impact on the General Fund.

# **ENVIRONMENTAL IMPACT:**

This project is categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301c as replacement of existing facilities.

# **LEGAL REVIEW:**

None.

# **PUBLIC NOTIFICATION:**

Notifications and advertisement were performed as prescribed by law.

# STRATEGIC PLAN OBJECTIVE ADDRESSED:

3 - Provide a quality infrastructure.

Prepared by:

Guillermo Perez

**Engineering Assistant** 

Reviewed by:

Allan Rigg, P.E. AICP

**Director of Public Works** 

Concur:

Stephen Parker, CPA

**Administrative Services Director** 

Approved by:

James A Box City Manager

# **Attachments:**

- 1) Rutledge Avenue and Palais Road Alley Improvement Project Contract
- 2) Copy of Bid

# CITY OF STANTON CONTRACT

Rutledge Avenue and Palais Road Alley Improvement Project

I.

This Contract is made and entered into on the 12th Day of September, 2017 by and between the City of **Stanton**, a California General Law Municipal Corporation ("City") and Hardy & Harper, Inc. ("Contractor"). City and Contractor, based upon their mutual promises contained herein and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, do hereby agree as follows:

The complete Contract includes all of the Contract Documents, to wit:

- A. Advertisement for Bids
- B. Information for Bidders
- C. Bid, dated
- D. Payment Bond
- E. Contract Performance Bond
- F. Certificates of Insurance, Certified Copies of Insurance Policies, and Endorsements
- G. Certified Copy of the record of action of the City Council of City of Stanton, Stanton, California.
  - H. Latest Edition, Standard Specifications for Public Works Construction.

Each of such documents in their entirety are incorporated herein by this reference as if set forth in full.

# II. BID AMOUNTS

The Contractor agrees to perform the work set forth and particularly described in the aforementioned documents, incorporated herein by reference, in consideration of the amount of the BASE BID, to wit: \$941,000.00.

# III. BONDS

Contractor shall furnish a Labor and Material Bond in an amount equal to one-hundred percent (100%) of the Contract Price, and a Faithful Performance Bond in an amount equal to one-hundred percent (100%) of the Contract Price, said bonds to be secured from a surety company admitted and authorized to do business in California as such.

# IV. INDEMNITY

Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys fees, litigation costs, defense costs, court costs, or any other cost arising out of or in any way related to the performance of this agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the City. Contractor acknowledges that City would not enter into this agreement in the absence of the commitment of Contractor to indemnify and protect City as set forth here.

To the full extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents, and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, or costs of any kind, whether actual, alleged or threaten, actual attorney fees incurred by City, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually or impliedly, in whole or in part to the performance of this agreement. All obligations under this provision are to be paid by Contractor as they are incurred by the City.

Without affecting the rights of City under any provision of this agreement or this section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the sole fault of City, provided such sole fault is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the City is shown to have been solely at fault and not in instances where Contractor is solely or partially at fault or in instances where City's fault accounts for only a percentage of the liability involved. In those instances, the obligation of Contractor will be all-inclusive and City will be indemnified for all liability incurred, even though a percentage of the liability is attributable to conduct of the City.

Contractor acknowledges that its obligation pursuant to this section extends to liability attributable to City, if that liability is less than the sole fault of City. Contractor has no obligation under this agreement for liability proven in a court of competent jurisdiction or by written agreement between the parties to be the sole fault of City.

The obligations of Contractor under this or any other provision of this agreement will not be limited by the provisions of any workers compensation act or similar act. Contractor expressly waives its statutory immunity under such statues or laws as to City, its employees and officials.

Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor, subtier contractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance or subject matter of this agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section.

Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth herein is binding on the successors, assigns, or heirs of Contractor and shall survive the termination of this agreement or this section.

# V. INSURANCE

The Contractor shall secure and maintain throughout the term of the Contract the following types of insurance with limits as shown:

Workers Compensation - A program of Workers Compensation Insurance or a State-approved self Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers Liability with One-Million Dollars (\$1,000,000.00) limits, covering all persons providing services on behalf of the Contractor and all risks to such persons under this Contract.

General Liability - Such general liability insurance shall be written with a limit of liability of not less than Two-Million Dollars (\$2,000,000.00) combined single limits for damages arising out of bodily-injury, including sickness and death, injury to or destruction of property of others, arising directly or indirectly out of or in connection with the performance of the Work under the Contract Documents including explosion, collapse, and underground exposure.

Vehicle Liability - Such <u>vehicle liability</u> insurance shall be written with a limit of liability of not less than One-Million Dollars (\$1,000,000.00) combined single limits for all bodily injury, including sickness and death or injury to or destruction of property of others, arising directly or indirectly out of or in connection with the performance of the Work under the Contract Documents including explosion, collapse, and underground exposure.

If the City determines to require the Contractor to procure such insurance, such insurance shall cover as insureds under all policies excepting workers compensation the City, its officers, employees, and agents. The policy or policies for such insurance may provide for a deductible amount not to exceed five percent (5%) of the Contract Price. As provided in Section 7105 of the California Public Contract Code, the Contractor is responsible for the cost of repairing or restoring work up to five percent (5%) of the contract amount.

All insurers shall be admitted and authorized to do business in California as insurance carriers.

Contractor shall immediately furnish certificates of insurance and the Contractor shall provide certified copies of all policies and endorsements to the City evidencing the insurance coverage above required prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the City, and shall maintain such insurance from the time Contractor commences performances of services hereunder until the completion of such services. Within thirty (30) days of award of the contract, Contractor shall provide City with certified copies of all insurance policies required hereunder.

All policies, with respect to the insurance coverage above required, except for the Workers' Compensation Insurance coverage and liability coverage, if applicable, shall obtain additional endorsements covering the City and its officers, employees, and agents, as insureds with respect to liabilities arising out of the performance of services hereunder.

The Contractor shall require the carriers of the above required coverage's to waive all rights of subrogation against the City, its officers, employees, contractors, agents, and subcontractors.

All policies required above are to be primary and noncontributing with any insurance or self-insurance programs carried or administered by the City.

# VI. CONTRACT PRICE

The City agrees to pay, and the Contractor agrees to accept in full payment for the work outlined, in the Contract Documents, the sum of <u>nine hundred and forty-one thousand dollars and zero cents(\$941,000.00</u>) subject to additions and deductions, if any, in accordance with said documents. Payment shall not be made more often than once each thirty (30) days, nor shall amount paid be in excess of ninety percent (90%) of the Contract at time of completion. Final payment to be made thirty-five (35) days subsequent to filing of Notice of Completion. Contractor may, upon Contractor's written request, and approved by the City Council, at Contractor's expense, deposit eligible substitute securities, as described in Government Code Section 16430, and as authorized by Public Contract Code, Section 22300, in lieu of retention monies withheld to insure performance.

# VII. COMMENCEMENT AND COMPLETION OF WORK

The Contractor shall commence the work required by this Contract within ten (10) days of the date specified in the Notice to Proceed and shall complete the Work within <u>Sixty</u> (60) working days. City and Contractor have discussed the provisions of Government Code Section 53069.85 and the damages which may be incurred by City if the Work is

not completed within the time specified in this Contract. The City and Contractor hereby represent that at the time of signing this Contract, it is impracticable and extremely difficult to fix the actual damage which will be incurred by City if the Work is not completed within the number of calendar days allowed. Accordingly, City and Contractor agree that the sum of One Thousand Dollars (\$1,000.00) per day is a reasonable sum to assess as damages to City by reason of the failure of Contractor to complete the Work within the time specified.

# VIII. MISCELLANEOUS

The Contractor acknowledges that, in accordance with Section 1777.5 of the State Labor Code, he/she will be held responsible for compliance with the provisions of this Section for all apprenticeable occupations.

The Contractor hereby waives for himself/herself and for Contractor's Subcontractors any right Contractor may now or in the future possess in relation to this Contract and these Contract Documents and the work thereunder, to utilize the provisions of Civil Code Section 47(b) in any action, proceeding, or prosecution pursuant to California False Claims Act, Government Code Section 12650 et seq.

### IX.

Contractor acknowledges and agrees that Contractor must have all appropriate contractor's licenses. Contractor further warrants and represents that he/she/they has/have the appropriate contractor's license to perform the work hereunder. Contractor's failure to have or maintain all appropriate licenses during the entire term of this contract, or any period thereof, shall be cause for the immediate and summary termination of this Contract by City. Contractor shall be liable for all City's costs to complete the work and this Contract.

### X.

The person or persons executing this Contract on behalf of Contractor warrants and represents he/she/they has/have the authority to execute this Contract on behalf of his/her/their corporation, partnership, or business entity and warrant and represents that he/she/they has/have the authority to bind Contractor to the performance of its obligations hereunder.

# XI.

This Contract contains the completely final, entire, and exclusive agreement between the parties with respect to the subject matter hereof, and no waiver, alteration, or modification of any of the provisions hereof or rights to act hereunder shall be binding unless in writing. Any attempted modification, amendment, or alteration in violation hereof shall be void.

IN WITNESS WHEREOF, each of the parties hereto has caused the Contract to be executed in its name on its behalf by a duly authorized officer as of this day and year first above written.

CITY OF STANTON:	[CONTRACTOR]:	
By: CITY MANAGER	By: (Corporate Officer)	
ATTEST:	Title:Print Name:	
By: CITY CLERK	By: (Corporate Officer)	•
APPROVED AS TO FORM:	Title:Print Name:	
By: CITY ATTORNEY		
•	NOTARY REQUIRED	

Bond No.	Bond Premium

# PERFORMANCE BOND

### KNOW ALL PERSONS BY THESE PRESENTS that:

THAT WHEREAS, the City of Stanton (sometimes referred to hereinafter as "Obliges") has awarded Hardy & Harper, Inc. (hereinafter designated as the "Contractor"), a Contract for the work described as follows:

The work to be constructed hereunder is located in the **City of Stanton**. The work to be done consists of furnishing all materials, equipment, tools, labor, and incidentals as required by the Plans, Specifications and Contract Documents for the above stated project. The general items of work to be done shall consist of the re-painting of concrete medians, and other items of work required to complete the scope of work detailed in the plans and specifications complete and in place.

WHEREAS, the work to be performed by the Contractor is more particularly set forth in that certain contract for the said Public Work dated September 12, 2017 (hereinafter referred to as the "Public Work Contract"), which Public Work Contract is incorporated herein by this reference; and

WHEREAS, the Contractor is required by said Public Work Contract to perform the terms thereof and to provide a bond both for the performance and guaranty thereof.

NOW, THEREFORE, we,	, the undersigned Contractor, as
Principal, and,	, a corporation organized and existing under the
laws of the State of,	, and duly authorized to transact business under
the laws of the State of California, as Surety, are	held and firmly bound unto the City of Stanton
in the sum of	Dollars (\$) said
sum being not less than one-hundred percent (1	100%) of the total amount payable by the said
obligee under the terms of the said Public Work's	Contract, for which amount well and truly to be
made, we bind ourselves, our heirs, executors and	d administrators, successors, and assigns, jointly
and severally, firmly by these presents.	

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the said Principal, his/her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in the said Public Work Contract and any alteration thereof made as therein provided, on his/her or its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill the one-year guarantee of all materials and workmanship; and indemnify and save harmless the Obligee, its officers and agents, as stipulated in said Public Work Contract, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In case suit is brought upon this bond, the said Surety will pay to Obligee a reasonable attorneys fee to be fixed by the Court.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Public Work Contract or to the work to be performed thereunder or the Specifications accompanying the same shall in any way affect its obligations on this bond and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the Specifications.

No final settlement between the Obligee and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, we have20	hereunto set our	r hands and sea	als this day of
	PRINCIPAL:		
	By:		
	SURETY:		
	Ву:	Attorney-in-Fac	et
The rate of premium on this bond is \$_			_ per thousand.
The total amount of premium charged, filled in by corporate surety.)	\$		(The above must be

<u>IMPORTANT</u>: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in Section 105 of the California Insurance Code, and if the work or project is financed, in whole or in part, with federal grant or loan funds, must also appear on the Treasury Departments most current list (Circular 570 as amended). <u>THIS IS A REQUIRED FORM</u>.

STATE OF CALIFOR	(		
COUNTY OF	) ss. )		
On this, a Notary Pub	day of llic in and for said S	, in the year 20 tate, personally appeared _	, before me, y evidence) to be the person
, known to m	e (or proved to me	on the basis of satisfactory	y evidence) to be the person
whose name is subscri	bed to the within in:	strument as the Attorney-in	-Factto me that he/she subscribed
the name of the		Surety) thereto a	and his/her own name as
Attorney-in-Fact.	,	(~,,,	
	••••		
	. 1	Notary Public in and for said	1 State
	(	SEAL)	
Commission expires:			
NOTE: A copy of the attached hereto.	power of attorney t	o local representatives of the	ne bonding company must be
	CERTIFICATI	E AS TO CORPORATE PR	RINCIPAL
the within bond; that then of said corporati	on; that I know his	who signed the said bond o /her signature, and his/her	oration named as Principal to on behalf of the principal was signature thereto is genuine; behalf of said Corporation by
	. <del>-</del>	Signature	
(CORPORATE SEAI	2)		

Bond No.	Bond Premium

#### **PAYMENT BOND**

(LABOR AND MATERIALS)

#### KNOW ALL PERSONS BY THESE PRESENTS that:

THAT WHEREAS, the <u>City of Stanton</u> (referred to hereinafter as "Obligee") has Hardy & Harper, Inc. (hereinafter designated as the "Contractor"), a contract dated September 12, 2017, for work described as follows:

The work to be constructed hereunder is located in the City of Stanton. The work to be done consists of furnishing all materials, equipment, tools, labor, and incidentals as required by the Plans, Specifications and Contract Documents for the above stated project. The general items of work to be done shall consist of the re-painting of concrete medians, and other items of work required to complete the scope of work detailed in the plans and specifications complete and in place.

WHEREAS said Contractor is required to furnish a bond in connection with said Public Works Contract, and pursuant to Section 3247 of the California Civil Code;

NOW, THEREFORE, we,	_, the undersigned Contractor, as Principal and, a
corporation organized and existing under the law	vs of the State of
, and duly authorized to transact busin	ess under the laws of the State of California, as
Surety, are held and firmly bound unto the	to any and all persons,
companies or corporations entitled to file stop r	notices under Section 3181 of the California Civil
Code in the sum of	Dollars
	than one-hundred percent (100%) of the total
amount payable by the said Obligee under the t	erms of the said Public Work Contract, for which
payment well and truly to be made, we bind o	urselves, our heirs, executors and administrators,
successors and assigns, jointly and severally, fir	mly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if said Contractor, his/her or its heirs, executors, administrators, successors or assigns, or Subcontractors, shall fail to pay for any materials, provisions, provender or other supplies or teams, implements or machinery used in, upon, for or about the performance of the Public Work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of said Contractor and his/her Subcontractors pursuant to Section 18806 of the Revenue and Taxation Code with respect to such work and labor as required by the provisions of Section 3247 through 3252 of the Civil Code, the Surety or Sureties hereon will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In case suit is brought upon this bond, the said Surety or Sureties will pay a reasonable attorneys fee to be fixed by the Court. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to serve stop notices under Section 3181 of the Code, so as to give a right of action to them or their assigns any suit brought upon this bond.

The Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Public Work Contract or to the work to be performed thereunder or the Specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the Specifications.

No final settlement between the Obligee and the Contractor hereunder shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, we have h	ereunto set our hands and seals this	day of
	PRINCIPAL:	
	By:	
	SURETY:	
	By:Attorney_in_Fac	<u> </u>

<u>IMPORTANT</u>: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in Section 105 of the California Insurance Code, and if the work or project is financed, in whole or n part, with federal grant or loan funds, must also appear on the Treasury Department's most current list (Circular 570 as amended). <u>THIS IS A REQUIRED FORM</u>.

STATE OF CALIFORN	•	
COUNTY OF	) ss.	•
COUNTY OF	<i>)</i>	
On this	day of	, in the year 20, before me,
, a Nota	ry Public in and fo	r said State, personally appeared
		on the basis of satisfactory evidence) to be the person
(Surety) and nalmouded	ed to the within ins	trument as the Attorney-in-Fact of the
(Surety) and acknowledge (Surety) thereto and his/		he subscribed the name of the
(Surety) thereto and may	nei own name as A	ttomey-m-ract.
		Notary Public in and for said State
	(S	SEAL)
Commission expires:		
NOTE: A copy of the peattached hereto.	ower of attorney to	o local representatives of the bonding company must be
	CERTIFICATE	AS TO CORPORATE PRINCIPAL
Principal to the within behalf of the principal	ond; that was then of said ouine; and that said	that I am the secretary of the corporation named as who signed the said bond on corporation; that I know his/her signature, and his/her I bond was duly signed, sealed, and attested for and in its governing bond.
1		
		Signature
(CORPORATE SEAL)		
(		

# AGREEMENT TO COMPLY WITH CALIFORNIA LABOR LAW REQUIREMENTS

[Labor Code §§ 1720, 1773.8, 1775, 1776, 1777.5, 1813, 1860, 1861, 3700]

The undersigned Contractor certifies that it is aware of and hereby agrees to fully comply with the Following provisions of California law:

- 1. Contractor acknowledges that this contract is subject to the provisions of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works and the awarding public agency ("Agency") and agrees to be bound by all the provisions thereof as though set forth in full herein.
- 2. Contractor agrees to comply with the provisions of California Labor Code Section 1773.8 which requires the payment of travel and subsistence payments to each worker needed to execute the work to the extent required by law.
- 3. Contractor agrees to comply with the provisions of California Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the Agency, forfeit not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor.
- 4. Contractor agrees to comply with the provisions of California Labor Code Section 1776 which require Contractor and each subcontractor to (1) keep accurate payroll records, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform the Agency of the location of the records. The Contractor is responsible for compliance with Section 1776 by itself and all of its subcontractors.
- 5. Contractor agrees to comply with the provisions of California Labor Code Section 1777.5 concerning the employment of apprentices on public works projects, and further agrees that Contractor is responsible for compliance with Section 1777.5 by itself and all of its subcontractors.
- 6. Contractor agrees to comply with the provisions of California Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the Agency, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the California Labor Code.
- 7. California Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to
be insured against liability for worker's compensation or to undertake self-insurance in accordance with the
provisions of that code, and I will comply with such provisions before commencing the performance of the
work of this contract"

## STATEMENT ACKNOWLEDGING PENAL AND CIVIL PENALTIES CONCERNING THE CONTRACTORS' LICENSING LAWS

[Business & Professions Code § 7028.15] [Public Contract Code § 20103.5]

I, the undersigned, certify that I am aware of the following provisions of California law and that I, or the entity on whose behalf this certification is given, hold a currently valid California contractor's license as set forth below (required at time of award):

Business & Professions Code § 7028.15:

- (a) It is a misdemeanor for any person to submit a bid to a public agency in order to engage in the business or act in the capacity of a contractor within this state without having a license therefor, except in any of the following cases:
  - (1) The person is particularly exempted from this chapter.
- (2) The bid is submitted on a state project governed by Section 10164 of the Public Contract Code or on any local agency project governed by Section 20104 [now § 20103.5] of the Public Contract Code.
- (b) If a person has been previously convicted of the offense described in this section, the court shall impose a fine of 20 percent of the price of the contract under which the unlicensed person performed contracting work, or four thousand five hundred dollars (\$4,500), whichever is greater, or imprisonment in the county jail for not less than 10 days nor more than six months, or both.

In the event the person performing the contracting work has agreed to furnish materials and labor on an hourly basis, "the price of the contract" for the purposes of this subdivision means the aggregate sum of the cost of materials and labor furnished and the cost of completing the work to be performed.

- (c) This section shall not apply to a joint venture license, as required by Section 7029.1. However, at the time of making a bid as a joint venture, each person submitting the bid shall be subject to this section with respect to his or her individual licensure.
- (d) This section shall not affect the right or ability of a licensed architect, land surveyor, or registered professional engineer to form joint ventures with licensed contractors to render services within the scope of their respective practices.
- (e) Unless one of the foregoing exceptions applies, a bid submitted to a public agency by a contractor who is not licensed in accordance with this chapter shall be considered non-responsive and shall be rejected by the public agency. Unless one of the foregoing exceptions applies, a local public agency shall, before awarding a contract or issuing a purchase order, verify that the contractor was properly licensed when the contractor submitted the bid. Notwithstanding any other provision of law, unless one of the foregoing exceptions applies, the registrar may issue a citation to any public officer or employee of a public entity who knowingly awards a contract or issues a purchase order to a contractor who is not licensed pursuant to this chapter. The amount of civil penalties, appeal, and finality of such citations shall be subject to Sections 7028.7 to 7028.13, inclusive. Any contract awarded to, or any purchase order issued to, a contractor who is not licensed pursuant to this chapter is void.
- (f) Any compliance or noncompliance with subdivision (e) of this section, as added by Chapter 863 of the Statutes of 1989, shall not invalidate any contract or bid awarded by a public agency during which time that subdivision was in effect.
- (g) A public employee or officer shall not be subject to a citation pursuant to this section if the public employee, officer, or employing agency made an inquiry to the board for the purposes of

verifying the license status of any person or contractor and the board failed to respond to the inquiry within three business days. For purposes of this section, a telephone response by the board shall be deemed sufficient.

Public Contract Code § 20103.5:

In all contracts subject to this part where federal funds are involved, no bid submitted shall be invalidated by the failure of the bidder to be licensed in accordance with the laws of this state. However, at the time the contract is awarded, the contractor shall be properly licensed in accordance with the laws of this state. The first payment for work or material under any contract shall not be made unless and until the Registrar of Contractors verifies to the agency that the records of the Contractors' State License Board indicate that the contractor was properly licensed at the time the contract was awarded. Any bidder or contractor not so licensed shall be subject to all legal penalties imposed by law, including, but not limited to, any appropriate disciplinary action by the Contractors' State License Board. The agency shall include a statement to that effect in the standard form of pre-qualification questionnaire and financial statement.

Failure of the bidder to obtain proper and adequate licensing for an award of a contract shall constitute a failure to execute the contract and shall result in the forfeiture of the security of the bidder.

License no.:	Class:	Expiration date:
Date	Signature	

#### INSURANCE REQUIREMENTS

The Contractor shall at all times during the terms of the Contract carry, maintain, and keep in full force and effect a policy or policies of comprehensive general liability insurance in which the City, along with its City Council and each member thereof, and every officer, official, agent, attorney, employee or volunteer of the City, is the named insured or is named as an additional insured with the Contractor in accordance with the General Provisions. The insurance company issuing such policy(ies) must be acceptable to, and approved by, the City Engineer and City Attorney. Contractor shall maintain limits of no less than Two Million Dollars (\$2,000,000) combined single limit coverage per occurrence for personal injury or death or property loss or damage which may arise from or relate directly or indirectly to the acts, operations or omissions of the performance of the Contractor and/or its subcontractors and/or the employees, agents, officers, officials or volunteers of either, in the performance of this Public Works Contract. Such insurance shall include coverage of no less than One Million Dollars (\$1,000,000) for all automobiles utilized by Contractor's or any subcontractor's employees or agents in the performance of the Contract. Contractor shall also provide an endorsement in the forms included in Book II.

### WORKER'S COMPENSATION CERTIFICATE OF INSURANCE

WHEREAS, the CITY OF STANTON has required certain insurance to be provided by  NOW THEREFORE, the undersigned insurance company does hereby certify that it has issued the policy or policies described below to the following named insureds and that the same are in force at this time.			
2.	The insureds under	such policy or policies are:	
3. Califo		sation Policy or Policies in a form apprations of the named insureds, as follows	oved by the Insurance Commissioner of
POLI	CY NUMBER	EFFECTIVE DATE	EXPIRATION DATE
			educed in coverage or limits of liability been served upon the City Clerk of the
By:_ Its Au	ıthorized Representati	ve	

# ADDITIONAL INSURED ENDORSEMENT COMPREHENSIVE GENERAL LIABILITY

Name and address of named insured ("Named Insured"):	
Name and address of Insurance Company ("Company"):	
OFFICIAL TITLE OF PROJECT:	<del></del>

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached (the "Policy") or in any endorsement now or hereafter attached thereto, it is agreed as follows:

- 1. The City of Stanton, its elected officials, officers, attorneys, agents, employees, and volunteers are additional insureds (the above named additional insureds are hereafter referred to as the "Additional Insureds") under the Policy in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured. The Additional Insureds have no liability for the payment of any premiums or assessments under the Policy.
- 2. The insurance coverages afforded the Additional Insureds under the Policy shall be primary insurance, and no other insurance maintained by the Additional Insureds shall be called upon to contribute with the insurance coverages provided by the Policy.
- 3. Each insurance coverage under the Policy shall apply separately to each Additional Insured against whom claim is made or suit is brought except with respect to the limits of the Company's liability.
- 4. Nothing in this contract of insurance shall be construed to preclude coverage of a claim by one insured under the policy against another insured under the policy. All such claims shall covered as third-party claims, i.e., in the same manner as if separate policies had been issued to each insured. Nothing contained in this provision shall operate to increase or replicate the Company's limits of liability as provided under the policy.
- 5. The insurance afforded by the Policy for contractual liability insurance (subject to the terms, conditions and exclusions applicable to such insurance) includes liability assumed by the Named Insured under the indemnification and/or hold harmless provision(s) contained in or executed in conjunction with the written agreement(s) or permit(s) designated above, between the Named Insured and the Additional Insureds.
- 6. The policy to which this endorsement is attached shall not be subject to cancellation, change in coverage, reduction of limits (except as the result of the payment of claims), or non-renewal except after written notice to Public Agency, by certified mail, return receipt requested, not less than thirty (30) days prior to the effective date thereof. In the event of Company's failure to comply with this notice provision, the policy as initially drafted will continue in full force and effect until compliance with this notice requirement.
- 7. Company hereby waives all rights of subrogation and contribution against the Additional Insureds, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to the perils insured against in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured regardless of any prior, concurrent, or subsequent active or passive negligence by the Additional Insureds.
- 8. It is hereby agreed that the laws of the State of California shall apply to and govern the validity, construction, interpretation, and enforcement of this contract of insurance.

9. This endorsement and all notices given hereunder shall be sent to Public Agency at:

Director of Public Works City of Stanton 7800 Katella Avenue Stanton CA 90680-3162

10. Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy to which this

endorsement is attached.	ne mmis, agreements, or exclusio	ns of the policy to which this	
TYPE OF COVERAGES TO WHICH THIS ENDORSEMENT ATTACHES	POLICY PERIOD FROM/TO	LIMITS OF LIABILITY	
11. Scheduled items or locations are relate to the above coverages. Includes:	to be identified on an attached she	eet. The following inclusions	
<ul> <li>□ Contractual Liability</li> <li>□ Owners/Landlords/Tenants</li> <li>□ Manufacturers/Contractors</li> <li>□ Products/Completed Operations</li> <li>□ Broad Form Property Damage</li> <li>□ Extended Bodily Injury</li> <li>□ Broad Form Comprehensive</li> <li>□ General Liability Endorsement</li> </ul>	☐ Explosion F☐ Collapse Ha ☐ Undergrour☐ Pollution L☐ Liquor Liab☐	azard nd Property Damage iability	
12. A □ deductible or □ self-insure applies to all coverage(s) except: (if none, so state). The cone).  13. This is an □ occurrence or □ clair	leductible is applicable □ per clai	m or $\square$ per occurrence (check	
14. This endorsement is effective on of Policy Number	2	at 12:01 A.M. and forms a part	
I, (print name), hereby declare under penalty of perjury under the laws of the State of California, that I have the authority to bind the Company to this endorsement and that by my execution hereof, I do so bind the Company.			
Executed	, 20		
Signature of Authorized Representative  (Original signature only; no accepted)	 o facsimile signature o	r initialed signature	
Phone No.: ( )			

#### ADDITIONAL INSURED ENDORSEMENT AUTOMOBILE LIABILITY

Name and address of named insured ("Named Insured"):	
Name and address of Insurance Company ("Company"):	
OFFFICAL TITLE OF PROJECT:	

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached (the "Policy") or in any endorsement now or hereafter attached thereto, it is agreed as follows: The City of Stanton, its elected officials, officers, attorneys, agents, employees, and volunteers are additional insureds (the above named additional insureds are hereafter referred to as the "Additional Insureds") under the Policy in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured. The Additional Insureds have no liability for the payment of any premiums or assessments under the Policy.

- 1. The insurance coverages afforded the Additional Insureds under the Policy shall be primary insurance, and no other insurance maintained by the Additional Insureds shall be called upon to contribute with the insurance coverages provided by the Policy.
- 2. Each insurance coverage under the Policy shall apply separately to each Additional Insured against whom claim is made or suit is brought except with respect to the limits of the Company's liability.
- 3. Nothing in this contract of insurance shall be construed to preclude coverage of a claim by one insured under the policy against another insured under the policy. All such claims shall covered as third-party claims, i.e., in the same manner as if separate policies had been issued to each insured. Nothing contained in this provision shall operate to increase or replicate the Company's limits of liability as provided under the policy.
- 4. The insurance afforded by the Policy for contractual liability insurance (subject to the terms, conditions and exclusions applicable to such insurance) includes liability assumed by the Named Insured under the indemnification and/or hold harmless provision(s) contained or executed in conjunction with the written agreement(s) or permit(s) designated above, between the Named Insured and the Additional Insureds.
- 5. The policy to which this endorsement is attached shall not be subject to cancellation, change in coverage, reduction of limits (except as the result of the payment of claims), or non-renewal except after written notice to Public Agency, by certified mail, return receipt requested, not less than thirty (30) days prior to the effective date thereto. In the event of Company's failure to comply with this notice provision, the policy as initially drafted will continue in full force and effect until compliance with this notice requirement.
- 6. Company hereby waives all rights of subrogation and contribution against the Additional Insureds, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to the perils insured against in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured regardless of any prior, concurrent, or subsequent active or passive negligence by the Additional Insureds.

It is hereby agreed that the laws of the State of California shall apply to and govern the validity, construction, interpretation, and enforcement of this contract of insurance.

This endorsement and all notices given hereunder shall be sent to Public Agency at:

Director of Public Works City of Stanton 7800 Katella Avenue Stanton, CA 90680-3162 7. Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy to which this endorsement is attached.

TYPE OF COVERAGES TO WHICH LIMITS OF THIS ENDORSEMENT ATTACHES LIABILITY POLICY PERIOD

FROM/ TO

Scheduled items or locations are to be ider relate to the above coverages. Includes:	tified on an attached sheet. The following inclusions
<ul> <li>□ Any Automobiles</li> <li>□ All Owned Automobiles</li> <li>□ Non-owned Automobiles</li> <li>□ Hired Automobiles</li> <li>□ Scheduled Automobiles</li> <li>□ Garage Coverage</li> </ul>	<ul> <li>□ Truckers Coverage</li> <li>□ Motor Carrier Act</li> <li>□ Bus Regulatory Reform Act</li> <li>□ Public Livery Coverage</li> <li>□</li> </ul>
11. A □ deductible or □ self-insured retention (che coverage(s) except:	eck one) of \$applies to all
coverage(s) except: (if none, so state). The deductible is applicable	
12. This is an $\square$ occurrence or $\square$ claims made p	olicy (check one).
13. This endorsement is effective onPolicy Number	at 12:01 A.M. and forms a part of
I, hereby declare under penalty of perjury under the law bind the Company to this endorsement and that by m	(print name), vs of the State of California, that I have the authority to y execution hereof, I do so bind the Company.
Executed	, 20
Signature of Authorized Representative  (Original signature only: no facsion	mile signature or initialed signature
accepted)	mir religion of minimizer rightente
Phone No.: ( )	

#### ADDITIONAL INSURED ENDORSEMENT EXCESS LIABILITY

Name and address of named insured ("Named Insured"):	
Name and address of Insurance Company ("Company"):	
OFFICIAL TITLE OF PROJECT:	

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached (the "Policy") or in any endorsement now or hereafter attached thereto, it is agreed as follows:

- 1. The City of Stanton, its elected officials, officers, attorneys, agents, employees, and volunteers are additional insureds (the above named additional insureds are hereafter referred to as the "Additional Insureds") under the Policy in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured. The Additional Insureds have no liability for the payment of any premiums or assessments under the Policy.
- 2. The insurance coverages afforded the Additional Insureds under the Policy shall be primary insurance, and no other insurance maintained by the Additional Insureds shall be called upon to contribute with the insurance coverages provided by the Policy.
- 3. Each insurance coverage under the Policy shall apply separately to each Additional Insured against whom claim is made or suit is brought except with respect to the limits of the Company's liability.
- 4. Nothing in this contract of insurance shall be construed to preclude coverage of a claim by one insured under the policy against another insured under the policy. All such claims shall covered as third-party claims, i.e., in the same manner as if separate policies had been issued to each insured. Nothing contained in this provision shall operate to increase or replicate the Company's limits of liability as provided under the policy.
- 5. The insurance afforded by the Policy for contractual liability insurance (subject to the terms, conditions and exclusions applicable to such insurance) includes liability assumed by the Named Insured under the indemnification and/or hold harmless provision(s) contained in or executed in conjunction with the written agreement(s) or permit(s) designated above, between the Named Insured and the Additional Insureds.
- 6. The policy to which this endorsement is attached shall not be subject to cancellation, change in coverage, reduction of limits (except as the result of the payment of claims), or non-renewal except after written notice to Public Agency, by certified mail, return receipt requested, not less than thirty (30) days prior to the effective date thereto. In the event of Company's failure to comply with this notice provision, the policy as initially drafted will continue in full force and effect until compliance with this notice requirement.
- 7. Company hereby waives all rights of subrogation and contribution against the Additional Insureds, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to the perils insured against in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured regardless of any prior, concurrent, or subsequent active or passive negligence by the Additional Insureds.
- 8. It is hereby agreed that the laws of the State of California shall apply to and govern the validity, construction, interpretation, and enforcement of this contract of insurance.

9. This endorsement and all notices given hereunder shall be sent to Public Agency at:

Director of Public Works City of Stanton 7800 Katella Avenue Stanton, CA 90680-3162

10. Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy to which this endorsement is attached.

TYPE OF COVE	RAGES TO WHICH LIMITS OF	POLICY PERIOD
THIS ENDORSE	EMENT ATTACHES LIABILITY	FROM/TO
☐ Following For☐ Umbrella Liat☐		
10. INSURANCE ( AMOU		POLICY NO.
11. coverages:	The following inclusions, exclusions, extensions or s	specific provisions relate to the above
12. applies to all cov (if none	A $\Box$ deductible or $\Box$ self-insured retention (check or verage(s) except:, so state). The deductible is applicable $\Box$ per claim of	
13.	This is an $\square$ occurrence or $\square$ claims made policy (ch	neck one).
14. part of Policy Nu	This endorsement is effective on	at 12:01 A.M. and forms a
	perjury under the laws of the State of California, endorsement and that by my execution hereof, I do so	
Execute	rd,	20
	•	
Signatu	re of Authorized Representative	
(Original s accepted)	ignature only; no facsimile signatu	re or initialed signature
Phone No.: (	)	
Phone No.: (	)	

#### PREVAILING WAGES

NOTICE IS FURTHER GIVEN that the City Council has obtained the general prevailing rate of per diem wages in accordance with law to be paid for the construction of the above Work and Improvements. The schedule has been obtained from the Director of the Department of Industrial Relations, pursuant to the provisions of Section 1773 of the Labor Code of the State of California, and reference is hereby made to copies thereof on file in the City's Office, which said copies are available to any interested party upon request. Further, a copy shall be posted at each job site during the course of construction. If prevailing wages change within 10 days of the bid opening date, new prevailing wages will be used.

#### WAGE RATES AND LABOR CODE REQUIREMENTS

#### **Apprentices**

Section 1777.5 requires the Contractor or Subcontractor employing tradesmen in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the contract.

The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeship trade and if other contractors on the public works site are making such contributions,

Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards.

#### LEGAL RELATIONS AND RESPONSIBILITY

The Contractor shall keep himself/herself fully informed of all existing and future State and Federal laws and all county and city ordinances and regulations which in any manner affect the conduct of the Work, and all of such orders and decrees of bodies or tribunals having any jurisdiction or authority over same. If any discrepancy or inconsistency is discovered in the Contract Documents or the Contract for the Work in relation to any such law, ordinance, regulation, order, or decree, he/she shall forthwith report the same to the Engineer in writing. He/she shall at all times observe and comply with and shall cause all his/her agents and employees to observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall indemnify, protect, defend, and hold harmless the City, the Engineer, and all of their officers, employees, and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, whether by himself/herself or his/her employees, agents, or representatives.

The Contractor's attention is directed to Division 2, Part 7, Chapter 1 of the Labor Code of California and especially to Article 2 (Wages); and Article 3 (Working Hours).

- a. The Director of the Department of Industrial Relations has found and determined the general prevailing rates of wages in the locality in which the public work is to be performed, copies of which are maintained at the City's principal office, and are available to any interested party on request. Contractor shall post a copy of said document at each job site. The Contractor shall forfeit to the City a penalty of twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rate, and shall in addition pay to each worker for each such day the difference between the prevailing rate and the actual wage paid.
- b. In accordance with Sections 1173.1 and 1773.8 of the Labor Code, the Contractor shall pay travel and subsistence payments to each worker needed to execute the Work as such travel and subsistence payments are defined in the applicable collective bargaining assurances filed with the Department of Industrial Relations.
- c. Pursuant to Labor Code Section 1810 <u>et seq.</u>, it is stipulated hereby that eight (8) hours labor constitutes a legal day's work hereunder.
- d. Pursuant to Labor Code Section 1813, it is stipulated hereby that the Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25.00) for each worker employed in the execution of this Contract by the Contractor or by any Subcontractor hereunder for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of eight (8) hours at not less than one and one-half (1 1/2) times the base rate of pay, in violation of the provisions of Article 3 (commencing with Section 1810), Chapter 1, Part 7, Division 2, of the Labor Code.
- e. The Contractor is aware of and will comply with the provisions of Labor Code Sections 1777.5 and 1777.6, as amended effective January 1, 1977, with respect to the employment of apprentices. Pursuant to Section 1777.5, it is hereby stipulated that the

Contractor will be responsible for obtaining compliance therewith on the part of any and all Subcontractors employed by him/her in connection with this Contract.

In accordance with Section 1777.3 of said Labor Code, the City will file with the Department of Industrial Relations, Division of Apprenticeship Standards, on "Extract of Public Works Contract Award" upon issuing the Notice of Award in the form appended hereto and made a part hereof as page 1-9.3.

f. Attention is directed to the provisions in Section 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any Subcontractor under him/her.

The Contractor and any Subcontractor under him/her shall comply with the requirements of Section 1777.5 and 1777.6 of the Labor Code in the employment of apprentices.

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch office.

Willful violations of Section 1777.5 will result in a forfeiture of fifty dollars (\$50.00) for each calendar day of noncompliance which shall be withheld from progress payments by City upon notice from the Department of Industrial Relations. (Labor Code 1777.7).

#### WAGE RATES AND LABOR CODE REQUIREMENTS

#### Wage Rates:

This is a Federally assisted project and Davis-Bacon will be enforced. Federal and State wage rates are applicable to both the prime Contractor and subcontractors. The higher wage rate between the Federal and State wage determinations will be enforced. The Federal Labor Standards Provisions (Form HUD-4010) and the Federal Wage Determination are incorporated into these Provisions. They are considered a physical part of the Contract Agreement and full compliance will be enforced. The same Federal language and wage determinations will be included in an Agreement resulting for the original Agreement.

#### **Apprentices**

Section 1777.5 requires the Contractor or Subcontractor employing tradesmen in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the contract.

The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeship trade and if other contractors on the public works site are making such contributions.

Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards.

## City Business License Forms and Vendor Data Sheet

### BID PROPOSAL

Bidders Name	Hardy & Harper, Inc	

#### TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF STANTON:

The undersigned, as bidder, declares that: (1)-this proposal is made without collusion with any other person, firm or corporation, and that the only persons or parties interested as principals are those named herein as sworn in the attached Non-Collusion Affidavit; (2)-bidder has carefully examined the project Plans, Specifications, Instructions To Bidders, Proposal, Notice Inviting Sealed Bids and all other contract documents and information furnished therefore and the site of the proposed work; and (3)-bidder has investigated and is satisfied as to the conditions to be encountered, the character, quality and quantities of work to be performed and materials to be furnished. Furthermore, bidder agrees that submission of this proposal shall be conclusive evidence that such examination and investigation have been made and agrees, in the event this contract be awarded to bidder, to enter into a contract with the City Council of the CITY OF STANTON, to perform said proposed work in accordance with the Plans, if any, and the terms of the Specifications, in the time and manner therein prescribed, and to furnish or provide all materials, labor, tools, equipment, apparatus and other means necessary so to do, except such thereof as may otherwise be furnished or provided under the terms of said Specifications, for the following stated unit prices or lump sum price as submitted on the Bid Sheet herein.

The bidder shall submit as part of this proposal a completed copy of the Contractor's Industrial Safety Record. This Safety Record must include all construction work undertaken in the State of California by the bidder and any partnership, joint venture or corporation that any principal of the bidder participated in as a principal or owner for the last five calendar years and the current calendar year prior to the date of bid submittal. Separate information shall be submitted for each such partnership, joint venture, or corporate or individual bidder. The bidder may attach any additional information or explanation of data which he would like to be taken into consideration in evaluating the safety record. An explanation of the circumstances surrounding any and all fatalities must be attached.

Accompanying this proposal is <u>Bid Bond</u> (Insert "cash", "a Cashier's Check", "a certified check", or "a Bidder's Bond in the form furnished by the City", as the case may be) in the amount of \$10% of Amountan amount equal to at least ten percent (10%) of the total aggregate bid price based on the quantities shown and the unit prices quoted. The undersigned bidder agrees that should bidder be awarded the Contract on the basis hereof and thereafter fail or refuse to enter into a Contract and provide the required evidence of insurance and bonds within fourteen (14) calendar days after written notice of the award, the cash, check or bond shall be forfeited to the city in accordance with Public Contract Code section -20172, except as otherwise provided in Public Contract Code section -20174. The undersigned agrees that in the event of such failure, the actual amount of damages to the City would be impractical and extremely difficult to determine.

In compliance with the Notice Inviting Sealed Bids, the undersigned hereby agrees to enter into a contract to furnish all labor, materials and supplies for this project in accordance with the Specifications, Plans other Contract Documents which are on file in the office of the City Engineer of the CITY OF STANTON, to the satisfaction and under the direction of the Director of Public Works, at the following prices:

### BID SHEET RUTLEDGE AVENUE AND PALAIS ROAD ALLEY **IMPROVEMENT PROJECTS**

BIDDERS NAME: Hardy & Harper, Inc

PRINT or Type

	BID SCHEDULE A  Rutledge Avenue and Bradford East Neighborhood Rehabilitation				oilitation
#	DESCRIPTION	QUANTITY	UNIT QTY	UNIT PRICE (Numbers)	ITEM COST (Numbers)
A-1	Mobilization, Demobilization, and Cleanup	1	LS	s 40,000.00	\$40,000.0D
A-2	Surveying & Monument Preservation	1	LS	\$13,000.00	\$13,000.00
A-3	Traffic Control & Noticing	1	LS	\$76,000.00	s76,000.00
A-4	Remove & Replace Curb & Gutter	280	LF	s 50.00	\$14,000.00
A-5	Remove & Replace Curb & Integral Swale	45	LF	\$ 100.00	\$4,500.00
A-6	Remove & Replace Curb	36	LF	s 45.00	\$ 1,620.00
A-7	Remove & Replace Cross Gutter	120	SF	\$ 30.00 .	s 3,600.00
A-8	Remove & Replace Longitudinal Gutter	372	LF	\$54.00	\$ 20,098.00
A-9	Remove Existing & Construct New Longitudinal Gutter	20	LF	\$ 100.00	\$ 2,000.00
A-10	Remove Existing & Construct New Curb Ramp	27	EA	\$ 3,200.0	0s 86,400.00
A-11	Sawcut & Remove Existing Shed Gutter	135	LF	\$ 30.00	s 4,050.00
A-12	Install Surface Mounted Truncated domes	4	EA .	s 1,000.00	s4,000.00
A-13	Construct PCC Alley Approach	715	SF	s 15.50	\$ 11.082.50
A-14	Grade & Replace Existing Landscape & Irrigation	1	LS		\$ 24,600.00

### BID SCHEDULE A

### Rutledge Avenue and Bradford East Neighborhood Rehabilitation

#	DESCRIPTION	QUANTITY	UNIT QTY	UNIT PRICE (Numbers)	ITEM COST (Numbers)
A-15	Root Pruning	7	EA		s 7,000.00
1	Localized Pavement Removal & Replacements (4"AC/7"CMB)	5,000	SF	s (p.80	\$ 34,000.00
A-17	0" - 2" Variable Depth Edge Grind	35,000	SF	s 0.30	s 10,500.00
A-18	2" Uniform Depth AC Cold Mill	3,670	SF	s ().50	s 1,435.00
A-19	Sawcut, Remove, & Dispose of Existing Roadway Pavement Section	3,000	CY	s 26.62	\$79,860.00
A-20	Construct 7" CMB	3,700	TON		s 69,597.00
A-21	Construct 2" AC Base Paving	1,100	TON	\$ 63.36	\$ 69,694.00
A-22	Construct 2" AC Overlay	2,600	TON	s 63.36	\$164,736.00
A-23	Remove Existing & Install New Storm Drain Steel Plate Cover	1	EA	\$7,000.00	\$7,000.00
A-24	Adjust Manhole Frame & Cover to Grade	35	EA	\$1,000.00	\$ 35,000.00
A-25	Adjust Water Valve Can & Lid to Grade	37	EA	\$ 300.00	s 11, 100.00
	Implement Signing & Striping Plans	1	LS	\$7,335,50	\$7,335.50

Total Bid Schedule A in **NUMBERS:** 

802,000.00

WORDS:

Total Bid Schedule A in eight hundred two thousand Dollars 72-UM Cents

	BID SCHEDULE B Palais Alley Reconstruction Project				
#	DESCRIPTION	QUANTITY	UNIT QTY	UNIT PRICE (Numbers)	ITEM COST (Numbers)
B-1	Mobilization, Demobilization, and Cleanup	1	LS		\$7,000.00
B-2	Surveying & Monument Preservation	1	LS	\$7,587.50	\$ 7,587.50
B-3	Traffic Control & Noticing	1	LS	\$13,000.00	\$ 13,000.00
B-4	Remove & Replace PCC Alley Approach	300	SF	\$ 15.50	\$ 4,650.00
B-5	Construct PCC Curb Ramp	1	EA	\$3,200.00	\$ 3,200.00
B-6	Install Surface Mounted Truncated Domes	1	EA	s 1,000.00	\$1,000.00
B-7	Sawcut, Remove, & Dispose of Existing Alley Pavement Section	450	CY	\$26.62	\$11,979.00
B-8	Construct 4" CMB	350	TON	s 18.81	s 6,583,50
B-9	Construct 6" PCC Pavement Section	14,000	SF	s 6.00	\$ 84,000,00

Total Bid Schedule B in NUMBERS:	\$	139,000.	00	
Total Bid Schedule B in WORDS:	and	dred thirtu-ni	N thinklind Dolla	ırs ıts

	ADDITIVE ALTERNATE BID SCHEDULE C				
	Bradford East Cement Stabilized Pulverized Base (CSPB) Alternative				
#	DESCRIPTION	QUANTITY	UNIT QTY	UNIT PRICE (Numbers)	ITEM COST (Numbers)
C-1	REMOVE - Bid Items A-16 and A-17 (CREDIT)			-\$44,500.00	)\$ 44,500.00
C-2	ADD - Uniform Depth Cold Mill to Accommodate 4" AC Pavement on Proposed CSPB Section	87,000	SF	\$ 0.50	s 43,500.00
C-3	ADD - Geotechnical Analysis, Design, and Recommendation for CSPB Section	1	LS	s 15,800.00	\$ 15,800.00
C-4	ADD - Grade & Construct 8" Cement Stabilized Pulverized Base (CSPB)	87,000	SF	s 0.60	\$52,200.00
C-5	ADD - Cement Content for CSPB (5%	220	TON		

Total Bid Schedule C in NUMBERS:
----------------------------------

Assumed)

\$ 111,000.00

**WORDS:** 

Total Bid Schedule C in one hundred eleven thousand Dollars and Cents

\$200.00 \$44,000.00

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		IM		

1,052,000.00

**Total Base Bid** (A+B+C) in one million

fiftu.two thousand and

Dollars Cents

NOTE. The City reserves the right to award a contract in parts or in its entirety or for various alternates and reserves the right to reject all bids and re-advertise, as appears to be in its best interests of the City. A bid is required for this entire work, the estimated quantities set forth in this Bid Sheet being solely for the purpose of comparing bids, and final compensation under the Contract will be based upon the actual quantities of work satisfactorily completed. The unit and/or lump sum prices bid shall include all appurtenant expenses, taxes, royalties, and fees. In the case of discrepancies in the amounts bid, unit prices shall govern over extended amounts, and words shall govern over figures. The City reserves the right to increase or decrease the amount of any quantity shown and to delete any item from the Contract.

The undersigned bidder agrees that, if awarded the Contract, bidder will complete all work according to the contract documents.

The undersigned bidder is licensed in accordance with the requirements of the Business and Professions Code, California Contractor's License No. 215952 , Class A (REQUIRED AT TIME OF AWARD).

Legal Business Name of Bidder		
Hardy & Harper, Inc		
Business Address		
1312 E. Warner Ave., Sai	nta Ana, CA 92705	
Business Tel. No.		
71/44-1851	<b></b>	
Win Palm	me.	
9000	8/23/17	Steve Kirschner - Vice President
Signature	Date	Title
Kr Al.		
1 / Light of call	8/23/17	Kristen S. Paulino - Secretary
Signature	Date	Title
Signature	Date	Title

If bidder is an individual, name and signature of individual must be provided, and, if he is doing business under a fictitious name, the fictitious name must be set forth. If bidder is a partnership or joint venture, legal name of partnership/joint venture must be provided, followed by signatures of all of the partners/joint ventures or of fewer than all of the partners/joint ventures if submitted with evidence of authority to act on behalf of the partnership/joint venture. If bidder is a corporation, legal name of corporation must be provided, followed by signatures of the corporation President or Vice President and Secretary or Assistant Secretary, and the corporate seal. Signatures of partners, joint ventures, or corporation officers must be acknowledged before a Notary Public, who must certify that such partners, joint ventures, or officers are known to him or her to be such, and, in the case of a corporation, that such corporation executed the instrument pursuant to its bylaws or a resolution of its Board of Directors.

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

<u> </u>	
A notary public or other officer completing this condocument to which this certificate is attached, and	ertificate verifies only the identity of the individual who signed the not the truthfulness, accuracy, or validity of that document.
State of California	)
County of Orange	_ )
OnAugust 23, 2017 before me,	Tina Pham, Notary Public
Date	Here Insert Name and Title of the Officer
personally appeared Steve Kirschner & Kirst	
	Name(s) of Signer(s)
subscribed to the within instrument and ack	ctory evidence to be the person(s) whose name(s) ks/are knowledged to me that he/ske/they executed the same in by his/hær/their signature(s) on the instrument the person(s), (s) acted, executed the instrument.
	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
TINA PHAM	WITNESS my hand and official seal.
COMM. #2149364 m	
ORANGE COUNTY  My Comm. Expires Apr 17, 2020	Signature Malliam
	Signature of Notary Public
Place Notary Seal Above	OPTIONAL
Though this section is optional, completing fraudulent reattachment of	g this information can deter alteration of the document or of this form to an unintended document.
Description of Attached Document	
Title or Type of Document: Bid Sheet	Document Date: August 23, 2017
Number of Pages: 5 Signer(s) Othe	r Than Named Above: None
Capacity(ies) Claimed by Signer(s) Signer's Name: Steve Kirschner	Signoyla Naman Krist . G. D. II
✓ Corporate Officer — Title(s): _Vice Presiden	Signer's Name: <u>Kristen S. Paulino</u> ☑ Corporate Officer — Title(s): <u>Secretary</u>
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservat	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservat	or □ Trustee □ Guardian or Conservator □ Other:
Other:Signer Is Representing:	Signer Is Representing:
naruy & narper, Inc	Hardy & Harper, Inc
©2014 Notional National Association	
Sector manorial notary Association • www.Nation	nalNotary.org • 1-800-US NOTARY (1-800-876-6827) Item #590

## INFORMATION REQUIRED OF BIDDER

Bidder certifies under penalty of perjury under the laws of the State of California that the following information is

Name of individual Contractor, Company or Corporation: Business Address: 1312 E. Warner Ave., Santa Ana, CA 92705 Telephone and Fax Number: 714-444-1851; 714-444-2801 California State Contractor's License No. and Class: 215952; A, C-8, C12 (REQUIRED AT TIME OF AWARD) Original Date Issued: Expiration Date: 12/31/17 List the name and title/position of the person(s) who inspected for your firm the site of the work proposed in these contract documents: Corey Kirschner - Vice President Operation The following are the names, titles, addresses, and phone numbers of all individuals, firm members, partners, joint ventures, and company or corporate officers having a principal interest in this proposal. Name Address Telephone Fred T. Maas, Jr President 1312 E. Warner Ave., Santa Ana, CA 714-444-1851 CEO 1312 E. Warner Ave., Santa Ana, CA Dan T. Maas 714-444-1851 Steve Kirschner Vice President 1312 E. Warner Ave., Santa Ana, CA 714-444-1851 Kristen S. Paulino Secretary 1312 F. Warner Ave., Santa Ana, CA 714-444-1851 Corporation organized under the laws of the State of California The dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this proposal are as follows: None

All current and prior D.B.A.'s, aliases, and fictitious business names for any principal having interest in this propose are as follows:
None
-
For all arbitrations, lawsuits, settlements or the like (in or out of court) you have been involved in with projection owners (public agencies, private companies, etc) in the past five years (Attach additional Sheets if necessary provide:
Provide the names, addresses and telephone numbers of the parties: $N/A$
Briefly summarize the parties' claims and defenses;
N/A
·
State the tribunal (i.e., Superior Court, American Arbitration Association, etc.) the matter number and outcome.
N/A
Have you ever had a contract terminated by the owner/agency? If so, explain.  No
Have you ever failed to complete a project? If so, explain.  No
Hava yay ayar kasa tamin da fira ayar da la
Have you ever been terminated for cause and then had it converted to a "termination of convenience"? If so, explain No
For any projects you have been involved with in the last 5 years did you have any claims or actions:  Circle One
1. By you against the owner?
Yes (N)
2. By the owner against you? Yes (No)
3. By any outside agency or individual for labor compliance (i.e. failure to pay prevailing wage, falsify)
certified payrolls, etc)  4. Yes / No
4. By Subcontractors (Stop Notices, etc.)

5.	Yes / No Are any claims or actions unresolved or outstanding	? Yes /(No)
If yes	s to any of the above, explain. (Attach additional sheets,	
Failu	re of the bidder to provide ALL requested information responsive.	in a complete and accurate manner may be considered
Subs This	cribed and sworn to before me By day of	(print name of Owner or President of Corporation/Company)
(Sign	nature of Notary Republic)	(Signature) Steve Kirschner - Vice President
(SEA	AL)	(Title) 8/23/17
	(Date)	(Signature of Secretary of Corporation)

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

of the State of California that the foregoing paragrap is true and correct.  WITNESS my hand and official seal.  WITNESS my hand and official seal.  WITNESS my hand and official seal.  Signature of Notary Public  Place Notary Seal Above  OPTIONAL  Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.  Description of Attached Document  Title or Type of Document: Information Required of Bidder Document Date: August 23, 2017  Number of Pages: 3 Signer(s) Other Than Named Above: None  Capacity(ies) Claimed by Signer(s)  Signer's Name: Steve Kirschner Signer's Name: Kristen S. Paulino  Corporate Officer — Title(s): Vice President Datument Date: August 23, 2017  Partner — Limited General Datument Date: August 23, 2017  Individual Attorney in Fact Datument Date: August 23, 2017  Individual Attorney in Fact Datument Date: August 23, 2017  Partner — Limited General Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 23, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 24, 2017  Corporate Officer — Title(s): Secretary Datument Date: August 24, 2017  Corporate Officer — Title(	<u> </u>	\$\vec{\pi_0} \text{\tinx}\text{\tinx}\text{\tinx{\text{\ti}\text{\
County of	A notary public or other officer completing this document to which this certificate is attached, a	certificate verifies only the identity of the individual who signed the nd not the truthfulness, accuracy, or validity of that document.
OnAugust 23, 2017before me,	State of California	)
Date	County of Orange	
Date	On August 23 2017 before me	Ting Pham Notary Dublic
Place Notary Seal Above  Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.  Description of Attached Document  Title or Type of Document: Information Required of Bidder Document Date: August 23, 2017  Number of Pages: 3 Signer(s) Other Than Named Above: None  Capacity(ies) Claimed by Signer(s)  Signer's Name: Sleve Kirschner Conservator   Partner   Limited   General   Individual   Attorney in Fact   Individual   Indiv	Date	Here Insert Name and Title of the Officer
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ks/ar subscribed to the within instrument and acknowledged to me that he/sho/they executed the same i hs/her/their authorized capacity(les), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.  I certify under PENALTY OF PERJURY under the law of the State of California that the foregoing paragrap is true and correct.  WITNESS my hand and official seal.  Signature of Notary Public  Place Notary Seal Above  OPTIONAL  Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.  Description of Attached Document  Title or Type of Document: Information Required of Bidder Document Date: August 23, 2017  Number of Pages: 3 Signer(s) Other Than Named Above: None  Capacity(ies) Claimed by Signer(s)  Signer's Name: Sleve Kirschner Sieve Kirschner Sieve Kirschner Corrorate Officer — Title(s): Secretary Partner — Limited General Individual Attorney in Fact Trustee Guardian or Conservator Other: Signer Is Representing: Hardy & Harper, Inc	personally appeared Steve Kirschner & Ki	
Subscribed to the within instrument and acknowledged to me that he/she/they executed the same i his/her/their signature(s) on the instrument the person(s or the entity upon behalf of which the person(s) acted, executed the instrument.  I certify under PENALTY OF PERJURY under the law of the State of California that the foregoing paragrap is true and correct.  WITNESS my hand and official seal.  WITNESS my hand and official seal.  Signature of Notary Public  Place Notary Seal Above  OPTIONAL  Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.  Description of Attached Document  Title or Type of Document: Information Required of Bidder Document Date: August 23, 2017  Number of Pages: 3 Signer(s) Other Than Named Above: None  Capacity(ies) Claimed by Signer(s)  Signer's Name: Steve Kirschner Signer's Name: Kristen S. Paulino  Corporate Officer — Title(s): Vica President Derther Dimited General Partner Ulmited General Partner Ulmited General Partner Ulmited General Partner Guardian or Conservator Trustee Guardian or Conservator Other:  Signer Is Representing: Signer is Representing: Hardy & Harper, Inc		,
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Place Notary Public College Signature  Place Notary Seal Above  OPTIONAL  Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.  Description of Attached Document  Title or Type of Document: Information Required of Bidder Document Date: August 23, 2017  Number of Pages: 3 Signer(s) Other Than Named Above: None  Capacity(ies) Claimed by Signer(s)  Signer's Name: Kristen S. Paulino  Corporate Officer — Title(s): Vice President Partner — Limited General Individual Attorney in Fact Individual Attorney Individual Attorney Individual At		I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
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Signer's Name: Steve Kirschner  ☐ Corporate Officer — Title(s): Vice President ☐ Partner — ☐ Limited ☐ General ☐ Individual ☐ Attorney in Fact ☐ Trustee ☐ Guardian or Conservator ☐ Other: ☐ Signer Is Representing: ☐ Hardy & Harper, Inc ☐ Signer's Name: Kristen S. Paulino ☐ Corporate Officer — Title(s): Secretary ☐ Partner — ☐ Limited ☐ General ☐ Individual ☐ Attorney in Fact ☐ Trustee ☐ Guardian or Conservator ☐ Other: ☐ Signer Is Representing: ☐ Hardy & Harper, Inc ☐ Hardy & Harper, Inc	Title or Type of Document: Information R	lequired of Bidder Document Date: <u>August 23, 2017</u> her Than Named Above: <u>None</u>
Hardy & Harper, Inc Hardy & Harper, Inc	Capacity(ies) Claimed by Signer(s) Signer's Name: Steve Kirschner  ✓ Corporate Officer — Title(s): Vice Presice  ☐ Partner — ☐ Limited ☐ General  ☐ Individual ☐ Attorney in Fact  ☐ Trustee ☐ Guardian or Conserv	Signer's Name: Kristen S. Paulino  dent
Hardy & Harper, Inc Hardy & Harper, Inc		Signer Is Representing:
©2014 National Notary Association • www.NationalNotary.org • 1-800-US NOTARY (4-900-976-6907)	Hardy & Harper, Inc	Hardy & Harper, Inc
$ \sim$ EVEL COMPUTED INTERVALOR PROPERTY OF A STATE O	©2014 National Notary Association - vary Not	ionalNotany ara + 1,900 HC NOTARY (4,000,070,000)

## REFERENCES

(Contractor must use this form!!! Please print or type).

Bidders Name Hardy & Harper, Inc
FAILURE OF THE BIDDER TO PROVIDE ALL REQUIRED INFORMATION IN A COMPLETE AND ACCURATE MANNER MAY BE CONSIDERED NON-RESPONSIVE.
For all public agency projects you have worked on (or are currently working on) in the past 2 years in excess of \$15,000, provide the following information:
l Project Name/Number
Project Description Pavement Rehabilitation
Approximate Construction Dates From to 10/2016-1/2017
Agency Name City of Rancho Cucamonga
Contact Person Romeo David Telephone ( ) 909-477-2740
Original Contract Amount \$ 1,076,200.00 Final Contract Amount \$ 1,094,379.86
If final amount is different from original, please explain (change orders, extra work, etc.)
Scope of work was changed by the City's Engineer
Did you file any claims against the Agency? Did the Agency file any claims against you/Contractor? If yes, briefly explain and indicate outcome of claims.
No
2 Project Name/Number FY 2016-2017 Street Improvement Project
Project Description Street Improvement
Approximate Construction Dates From 10/2016 to 12/2016
Agency Name City of Chino Hills
Contact Person Bill Simmons Telephone ( ) 760-770-0340
Original Contract Amount \$ 939,000.00 Final Contract Amount \$ 985,738.10

If final amount is different from original, please explain (change orders, extra work, etc.)			
Scope of work was changed by the City's Engineer			
Did you file any claims against the Agency? Did the Agency file any claims against you/Contractor? If yes, briefly explain and indicate outcome of claims.			
3 Project Name/Number Residential Street Rehabilitation Project Phase 1			
Project Description Street Rehabilitation			
Approximate Construction Dates From 7/2016 to 11/2016			
Agency NameCity of Rancho Palos Verdes			
Contact Person Lea Reis Telephone ( ) 310-554-5307			
Original Contract Amount \$ 2,639,926.62 Final Contract Amount \$ 2,639,926.62			
If final amount is different from original, please explain (change orders, extra work, etc.)  N/A			
Did you file any claims against the Agency? Did the Agency file any claims against you/Contractor? If yes, briefly explain and indicate outcome of claims.  None			
4 Project Name/Number 2016 Citywide Street Resurfacing  Project Description Street Resurfacing			
Approximate Construction Dates From 5/2016 to 8/2016			
Agency NameCity of La CanadaFlintridge			
Contact Person Greg Kwolek Telephone ( ) 818-790-8880			
Original Contract Amount \$ 1,084,562.67 Final Contract Amount \$ 1,084,562.67			

If final amount is different from original, please expla	in (change orders, extra work, etc.)
N/A	
Did you file any claims against the Agency? Did the briefly explain and indicate outcome of claims.	Agency file any claims against you/Contractor? If yes,
5 Project Name/NumberArchibald Ave from Hillsic	le Rd to N. City Limit & Haven Ave Wilson Ave
Project Description Street Improvement on Arch	ihald Ave
Approximate Construction Dates	From 6/2016 to 8/2016
Agency Name City of Rancho Cucamonga	
Contact Person Romeo David	Telephone ( )909-477-2740
Original Contract Amount \$ 795,000,00 Fi	nal Contract Amount \$ 796,042.98
If final amount is different from original, please expla	ain (change orders, extra work, etc.)
Scope of work was changed by the City's Engine	Y
Did you file any claims against the Agency? Did the briefly explain and indicate outcome of claims.	Agency file any claims against you/Contractor? If yes.
No No	
6 Project Name/Number Pavement Rehabilitation of	Slover Ave from Mulberry Ave to Cherry Ave
Project Description Pavement Rehabilitation on	Various Streets
Approximate Construction Dates	From 6/2016 to 8/2016
Agency Name City of Fontana	
Contact Person Ticha Loera	Telephone ( )909-350-6696
Original Contract Amount \$ 1,377,000.00	Final Contract Amount \$ 1,313,161.86

If final amount is different from original, please explain (change orders, extra work, etc.)			
Scope of work was changed by the City's Engineer			
Did you file any claims against the Agency? Did the Agency file any claims against you/Contractor? If yes, briefly explain and indicate outcome of claims.			
No			
Attach additional sheets if necessary.			

Upon request, the Contractor may be required to attach a financial statement and other information sufficiently comprehensive to permit an appraisal of the Contractor's current financial conditions.

Attach to this Bid the experience resume of the person who will be designated as General Construction Superintendent or on-site Construction Manager for the Contractor.

## Michael Amundson

246 Chaumont Circle Foothill Ranch, Ca 92610 Amundson29@hotmail.com Phone: (949)-305-4443

#### OBJECTIVE:

To contribute my experience, education and motivation to a dynamic organization that is focused on excellence in the field of construction management.

#### EDUCATION:

University of San Diego B.A. Communications/Business Administration 6/2000 GPA 3 3

Honor Roll: 1998, 1999, 2000

USD Men's Baseball team Lettered 1996-2000. All WCC 1st Team 1998/99, 1998/1999 season Team MVP

#### **EXPERIENCE**

Sequel Contractors, Inc.

. Santa Fe Springs, Ca

4/2003 - Current

Project Manager/ Project Estimator

- Currently managing over 6 million dollars in roadway, concrete, electrical and landscape projects.
- Estimating Jobs at 9%, Average returns of 12-14% per project for FY 2004-2005
- Estimated over 200 projects with extensive paving, grading, excavation, electrical, concrete, underground and landscaping.
- Managed over 30 projects containing paving, grading, excavation, electrical, concrete,
   underground and landscape.
- Manage all aspects of projects horizontally from inception to completion.
- Responsibilities include: Negotiating change orders, Contracts, Bonds, Insurance, Scheduling, Coordinating sub-contractors, Gathering quantities, Billings and Quarterly closings.
- Currently managing 5 teams of 6 to 15 employees.
- Current Monthly estimating load of 10 million dollars approx. 5-10 bids per week
- Proficient using Primavera Project Manager, Microsoft Excel and Word
- Experience with Microsoft Project
- Certified Advanced SWPPP training
- Have produced 10 fully-functional SWPPP/BMP Plans this year
- Registered Notary Public in the state of California

#### Current Projects:

- City of Laguna Beach: PM, Pavement Rehabilitation Program; \$710,000.00, Current
- City of South Pasadena: PM, Orange Grove Avenue Improvements; \$2,341,000.00 Job Status: Current

- City of Palos Verdes Estates: PM/Estimator, Annual Pavement Overlays Project;
   \$210,000.00 10/05 Job Status: Current
- City of Diamond Bar: PM, Grand Avenue Beautification Project; \$1,921,000.00 Job Status: Current
- City of Fullerton: PM/Estimator, Residential Street Rehabilitation Project; \$880,000.00
   Job Status: Current
- City of Seal Beach: PM/ Estimator, Annual Pavement Rehabilitation Project; \$675,000.00 9/05 - 11/05
- Los Angeles County Public Works Division: PM/Estimator, Various Street Rehab;
   \$1,375,000.00 3/05 8/05
- City of Pasadena: PM/Estimator., Orange Grove Median Improvements; \$150,000.00 8/05-9/05

#### Recently Completed Projects:

- City of Cypress: PM/Estimator, Cypress Acres Street and Storm Drain Improvements 12/04 – 3/05; \$651,000.00
  - City of Rancho Palos Verdes: PE, Residential Streets Overlay 9/04 12/04; \$2,150,000.00
  - City of Pasadena: PM/ Estimator, Walnut Ave. Reconstruction Project 7/04 10/04; \$510,000.00
  - City of Laguna Hills: PE, Reconstruction of Various Streets in Nelly Gail Ranch 6/03 10/03; \$2,350,000.00
- City of Fullerton: PM/Estimator, City Hall Parking Lot Construction 8/04-10/04; \$350,000.00
- City of Anaheim: PM/Estimator, Anaheim Resort Area Intersection Project 6/04-8/04;
   \$200,000.00
- City of Irvine: PM/Estimator, Michaelson Dr. Rehabilitation 8/03-10/03; \$350,000.00.
- City of Fountain Valley: PM, Harbor Blvd. Reconstruction 5/04 8/04; \$500,000.00

#### ТВМ, Іпс.

#### Santa Ana, Ca

9/2001 - 4/2003

Sales Manager, Existing and Developing Accounts

- Averaged 75,000. per mo. Sales, total company sales 110,000.
- Responsible for driving sales in both San Diego and Orange Counties
- Developed flagship etching design and fabrication for Orange County Drum and Percussion Acrylics division; Blink 182, No Doubt and New Found Glory designs.
   Private Projects Included;
- Design/Build 3-Dimesional Chemical Compound display, AT&T Building: San Jose Ca \$85,000.00 Designer: Confidential
  - Design/Build Main Glass Laminate Displays Nordstrom's Fashion Show Mall, Las Vegas \$120,000.00 Designer: Heartwood Construction
  - Design/Build: Glass Countertops/Splashes for Montblue Construction San Diego
     65,000.00
  - Glass Showcases/Displays for Orleans Casino LV, Tumberry Towers LV, Wyland Art Salleries, Pfizer Building San Diego

#### **DENNIS BEYLE**

#### PROFESSIONAL EXPERIENCE

# Hardy & Harper, Santa Ana, CA 1999 to Present

#### **Construction Superintendent**

- Supervise Construction sites for several communities.
- . Establish and manage closing and production schedules for completion of projects.
- Organize contracts and coordinate with subcontractors to meet production deadlines.
- . Adjust products to meet specific needs of customers.
- . Adapt construction practices to meet the needs of harsh climate.
- . Monitor work completed by subcontractors to ensure product quality.
- . Collaborate with utility companies.
- . Answer service calls and take corrective measures to resolve conflicts.
- . Managed and directed overall construction of multi-million dollar projects.
- . Organize scheduling of sub-contractors and monitored work efficiency, quality and performance.
- . Directed and supervised projects from inception to completion.
- Track time comparison reports and construction production reports.
- . Hired qualified personnel from designated union labor pool.
- . Work effectively with architects, engineers, and developers.
- . Maintain budgets and schedules.
- . Responsible predominantly for phases of construction from ground breaking to final project.
- . Schedule subcontractor work, material delivery, and material returns.

- Attend weekly meetings with Management of the customer relating to updates on construction of each individual phase.
- Organize and see through accelerated schedule to meet needs and deadlines of customers with tight closing dates.
- Ensure the construction project is completed on time and safely.
- Track project materials requisitions from the date they were ordered to delivery to construction site to ensure timely delivery.
- Daily inspections of all ongoing construction projects to ensure all work is being performed in a safe manner and adhere to QA and QC guidelines.
- . Updates on projects such as reaching milestones and achieving customer satisfaction.

#### Industrial Asphalt, Irwindale, CA 1994 to 1999

- . Procured and maintained necessary equipment and materials.
- Operated & Maintained equipment used on high volume paving ie., residential & arterial, highways & freeways
- . Performed progress reports for city & state inspectors.
- . Was responsible for safety on the job.
- . Responsible for seeing that all work met job specifications and deadlines.

## Union Paving, Stanton, CA 1987 to 1994

- Mechanics Assistant achieved general knowledge of equipment used in grading and paving.
- . General Laborer Hands on training of field operations.
- Journeyman Asphalt Luteman Advancement of specialized asphalt placement.
- Grade Checker Understanding of slopes, elevations, percentage of active drainage.
- Operating Engineer Roller Subgrade and finish surface.

Skiploader – Subgrade and finish surface.

Paving Machine – Parking Lots and minor streets.

# DESIGNATION OF SURETIES

Bidders name Hardy & Harper, Inc
Provide the names, addresses, and phone numbers for all brokers and sureties from whom Bidder intends to procure insurance and bonds (list by insurance bond type):
Surety: Fidelity & Deposit Company of Maryland; 777 S. Figueroa St., Los Angeles, CA 90017 (714) 352-7
Agent: Commercial Surety Bond Agency; 1411 N. Batavia St., Orangé, CA 92867 (714) 516-1232

# ACKNOWLEDGEMENT OF ADDENDA

The bidder shall signify receipt of all Addenda here, if any:				
Addendum No.	Date Received	Signature		

Bidders name Hardy & Harper, Inc

# CONTRACTOR'S INDUSTRIAL SAFETY RECORD

Bidders Name _	Hardy & Harper, Inc	
Record Last Five	e (5) Full Years	
	Current Year of Record	

	·	Current Year of Record	2017	2016	2015	2014	2013	Total	Year
	No. of contracts	194	194	365	402	387	486	1,834	N/A
	Total dollar Amount of Contracts (in Thousands of \$)	9,140	9.160	37.734ª	£1240	01408	w1,740	22592	hlb
	No. of fatalities	Ø	0	Ø	Ø	D	Ø	Ø	NIA
	No. of lost Workday Cases	0	0-	5	2	1	4	12.	NJA
721	No. of lost workday cases involving permanent transfer to another job or termination of employment	ø	ð	Ø	8	Ø	8	8	NIA

The information required for these items is the same as required for columns 3 to 6. Code 10. Occupational Injuries, Summary--Occupational Injuries and Illnesses, OSHA No. 102.

Legal Business Name of Bidder	Hardy & Harper, Inc	
Business Address:	1312 E. Warner Ave., Santa Ana, CA 92705	
Business Tel. No.:	714-444-1851	,
State Contractor's License No. and Classification:	215952; A, C-8, C12	
Title	Vice President	

The above information was compiled from the records that are available to me at this time and I declare under penalty of perjury that the information is true and accurate within the limitations of those records.

Signature of bidder	Silla Minon
Date	8/23/17
Title	Steve Kirschner - Vice President
Signature of bidder	(xo to the )
Date	8/23/17
Title	Kristen S. Paulino - Secretary
Signature of bidder	
Date	
Title	
Signature of bidder	
Date	
Title	· · · · · · · · · · · · · · · · · · ·

If bidder is an individual, name and signature of individual must be provided, and, if he is doing business under a fictitious name, the fictitious name must be set forth. If bidder is a partnership or joint venture, legal name of partnership/joint venture must be provided, followed by signatures of all of the partners/joint ventures or of fewer than all of the partners/joint ventures if submitted with evidence of authority to act on behalf of the partnership/joint venture. If bidder is a corporation, legal name of corporation must be provided, followed by notarized signatures of the corporation President or Vice President or President and Secretary or Assistant Secretary, and the corporate seal. Signatures of partners, join ventures, or corporation officers must be acknowledged before a Notary Public, who must certify that such partners/joint ventures, or officers are known to him or her to be such, and, in the case of a corporation, that such corporation executed the instrument pursuant to its bylaws or a resolution of its Board of Directors.

#### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
A notary public or other officer completing this certificate is attached, and not	icate verifies only the identity of the individual who signed the the truthfulness, accuracy, or validity of that document.
State of California	)
County of Orange	)
OnAugust 23, 2017 - before me,	Tina Pham, Notary Public
Date	Here Insert Name and Title of the Officer
personally appeared <u>Steve Kirschner &amp; Kirsten</u>	
	Name(s) of Signer(s)
subscribed to the within instrument and acknowledge	ory evidence to be the person(s) whose name(s) ks/are by evidence to me that he/ske/they executed the same in his/hær/their signature(s) on the instrument the person(s), acted, executed the instrument.
TINA PHAM	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
CONIM. #2149384 p Notary Public-California	WITNESS my hand and official seal.
ORANGE COUNTY  My Comm. Expires Apr 17, 2020	$\alpha^* \Omega_{\alpha}$
	Signature ' / La / Laun Signature of Notary Public
	orginates of Hotely Fublic
Place Notary Seal Above	
Though this section is optional, completing t	OPTIONAL this information can deter alteration of the document or this form to an unintended document.
Description of Attached Document	
Title or Type of Document: Contractor's Indus	strial Safety Reco Document Date: <u>August 23, 2017</u>
Number of Pages: 2 Signer(s) Other	Than Named Above: None
Capacity(ies) Claimed by Signer(s) Signer's Name: Steve Kirschner	Signer's Name: Kristen S. Paulino
☑ Corporate Officer — Title(s): Vice President	✓ Corporate Officer — Title(s): Secretary
🗆 Partner — 🗀 Limited 🗀 General	☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	
Other:     Signer Is Representing:	Other: Signer Is Representing:
Hardy & Harper, Inc	Signer is nepresenting
	TANA A TOLEO LA MANA A LA SANA A SANA

# NON-COLLUSION AFFIDAVIT

( TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID )

State of California	)SS.	
	)	
County of		
	)	
Steve Kirschner	_ , being first	duly sworn, deposes and says that he or she is
Vice President	ofHardy & Ha	rper, Inc., the party making the foregoing bid, in accordance
with Public Contracts Co	ode Section 7106, a	declares that the bid is not made in the interest of, or on behalf
of, any undisclosed pers	on, partnership, cor	mpany, association, organization, or corporation; that the bid is
genuine and not collusiv	ve or sham; that the	e bidder has not directly or indirectly induced or solicited any
other bidder to put in a	false or sham bid, a	and has not directly or indirectly colluded, conspired, connived.
or agreed with any bidd	er or anyone else te	o put in a sham bid, or that anyone shall refrain from bidding:
that the bidder has not	in any manner, di	rectly or indirectly, sought by agreement, communication, or
conference with anyone	to fix the bid price	of the bidder or any other bidder, or to fix any overhead, profit,
or cost element of the bi	d price, or of that or	f any other bidder, or to secure any advantage against the public
body awarding the conti	ract of anyone inter	ested in the proposed contract; that all statements contained in
the bid are true; and, fur	ther, that the bidder	r has not, directly or indirectly, submitted his or her bid price or
any breakdown thereof,	or the contents the	ereof, or divulged information or data relative thereto, or paid,
and will not pay, any	fee to any corpo	oration, partnership, company, association, organization, bid
depository, or to any me	mber or agent there	of to effectuate a collusive or sham bid.
	· ··	
Project Name: Putledge	Ava & Palais Doad	Alley Improvement Projects
		Aney improvement projects
Legal Business Name of		
Hardy & Har	rper, Inc	
Business Address	_	
1312 E. Warner Ave	., Santa Ana, CA 92	2705
Business Tel. No.		
714-444-1857	>	
Signatury of bidder	m	
The state of the s		
Title Steve Kirschner -	Vice President	
	vice rresident	
Date:		
8/23/17	· · · · · · · · · · · · · · · · · · ·	
Signature of billder	and the same of th	
Title Kirsten S. Pauling	o - Secretary	
Date: 8/23/17		
Subscribed and Sworn t	o before me on	
art or i		
(Notary Seal)		Signature
		Notary Public

## CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

□ See Attached Document (Notary to cross out l □ See Statement Below (Lines 1–6 to be comple	lines 1–6 below) eted only by docum	nent signer[s], <i>not</i> Notary)
	, ,	V 17
		and the second s
	The second section of the section of th	•
Signature of Document Signer No. 1	Signature	of Document Signer No. 2 (if any)
A notary public or other officer completing this certificate is attached, and not	icate verifies only the t the truthfulness, accu	identity of the individual who signed the uracy, or validity of that document.
State of California	Subscribed an	nd sworn to (or affirmed) before me
County of Orange	=	day of <u>August</u> , 20 <u>17</u> ,
	by Date	
		ove kirschner
TINA PHAM	(and (2)	Name(\$) of Signer(\$)
COMM. #2149384 p Notary Public-California 2 ORANGE COUNTY	proved to me	on the basis of satisfactory evidence
My Cennn. Expires Apr 17, 2020	to be the pe	erson(s) who appeared before me.
		$\gamma^{\circ}$
	Signature	Malsom
		Signature of Notary Public
Seal Place Notary Seal Above		
	PPTIONAL	
Though this section is optional, completing the fraudulent reattachment of the property of Attached Description of Attached Description of Attached Description	nis information can his form to an unin	deter alteration of the document or tended document.
Description of Attached Document  Title or Type of Document: Non-Collu	sion Affidavit	D
Number of Pages:1_ Signer(s) Other Than		Document Date: August 23, 2017  None
KEVERENEVENE THE THE THE THE THE THE THE THE THE TH		

# LIST OF SUBCONTRACTORS

TO ACCOMPANY PROPOSAL

In compliance with the provisions of Public Contract Code Section-4104, the undersigned bidder submitting this bid proposal sets forth the name, place of business and the portion of the work to be performed by: (1)-each subcontractor who will perform work or labor or render service to the bidder (as general contractor) in or about the construction of the work or improvement; and (2)-each subcontractor licensed by the State of California who, under subcontract to the bidder, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in an amount in excess of one-half of one percent of the bidder's total bid or, in the case of bids or offers for the construction of streets, highways or bridges, in excess of one-half of one percent of the bidder's total bid.

Subcontractor's Name, Address, Telephone #	Bid Item Number	Percent Of Total Bid	Description of Work	Percent of Total Bid
VØE TYEC SCOVICE, PO BOX 3280, Orange, CA, 92865, (714)997-0903	A-15	0.362.	root removal	0.36%
Case Lund survey, 614 N. Echottet, Orange, CA 92868, (714)628-8948		2.2%	Survey	2.2 %
BC Traffic, 638 w. southerh, orange UA, 92865, (714) 974-1190	A-26	0. le >.	striping	0.6%
Pavement Recycling 10240 San Seraine Wy, Turupavalley, (A,91752 (951) 682-1091	C-4,	6%	cement treatment	5-1.
				·

# BID BOND TO ACCOMPANY PROPOSAL

# KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Stanton, has issued an invitation for bids for the work described as follows:
Rutledge Avenue & Palais Road Alley Improvement Projects
WHEREAS Hardy & Harper, Inc.
1312 E. Warner Avenue, Santa Ana. CA 92705
(Name and address of Bidder) ("Principal"), desires to submit a bid to Public Agency for the work.
WHEREAS, bidders are required under the provisions of the California Public Contract Code to furnish a form of bidder's security with their bid.
NOW, THEREFORE, we, the undersigned Principal, and <u>Fidelity and Deposit Company of Maryland</u> 777 South Figueroa Street, Suite 3900, Los Angeles, CA 90017
(Name and address of Surety) ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the Public Agency in the penal sum of Ten Percent of Amount Bid
Dollars (\$ 10% of Amount Bid ), being not less than ten percent (10%) of the total bid price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.
THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal is awarded a contract for the work by the Public Agency and, within the time and in the manner required by the bidding specifications, enters into the written form of contract included with bidding specifications. furnishes the required bonds, one to guarantee faithful performance and the other to guarantee payment for labor and materials, and furnishes the required insurance coverage, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.
In case suit is brought upon this bond, Surety further agrees to pay all court costs incurred by the Public Agency in the suit and reasonable attorneys' fees in an amount fixed by the court. Surety hereby waives the provisions of California Civil Code § 2845.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: August 16th, 2017	
"Principal"	Surety"
Hardy & Harper, Inc.  1312 E. Warner Avenue Santa Ana, CA 92705	Fidelity and Deposit Company of Maryland 777 South Figueroa Street, Suite 3900 Los Angeles, CA 90017
By:  Its steve hischner-vice By:  Fresident By:	Its Dwight Reilly, Attorney-in-Fact
Its Sy.	Its
(Seal)	(Seal)

Note: This bond must be dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.

#### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

\$\darka\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	
A notary public or other officer completing this certificate document to which this certificate is attached, and not the tr	verifies only the identity of the individual who signed the ruthfulness, accuracy, or validity of that document.
State of California ) County of Orange )	
OnAugust 16, 2017 before me,  Date  personally appeared _Steve Kirschner	Tina Pham, Notary Public , Here Insert Name and Title of the Officer
	Name(s) of Signer(s)
who proved to me on the basis of satisfactory exsubscribed to the within instrument and acknowled his/her/their authorized capacity(ies), and that by his/lor the entity upon behalf of which the person(x) acte	ged to me that he/ske/they executed the same in the person(s).
Of is  TINA PHAM  COMM. #2149384  Notary Public California  ORANGE COUNTY	the State of California that the foregoing paragraph true and correct.  ITNESS my hand and official seal.  gnature  Signature of Notary Public
Though this section is optional, completing this in	ONAL  formation can deter alteration of the document or
fraudulent reattachment of this f  Description of Attached Document  Title or Type of Document: Bid Bond  Number of Pages: 2 Signer(s) Other Than	orm to an unintended document.  Document Date: <u>August 16, 2017</u> Named Above: <u>Dwight Reilly</u>
Capacity(ies) Claimed by Signer(s)  Signer's Name: Steve Kirschner  ☐ Corporate Officer — Title(s): Vice President ☐ Partner — Limited ☐ General ☐ Individual ☐ Attorney in Fact ☐ Trustee ☐ Guardian or Conservator ☐ Other: ☐ Signer Is Representing: ☐ Hardy & Harper, Inc	Signer Is Representing:

©2014 National Notary Association • www.NationalNotary.org • 1-800-US NOTARY (1-800-876-6827) Item #5907

# ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individ who signed the document to which this certifica attached, and not the truthfulness, accuracy, or validity of that document.	ate is
State of California County of Orange	
On August 16, 2017 before me,	Karen L. Ritto, Notary Public (insert name and title of the officer)
certify under PENALTY OF PERJURY under the paragraph is true and correct.	ne laws of the State of California that the foregoing
WITNESS my hand and official seal.	KAREN L. RITTO COMM. #2138527
Signature Karen L. Ritto	ORANGE COUNTY  My Comm. Expires Dec 30, 2019 (  (Seal)

#### ZURICH AMERICAN INSURANCE COMPANY COLONIAL AMERICAN CASUALTY AND SURETY COMPANY FIDELITY AND DEPOSIT COMPANY OF MARYLAND POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by MICHAEL BOND, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint Daniel HUCKABAY, Dwight REILLY, Arturo AYALA, Shaunna Rozelle OSTROM and Michael CASTANEDA, all of Orange, California, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V. Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 15th day of May, A.D. 2017.

ATTEST.

ZURICH AMERICAN INSURANCE COMPANY COLONIAL AMERICAN CASUALTY AND SURETY COMPANY FIDELITY AND DEPOSIT COMPANY OF MARYLAND

SEAL SEAL





Bv:

Assistant Secretary Joshua Lecker

Vice President Michael Bond

State of Maryland County of Baltimore

On this 15th day of May, A.D. 2017, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, MICHAEL BOND, Vice President, and JOSHUA LECKER, Assistant Secretary, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposeth and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Condama a Durin

Constance A. Dunn. Notary Public My Commission Expires: July 9, 2019

# PREBID SITE INSPECTION CERTIFICATION

The bidder hereby certifies that he/she and his/her subcontractors have inspected the site and related specifications of work and fully acquainted themselves with all conditions and matters which might in any way affect the work, time of completion or the cost thereof, including, but not limited to scheduling and disclosed outside Contracts involving this work.

The bidder also certifies he/she has observed the designated Contractor work areas and access routes, if disclosed or shown, as part of work in this Contract.

BIDDER:	
Hardy & I	Harper, Inc
Date: _8/23/1	7
Persons who inspected site of the prop	osed work for your firm:
Name Corey Kirschner	Date of Inspection 8/22/17
Title Vice President Operation	•
Name	Date of Inspection
Title	

# CITY OF STANTON

# REPORT TO CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT: APPROVAL FOR THE PURCHASE OF THE GRAFFITI REMOVAL TRUCK

AND APPROVAL OF A BUDGET ADJUSTMENT NO. 2018-04 BY THE

CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

#### REPORT IN BRIEF:

Wondries Fleet Group in conjunction with Roadline Products was selected to provide the City with a new graffiti removal truck for our Public Works Department.

A budget adjustment is required to allocate funds for the purchase of the Graffiti Removal Truck. The new graffiti removal truck will provide our staff with the necessary equipment to rapidly eliminate graffiti from public walls and buildings within the City.

#### RECOMMENDED ACTION:

- 1. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) - The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
- 2. City Council approve a budget adjustment No. 2018-04 to appropriate \$20,000 to the Gas Tax account of the Graffiti Abatement Fund for this purchase; and
- 3. Authorize the City Manager to bind the City of Stanton and Wondries Fleet Group in a contract to provide a new graffiti removal truck in the amount of \$126,376,91.

#### **BACKGROUND:**

Staff determined the graffiti removal truck and trailer currently in use by the City is outdated and inefficient. The requested graffiti truck will be used to transport Staff throughout the City to graffiti sites, pressure wash graffiti, paint over graffiti and provide safety while Staff is at the work sites.

Staff contacted several cities in Orange County and Los Angeles County for information on the graffiti trucks. Roadline Products are commonly used throughout several cities because the products are reliable.

The new graffiti removal truck will be equipped with several hydraulic-driven airless pumps. These pumps have several advantages over a conventional paint system. They provide less over spray which saves on material, faster clean-ups, less noise, higher productivity.

Staff will purchase a 2017 Ford F550 from Wondries Fleet Group and the equipment will be furnished and installed by Roadline Products.

#### **ANALYSIS/JUSTIFICATION:**

Staff was not able to get multiple quotes because of the lack of manufacturers and sole source equipment. Staff researched the web extensively and could not find another vendor. The City of Rancho Cucamonga recently purchased a new graffiti truck from Wondries Fleet Group with Roadline Equipment. Staff was able to acquire similar price at \$126,376.91. The staff report from Rancho Cucamonga is attached.

Per Section 2.56.045(B)(1) Exceptions to Formal Bidding Requirements states that contracts which by their nature are not suited to award by competitive bidding shall not be subject to the competitive bidding requirements of Section 2.56.030 of this code. These contracts include items that may only be purchased from a single or sole source or provider.

#### **FISCAL IMPACT:**

The Gas Tax: Graffiti Abatement Fund has \$120,000 available for use in fund balance. Budget Adjustment No. 2017-21 for \$20,000 will appropriate the remaining funds for the purchase. Gas Tax Fund Balance exceeds \$1,000,000 and has adequate reserves to fund this purchase.

#### **ENVIRONMENTAL IMPACT:**

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15378(b) (4).

#### **LEGAL REVIEW:**

None.

#### STRATEGIC PLAN OBJECTIVE ADDRESSED:

3 – Provide a quality infrastructure.

#### **PUBLIC NOTIFICATION:**

Notifications and advertisement were performed as prescribed by law.

Prepared by:

Guillermo Perez

**Engineering Assistant** 

Reviewed by:

Allan Rigg, P.E., AICP

Director of Public Works/City Engineer

Concur: " "

Stephen Parker, CPA

Administrative Services Director

James A Box

Approved by:

City Manager

#### Attachments:

- (1) Budget Adjustment 2018-04
- (2) Vendor Quote
- (3) Roadline Products Flyer
- (4) Rancho Cucamonga Staff Report

#### CITY OF STANTON BUDGET ADJUSTMENT AUTHORIZATION Fiscal Year: 2017-18 BA # 2018-04 Department: Public Works Date: <u>August 22, 2017</u> Requested By: Allan Rigg Title: Public Works Director City Council Approval: Date: September 12, 2017 **Availability of Funds:** Title: Administrative Services Director / Increase Amended Amount Current ... Budget Transfer (Decrease) Account Description **Account Number** Gas Tax: Grafitti Abatement - Salaries-Regular 211-6300-703100 \$ 120,000 \$ 20,000 \$ 140,000 Gas Tax: Fund Balance 211-0000-304320 JUSTIFICATION: To provide appropriation for a graffiti truck. Budget Adjustment Request Approved:

J. Box	8/30/17 bate
Budget Adj	ustment Processed:
 Date posted	Entered by

\*\*\* PRINT ON BLUE PAPER ONLY \*\*\*



Quote Date: 7/17/17

Agency City of Stanton

Contain Guilermo Perez

Address 7800 Katella Avenue

Add 1999 Stanton, CA 90680

Phona: (714) 890-4204

Email Gperez@ci.stanton.ca.us

Wondries Fleet Group is pleased to submit the following quotation for your consideration:

Qty	Line Item	Description	Unit Price	Extended
1		New Graffitti Removal Truck in accordance with the City of Rancho Cucamonga RFB # 15/16-024	\$ 116,199.00	\$ 116,199.00
				\$
	***************************************			\$ .
				\$
			,	<b>\$</b>
				\$
				\$
		Subtotal	\$ 116,199.00	\$ 116,199.00
		Sales Tax 8.75 %	\$ 10,167.41	\$ 10,167.41
		Tire Fee	\$ 10.50	\$ 10.50
		DMV Fees (approx)	\$ -	\$
		Extended Warranty 7yr/100K (non taxable)		\$
		TOTAL PURCHASE ORDER AMOUNT	\$ 126,376.91	\$ 126,376.91

Notes:

Quoted by:

**Rick Sikes** 

Commercial Accounts Manager 626-656-8409 1247 W. Main St., Alhambra, CA. 91801



# The Ultimate Graffiti Removal System



Model GPMT-H/W shown with various options

# Model GPMT-H/W

The Roadline Products Model GPMT-H/W is equipped with hydraulic-driven airless pumps. There are several advantages in an airless paint system over a conventional paint system.

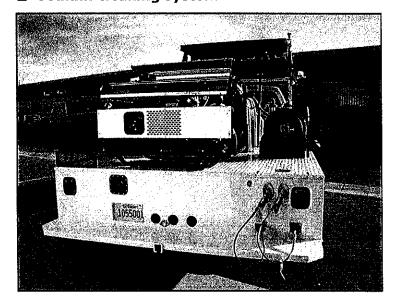
Some of these advantages are less over spray, savings in material, faster clean-up, less noise, no paint pots to clean, and higher productivity; which ensures a higher level of PUBLIC SAFETY!

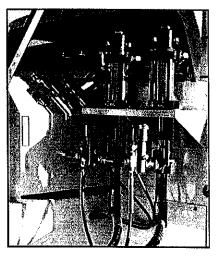
# **Standard Equipment**

- 12 GPM Hydraulic pump
- One complete airless paint system
- Removable paint tray
- Removable gun holster
- Below deck tool box
- Traffic cone storage
- **■** 30-Gallon headboard hydraulic reservoir
- Paint well that can hold seven 5-gallon containers

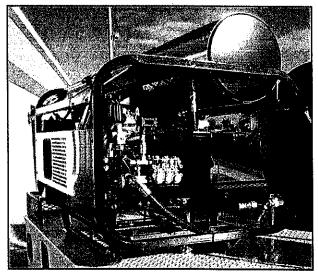
# **Optional Equipment**

- High pressure wash system
- Additional complete airless paint systems
- **■** Electric hose reels for special applications
- Arrow board
- Rotating lights
- Work lights for night time operation
- Sodium cleaning system





Up to six hydraulic-driven paint systems can be supplied. Easy access to hydraulic controls are standard.



#### **Heated Water Blaster Specifications**

Model: Capacity: Pressure: Engine/Motor:

Burner, Pressure: Atomizing: Auto, Ignition: Fuel Consumption: Fuel Tank Capacity: Gas Tank Capacity: Hose:

Dimensions: Weight: RP-5305EB 5.0 GPM 3000 PSI 16 HP Vanguard Electric Start 11 VOL

KERO, #1, #2 DSL 350,000 BTU 2.25 GPH 9.5 GAL 2.7 GAL 3/8" X 50'

38.5"H X 49"L X 30"W 850 LBS

Manufactured By:



13253 Stanbridge Avenue, Downey, CA 90242 Main: (562) 803-4447 Shop: (562) 404-8889

UCAMONGA

# STAFF REPORT

PUBLIC WORKS SERVICES DEPARTMENT

Date:

May 18, 2016

To:

Mayor and Members of the City Council

John R. Gillison, City Manager

From:

William Wittkopf, Public Works Services Director

By:

Ernest Ruiz, Streets, Storm Drains, and Fleet Superintendent

Ruth Cain, CPPB, Purchasing Manager

Subject:

CONSIDERATION BY CITY COUNCIL TO AUTHORIZE REPLACING A GRAFFITI REMOVAL TRUCK (UNIT #2633) FROM WONDRIES FLEET GROUP, OF ALHAMBRA, CALIFORNIA, IN ACCORDANCE WITH REQUEST FOR BIDS ("RFB") RFB #15/16-019 IN THE AMOUNT OF \$125,950.14 FROM ACCT. NO. 1712001-5604

(EQUIPMENT/VEHICLE REPLACEMENT FUND)

#### RECOMMENDATION

It is recommended that the City Council authorize replacing a graffiti removal truck (Unit #2633) from Wondries Fleet Group, of Alhambra, California, in accordance with Request for Bids ("RFB") #15/16-019 in the amount of \$125,950.14 from acct. number 1712001-5604 (Equipment/Vehicle Replacement Fund).

#### BACKGROUND/ANALYSIS

City Council approved the purchase of one (1) graffiti removal truck in the adopted FY 2015/16 budget as a part of the Equipment/Vehicle Replacement Fund. The Public Works Services Department (PWSD) annually conducts a Fleet Vehicle/Equipment Replacement analysis. A replacement ranking methodology is used to justify and recommend vehicles and/or equipment to be replaced. Factors considered in the replacement ranking takes into account depreciation, mileage/use, age, condition, maintenance history and application. The unit being considered for replacement is an unleaded graffiti removal truck (Unit #2633) which is ten years old, has 110,711 miles and has reached the end of its service life. The truck is equipped with a water/sand blaster and airless paint pumps to remove graffiti within the public right-of-way and on private property as permitted in our graffiti removal program.

Public Works provided specifications for the graffiti removal truck to the Purchasing Division. The Purchasing Division prepared and posted RFB #15/16-019 to the City's automated procurement system, one hundred forty-four (144) vendors were notified; fourteen (14) prospective vendors viewed or downloaded the solicitation documents, and one (1) response was received.

After analysis of the bid response by the Fleet Supervisor, Streets, Storm Drains and Fleet Superintendent and Purchasing staff, it has been determined to be in the City's best interest to recommend an award for one (1) graffiti removal truck to Wondries Fleet Group, of Alhambra,

P54

CONSIDERATION BY CITY COUNCIL TO AUTHORIZE REPLACING A GRAFFITI REMOVAL TRUCK (UNIT #2633) FROM WONDRIES FLEET GROUP, OF ALHAMBRA, CALIFORNIA MAY 18, 2016
PAGE TWO

California, as the most responsive, that met the specifications required by the Public Works Services Department. This replacement vehicle will be used by the Public Works Services Department Graffiti Removal crew.

All applicable bid documentation is on file in the City's automated bid system.

Respectfully submitted,

William Wittkopf

Public Works Services Director

WW/ER

# **CITY OF STANTON**

### REPORT TO CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT:

CONSIDERATION OF A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT AFFECTING REAL PROPERTY WITH BEACH AND ORANGEWOOD, LLC FOR ELEVEN PROPERTIES LOCATED AT

11382, 11430 AND 11462 BEACH BOULEVARD

#### REPORT IN BRIEF:

The Successor Agency to the Stanton Redevelopment Agency ("Successor Agency") previously entered into a purchase and sale agreement ("PSA") to sell eleven properties located at 11382, 11430 and 11462 Beach Boulevard ("Properties") to Frontier Real Estate Investments Inc. ("Frontier") for \$2,100,000.00. As a condition to the close of escrow under the PSA, Frontier and the City have negotiated an Agreement Affecting Real Property ("Agreement") regarding the development of the Properties. Before Council is a request to approve an amendment to the Agreement Affecting Real Property.

#### **RECOMMENDED ACTIONS:**

- City declare that the proposed development of the Properties pursuant to the Amended Agreement is consistent with the adopted Project EIR addendum approved for the Stanton Plaza Specific Plan and direct staff to file the notice of determination; and
- 2. Approve Resolution No. 2017-39 approving the First Amendment to the Agreement Affecting Real Property for the development by Frontier Real Estate Investments, Inc. of the Properties identified by APN Nos. 131-691-49, 50, 51, 58, 59, 60, 61, 62, 63, 64, and 65; and
- 3. Authorize the City Manager to execute the necessary documents and take all actions reasonably necessary to ensure completion of the development of Properties in accordance with the Agreement.

#### **BACKGROUND:**

As part of the dissolution of the former Stanton Redevelopment Agency, the Successor Agency developed a Long Range Property Management Plan ("LRPMP") to identify the disposition and use of the real properties of the former Stanton Redevelopment

Agency. The LRPMP was approved by the Oversight Board of the Successor Agency and by the Department of Finance. As part of the LRPMP, the DOF approved the Successor Agency's plan to sell the Properties, totaling 126,975 square feet or 2.9 acres in size. The Properties are known as the Stanton Plaza and are generally located at the northeast corner of Beach Boulevard and Orangewood Avenue.

The Successor Agency and the Oversight Board both approved a previous Disposition and Development Agreement ("DDA") with Frontier for the sale and development of the Properties. However, as the DDA allowed the Successor Agency certain rights, including review of proposed tenants by Frontier, the State Department of Finance did not approve the DDA.

Pursuant to the LRPMP, the Successor Agency and Frontier then entered into the PSA, dated October 29, 2015 for the sale of the Properties from the Successor Agency to Frontier. To ensure that the Properties are disposed of expeditiously and in a manner aimed at maximizing value, it is a condition precedent to the Close of Escrow (as defined in the PSA) that Frontier and the City enter into the Agreement in connection with Frontier's development of the Properties. In October 2016, the City approved the initial Agreement Affecting Real Property ("Agreement") with Frontier Real Estate Investments, Inc.

Since the approval of the Original Agreement, amendments have been made to both the PSA and the Agreement to reflect the latest deal structure and fully disclose information regarding the site condition. The Amended Agreement before the City Council reflects the modifications to the project and deal structure.

#### ANALYSIS/JUSTIFICATION:

Pursuant to the Agreement, Frontier proposes to develop the Properties as a commercial/retail development site including a retail pad building for multiple retail tenants, including outdoor patio/gathering spaces, a quick service or "fast food" style restaurant with drive-through, and a service station, with convenience store, and drive-through car wash ("Project").

To ensure that the community receives a well-designed project in a timely manner on the Properties, the PSA included a condition precedent to the close of escrow which requires Frontier to enter into the Agreement with the City for the development of the Project on the Properties. The Amended Agreement modifies section of the agreement to fully disclose the environmental condition on the site, clarify and further specify the use, development and operators for each of the parcels within the Project, and modify the language regarding indemnification for the project. That Amended Agreement is attached to the Resolution as Exhibit "A."

#### **FISCAL IMPACT:**

None. The City will monitor Frontier's development of the Properties. No City funds will

be used on the Project; instead, Frontier shall deposit \$20,000 with the City within 7 days of the effective date of the Agreement to defray specific costs of the City in pursuing the contemplated Project, and shall replenish this amount as needed throughout the construction of the Project, not to exceed \$40,000 in the aggregate.

#### **ENVIRONMENTAL IMPACT:**

A Project EIR was adopted by the City Council as part of the Stanton Plaza Specific Plan. The scope of development proposed in the Agreement is consistent with the existing Project EIR and as such, no further CEQA review is required.

#### **LEGAL REVIEW:**

The City Attorney has reviewed this report and the attached resolution on behalf of the City.

#### **PUBLIC NOTIFICATION:**

Through the normal agenda posting process.

#### STRATEGIC PLAN OBJECTIVE ADDRESSED:

2.1 – Pursue redevelopment/revitalization opportunities identified in focused areas throughout the City – Beach Blvd.

Prepared by:

Kelly Hart

Community & Economic Development Director

Approved by:

James A.∖Box City Manager

#### Attachments:

A. Resolution No. 2017-39 (Agreement Affecting Real Property with Frontier Real Estate Investments LLC included as Exhibit A)

#### **RESOLUTION NO. 2017-39**

A RESOLUTION OF CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE FIRST AMEDMENT TO THE AGREEMENT AFFECTING REAL PROPERTY WITH FRONTIER REAL ESTATE INVESTMENTS INC. FOR ELEVEN PROPERTIES LOCATED AT 11382, 11430 AND 11462 BEACH BOULEVARD

**WHEREAS**, prior to its dissolution, the City of Stanton Redevelopment Agency ("RDA") purchased approximately 2.9 acres of that certain real property generally located at the northeast corner of Beach Boulevard and Orangewood Avenue in the City of Stanton, California consisting of eleven (11) contiguous and adjacent parcels (APNs 131-691-49, 131-691-50, 131-691-51, 131-691-58, 131-691-59, 131-691-60, 131-691-61, 131-691-62, 131-691-63, 131-691-64, and 131-691-65) ("Properties"); and

WHEREAS, Assembly Bill 1X 26, enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of California Redevelopment Association, et al. v. Ana Matosantos, et al., Case No. S194861 dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012, and in June 2012, the California Legislature adopted Assembly Bill 1484 (Assembly Bill 1X 26 and Assembly Bill 1484 are collectively referred to herein as the "Dissolution Act") further modifying some of the procedures set forth in Assembly Bill 1X 26, and adding certain other procedures and requirements for the dissolution and wind-down of redevelopment agencies; and

**WHEREAS**, the Successor Agency to the Stanton Redevelopment Agency ("Agency") is the successor entity to the RDA and, pursuant to the Dissolution Act, upon the RDA's dissolution the Properties automatically transferred to the Agency; and

**WHEREAS**, Pursuant to Health and Safety Code section 34177(e), the Agency is responsible for disposing of the assets and properties of the former RDA, as directed by the Oversight Board to the Agency, expeditiously and in a manner aimed at maximizing value; and

**WHEREAS**, as part of the dissolution of the RDA, the Agency developed a Long Range Property Management Plan ("LRPMP") to identify the disposition and use of the real properties of the former Stanton Redevelopment Agency; and

WHEREAS, the LRPMP was approved by the Oversight Board of the Agency and by the Department of Finance ("DOF"); and

WHEREAS, as part of the LRPMP, the DOF approved the Agency's plan to sell the Properties; and

**WHEREAS**, Agency and Frontier Real Estate Investments Inc. ("Frontier") entered into that certain Purchase and Sale Agreement (Beach and Orangewood) dated October 29, 2015 for the sale of the Properties to Frontier; and

**WHEREAS**, it is a condition precedent to the Close of Escrow (as defined in the PSA) that Frontier and the City enter into an Agreement Affecting Real Property; and

**WHEREAS**, on October 11, 2016, the City Council approved an Agreement Affecting Real Property ("Agreement") with Frontier; and

**WHEREAS**, since the approval of the Agreement, modifications have been made to the project and deal structure; and

WHEREAS, this First Amendment to the Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference, memorializes those modifications to accurately reflect the current project and deal structure to ensure the timely development of the Property; and

**WHEREAS**, this amended Agreement is in the best interest of the community because it requires the Properties to be developed in a timely manner resulting in increased property and sales tax generation.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES HEREBY RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

<u>Section 1.</u> Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The City of Stanton, as lead agency, previously adopted an Environmental Impact Report (SCH #2004071165) for the Stanton Plaza Specific Plan, which was certified by the City Council on January 25, 2005, regarding development of the Property in compliance with the California Environmental Quality Act ("CEQA"). On October 11, 2016, The City of Stanton, as lead agency, adopted an Environmental Impact Report addendum to reflect the changes in the development proposal. The Successor Agency hereby finds and determines that the PSA will not result in any changes to the development of the Property or the circumstances surrounding the development of the Property and there is no new information regarding the development of the Property, since adoption of the Environmental Impact Report addendum on October 11, 2016 that would require or allow additional environmental review or documentation regarding the development of the Property. The City Clerk of the City of Stanton, acting on behalf of the Successor Agency, is authorized and directed to file a Notice of Determination, as applicable, under CEQA with the appropriate official of the County of Orange, California, within five (5) days following the date of adoption of this Resolution.

<u>Property.</u> The City hereby approves the First Amendment to the Agreement Affecting Real Property, in substantially the form attached to this Resolution as Exhibit "A" and subject to minor modifications as approved by the City Manager and City Attorney, and authorizes the City Manager, acting on behalf of the City, to sign and enter into the Agreement and perform the obligations of the City pursuant to the Agreement.

<u>Section 4.</u> <u>Severability.</u> If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City declares that the City would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

<u>Section 5.</u> <u>Certification.</u> The Mayor shall sign this Resolution and the City Clerk shall certify to the adoption thereof.

<u>Section 6.</u> <u>Effective Date.</u> This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED this 12th day of September, 2017 by the following vote, to wit:

CAROL WARREN, MAYOR
ATTEST:
PATRICIA A. VAZQUEZ, CITY CLERK
APPROVED AS TO FORM:
MATTHEW E RICHARDSON CITY ATTORNE

STATE OF CA		) ) SS	
CITY OF STA	ANTON	)	
the foregoing	g Resolution he Stanton	ry Clerk of the City of Stanton, California, do hereby on No. 2017-39 was duly passed and adopted at City Council on the 12th day of September, 201	a régular
AYES:			
NOES:			
ABSENT:			<del>_</del>
ABSTAIN:			
PATRICIA A: V	VAZQUEZ, CI	TY CLERK	

#### **EXHIBIT A**

# AGREEMENT AFFECTING REAL PROPERTY (BEACH AND ORANGEWOOD)

[Attached behind this cover page]

#### FIRST AMENDMENT TO AGREEMENT AFFECTING REAL PROPERTY (Beach and Orangewood)

THIS FIRST AMENDMENT TO AGREEMENT AFFECTING REAL PROPERTY (Beach and Orangewood) (this "Amendment"), is dated this \_\_ day of \_\_\_\_\_\_, 2017, and is entered into by and between the CITY OF STANTON, a public body, corporate and politic ("City"), and BEACH AND ORANGEWOOD LLC, a California limited liability company ("Developer"). City and Developer are sometimes referred to in this Amendment collectively as the "Parties." This Amendment is entered into by the Parties with reference to the following recited facts (collectively, the "Recitals"):

#### RECITALS

- A. The SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), and Developer (as successor in interest by assignment to FRONTIER REAL ESTATE INVESTMENTS LLC, a California limited liability company) are the current parties in interest to that certain Purchase and Sale Agreement (Beach and Orangewood), dated October 29, 2015, as amended (the "Agency PSA"), pursuant to which Developer has the right to acquire from Agency the Property described in Exhibit A to the Agency PSA.
- B. In connection with the development of the Property, and as a condition precedent to the close of escrow under the Agency PSA, City and Developer previously entered into that certain Agreement Affecting Real Property (Beach and Orangewood), dated February 23, 2017 (the "Agreement"). All terms, phrases and words indicated to be defined terms by initial capitalization in this Amendment that are not specifically defined in this Amendment shall have the meanings ascribed to them in the Agreement except as otherwise noted in this Amendment.
- C. A lot line adjustment in the form attached hereto as <u>Exhibit A</u> has been approved by the City in connection with the Shop Parcel ("Shop Parcel Lot Line Adjustment"). Each reference in the Agreement to the "Shop Parcel" shall be deemed to be a collective reference to Parcel 1, Parcel 2, and lettered lots "H" and "L" shown on the Shop Parcel Lot Line Adjustment.
- D. A lot line adjustment in the form attached hereto as Exhibit B has been approved by the City in connection with the Fuel Station Parcel and the QSR Parcel ("Fuel Station/QSR Parcel Lot Line Adjustment" and, together with the Shop Parcel Lot Line Adjustment, the "Lot Line Adjustments"). Each reference in the Agreement to the "Fuel Station Parcel" shall be deemed to be a reference to Parcel 2 shown on the Fuel Station/QSR Parcel Lot Line Adjustment. Each reference in the Agreement to the "QSR Parcel" shall be deemed to be a reference to Parcel 1 shown on the Fuel Station/QSR Parcel Lot Line Adjustment. Each reference in the Agreement to a "Parcel" shall be deemed to be a reference the Shop Parcel, the Fuel Station Parcel or the QSR Parcel, as applicable. The Fuel Station/QSR Parcel Lot Line Adjustment has been executed by the Sienna at Renaissance Plaza Community Association ("Sienna"), and Sienna will own Parcel 3 shown on the Fuel Station/QSR Parcel Lot Line Adjustment (the "Sienna Parcel") upon the recordation of the Fuel Station/QSR Parcel Lot Line

Adjustment. Developer will not be processing, and has no obligation to process, either a New Tract Map or a New Parcel Map (as defined in the Agency PSA).

- E. Agency intends to grant and dedicate to the City, and the City intends to accept from the Agency, an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes, over, under and across a portion of the Shop Parcel pursuant to a Right-of-Way Deed in the form attached hereto as <u>Exhibit C</u> (the "Shop Parcel Right-of-Way Deed").
- F. Agency intends to grant and dedicate to the City, and the City intends to accept from the Agency, an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes, over, under and across a portion of the Fuel Station Parcel and a portion of the QSR Parcel pursuant to a Right-of-Way Deed in the form attached hereto as Exhibit D (the "Fuel Station/QSR Parcel Right-of-Way Deed" and, together with the Shop Parcel Right-of-Way Deed, the "Right-of-Way Deeds").
- G. City and the State of California, acting by and through the Department of Transportation (the "State"), intend to enter into a Landscape Maintenance Agreement within State Highway Right of Way on Route 39 within the City of Stanton, substantially in the form attached hereto as Exhibit E (the "Landscape Maintenance Agreement"), pursuant to which City and State will allocate their respective obligations regarding the Maintenance (as defined in the Landscape Maintenance Agreement) of certain Landscaping (as defined in the Landscape Maintenance Agreement) and Improvements (as defined in the Landscape Maintenance Agreement) placed within the State's right-of-way on State Route 39 (Beach Boulevard).
- H. Developer has entered into an agreement for the sale of the Fuel Station Parcel ("Fuel Station PSA") to MIKE SATER ("Sater"). Sater intends to develop the Fuel Station Parcel as an ARCO Gas Station.
- I. Developer has entered into an agreement for the sale of the QSR Parcel ("QSR PSA") to QSR INVESTMENTS LLC, a California limited liability company ("QSR"). QSR intends to develop the QSR Parcel as a Wendy's Restaurant.
- J. Developer, Sater and QSR intend to develop the Parcels as a single commercial center with arrangements to (1) share use of certain entry areas, drives, signage and parking areas; (2) share specified expenses incurred in connection with the commercial center; (3) establish use restrictions that are beneficial to the businesses that will be operated in the commercial center; and (4) create a procedure for establishing additional restrictions to protect specific businesses in the commercial center. In consideration of the foregoing, Developer, Sater and QSR intend to record against the Property a Declaration of Covenants, Conditions and Restrictions and Reciprocal Easements substantially the form attached hereto as Exhibit F (the "Declaration").
- K. The Parties desire to amend the Agreement on the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants, restrictions and conditions contained in this Amendment, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### **TERMS**

- 1. **INCORPORATION OF RECITALS**. The Recitals set forth above are true and correct and are incorporated into this Amendment.
- 2. LOT LINE ADJUSTMENTS. City hereby confirms that any and all notice and consent requirements under the Agreement with respect to the Lot Line Adjustments and the transactions contemplated thereby (including, without limitation, the transfer of title to the Sienna Parcel to Sienna) have been satisfied. For the avoidance of doubt and notwithstanding anything in the Agreement to the contrary, City acknowledges and agrees that, upon the recordation of the Fuel Station/QSR Parcel Lot Line Adjustment, the Sienna Parcel shall no longer be subject to, and shall be excluded from the "Property" for all purposes under, the Agreement.
- 3. **RIGHT-OF-WAY DEEDS.** City shall forthwith execute the certificates of acceptance attached to the Right-of-Way Deeds. The Right-of-Way Deeds shall be recorded as soon as possible, and in any event no later than immediately prior to the close of escrow under the Agency PSA.
- LANDSCAPE MAINTENANCE AGREEMENT. At the close of escrow under the Agency PSA, (i) pursuant to a Landscape Maintenance Agreement substantially in the form attached hereto as Exhibit G-1 (the "City-Developer LMA"), City shall delegate to Developer, and Developer shall assume from City and agree to perform, all of City's obligations under the Landscape Maintenance Agreement to the extent such obligations first arise following the close of escrow under the Agency PSA and pertain to property located within the portion of the "Caltrans Right-of-Way" (as shown on Exhibit A to the Landscape Maintenance Agreement) that is to the west of, or constitutes a portion of, the Shop Parcel, (ii) pursuant to a Landscape Maintenance Agreement substantially in the form attached hereto as Exhibit G-2 (the "City-OSR LMA"), City shall delegate to QSR, and QSR shall assume from City and agree to perform, all of City's obligations under the Landscape Maintenance Agreement to the extent such obligations first arise following the close of escrow under the Agency PSA and pertain to property located within the portion of the "Caltrans Right-of-Way" (as shown on Exhibit A to the Landscape Maintenance Agreement) that is to the west of, or constitutes a portion of, the OSR Parcel, and (iii) pursuant to a Landscape Maintenance Agreement substantially in the form attached hereto as Exhibit G-3 (the "City-Sater LMA"), City shall delegate to Sater, and Sater shall assume from City and agree to perform, all of City's obligations under the Landscape Maintenance Agreement to the extent such obligations first arise following the close of escrow under the Agency PSA and pertain to property located within the portion of the "Caltrans Right-of-Way" (as shown on Exhibit A to the Landscape Maintenance Agreement) that is to the west of, or constitutes a portion of, the Fuel Station Parcel. City shall forthwith (and in any event no later than two (2) business days prior to the close of escrow under the Agency PSA) execute and deliver to Escrow Agent (as defined in the Agency PSA) the City-Developer LMA, the City-QSR LMA and the City-Sater LMA.

- 5. **FUEL STATION PSA.** Developer and Agency intend for the closing under the Fuel Station PSA to be concurrent with the close of escrow under the Agency PSA and the closing under the QSR PSA. At the close of escrow under the Agency PSA, Agency intends to convey title to the Fuel Station Parcel directly to Sater pursuant to a grant deed, conditioned upon the execution by Sater of the certificate of acceptance of grant deed attached thereto and a partial assumption agreement pursuant to which Sater shall assume all duties and obligations of Developer under the Agreement and the Agency PSA to the extent pertaining to the Fuel Station Parcel and first arising after the close of escrow under the Agency PSA. City shall not have any obligations to Sater under the Fuel Station PSA. City hereby confirms that any and all notice and consent requirements under the Agreement with respect to the Fuel Station PSA and the transactions contemplated thereby have been satisfied.
- 6. **QSR PSA.** Developer and Agency intend for the closing under the QSR PSA to be concurrent with the close of escrow under the Agency PSA and the closing under the Fuel Station PSA. At the close of escrow under the Agency PSA, Agency intends to convey title to the QSR Parcel directly to QSR pursuant to a grant deed, conditioned upon the execution by QSR of the certificate of acceptance of grant deed attached thereto and a partial assumption agreement pursuant to which QSR shall assume all duties and obligations of Developer under the Agreement and the Agency PSA to the extent pertaining to the QSR Parcel and first arising after the close of escrow under the Agency PSA. City shall not have any obligations to QSR under the QSR PSA. City hereby confirms that any and all notice and consent requirements under the Agreement with respect to the QSR PSA and the transactions contemplated thereby have been satisfied.
- 7. **ABANDONMENT OF EASEMENTS**. At or prior to the close of escrow under the Agency PSA, City shall execute, acknowledge and deliver to Developer the Quitclaim Deed attached hereto as <u>Exhibit H</u> and any other documents or instruments necessary for the City to abandon the easements for emergency ingress, egress, sanitary sewer and public utility purposes over that portion of lettered lot "G" of Tract No. 17118 lying within Parcel 1 shown on the Shop Parcel Lot Line Adjustment, as dedicated to the City on Tract Map No. 17118 recorded in Book 895, Page 35 through 41, inclusive, of miscellaneous maps, in the Office of the County Recorder of Orange County, California, and amended by Certificate of Correction recorded July 02, 2008 as Instrument No. 2008-317346 of Official Records of Orange County, California.
- 8. **DECLARATION**. The City acknowledges and agrees that the Declaration shall be deemed a Permitted Encumbrance for all purposes under the Agreement provided the City reviews and approves the Declaration prior to recordation.
- 9. **ENVIRONMENTAL CLAIMS; INDEMNIFICATION**. The following sentence is hereby added to end of Section 3.5 of the Agreement: "Notwithstanding anything set forth in this Section 3.5 or elsewhere in this Agreement to the contrary, in no event shall Developer or Developer's successors and assigns, expressly including QSR and Sater, have any duty to Indemnify the City or any City Party in respect of any Environmental Losses or Environmental Matters directly or indirectly relate to or arise from any Hazardous Materials that were on or under the Property prior to the Close of Escrow, any violation of any Law or Environmental Law occurring prior to the Close of Escrow and/or any Hazardous Material Discharge occurring on, under or from the Property prior

to the Close of Escrow unless caused by any action of Developer Parties". Subsection 7.3.2(g) of the Agreement is amended to read as follows: "any Environmental Claim regarding the Project, the Property or attributable to any action or failure to act by Developer Parties except for any Environmental Claim related to or arising from any Hazardous Materials that were on or under the Property prior to the Close of Escrow, any violation of any Law or Environmental Law occurring prior to the Close of Escrow and/or any Hazardous Material Discharge occurring on, under or from the Property prior to the Close of Escrow unless caused by any action of Developer Parties". For the avoidance of doubt and notwithstanding anything to the contrary in the Agreement, Developer and Developer's successors and assigns, expressly including QSR and Sater, shall have no duty to Indemnify the City or any City Party for any Environmental Matters or any Claims, including any Environmental Claims and any Environmental Losses, related to or arising from any Hazardous Materials that were on or under the Property prior to the Close of Escrow, any violation of any Law or Environmental Law occurring prior to the Close of Escrow and/or any Hazardous Material Discharge on, from or under the Property prior to the Close of Escrow unless caused by any action of Developer Parties. In no event shall any failure of Developer Parties to remove, remediate, treat or otherwise dispose of any Hazardous Materials that were on or under the Property prior to the Close of Escrow give rise to any duty on the part of Developer Parties to Indemnify the City or any City Party for any Environmental Matters or any Claims, including any Environmental Claims and any Environmental Losses, related thereto or arising therefrom. Nothing contained in this Section 9 shall be deemed to be in derogation of the releases in favor of City and City Parties set forth in the Agreement or be deemed to impose upon City or the City Parties any duty to Indemnify Developer or Developer's successors and assigns, expressly including QSR and Sater, for any of the foregoing matters.

- 10. **EFFECT OF AMENDMENT**. Except as expressly provided in this Amendment, all of the terms, conditions, and provisions set forth in the Agreement shall remain in full force and effect. From and after the effective date of this Amendment, wherever the term "Agreement" appears in the Agreement, it shall be read and understood to mean the Agreement, as amended by this Amendment.
- 11. **AMENDMENT EFFECTIVE DATE**. This Amendment shall be effective on the first date upon which all of the following have occurred: (i) all Parties hereto have signed this Amendment and (ii) Developer and Agency have executed an amendment to the Agency PSA that is substantially in the form attached hereto as <u>Exhibit I</u> and such amendment has been approved by the Oversight Board.
- 12. **EXECUTION IN COUNTERPARTS**. This Amendment may be executed in counterparts, each of which shall be deemed an original.

[Signatures on the following page]

# SIGNATURE PAGE TO FIRST AMENDMENT TO AGREEMENT AFFECTING REAL PROPERTY (Beach and Orangewood)

IN WITNESS WHEREOF, City and Developer have signed and entered into this Frist Amendment to Agreement Affecting Real Property (Beach and Orangewood) by and through the signatures of their authorized representative(s) set forth below:

CITY:	DEVELOPER:
THE CITY OF STANTON, a public body, corporate and politic	BEACH AND ORANGEWOOD LLC, a California limited liability company
By: James A. Box City Manager	By: Dan Almquist Manager
ATTEST:	
By: Patricia A. Vazquez City Clerk	
APPROVED AS TO FORM:	
Best Best & Krieger LLP	
By: Matthew E. Richardson City Attorney	
Ony Audiney	

# Exhibit A

# Shop Parcel Lot Line Adjustment

# Exhibit B

# Fuel Station/QSR Parcel Lot Line Adjustment

# Exhibit C

# Shop Parcel Right-of-Way Deed

Recording Requested by:
City Clerk of the City of Stanton
WHEN RECORDED MAIL TO:
CITY OF STANTON
7800 Katella Avenue
Stanton, CA 90680
Attention: City Clerk

Free Recording Requested Under Government Code Section 27383,

Document Necessary Due to City Interest

DOCUMENTARY TRANSFER TAX: Exempt pursuant to Revenue and Taxation Code Section 11922

#### **RIGHT-OF-WAY DEED**

For valuable consideration, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), for itself and its successors and assigns, does hereby grant and dedicate to the CITY OF STANTON, a public body, corporate and politic ("City"), an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes, over, under and across the real property in the City of Stanton, County of Orange, State of California, as described on the attached Exhibit "A", and as shown on the attached Exhibit "B", each incorporated by reference. This grant and dedication extends the right to enter upon and to pass and re-pass over, under and along such real property, and to deposit tools, equipment and materials thereon, by the City, its officers, agents and employees, and by any contractor, its agents and employees engaged by the City, and by any assignee or designee of the City and its respective contractors, agents and employees, whenever and wherever necessary for all the purposes listed above.

Date	d:, 2017
AGE	NCY:
	CESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, blic body, corporate and politic
Ву: _	James A. Box Executive Director
ATTE	EST:
By:	
-	Patricia A. Vazquez City Clerk

0047

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APPROVED AS TO FORM:	
Best Best & Krieger LLP	
By: Matthew E. Richardson Agency Counsel ACKI	NOWLEDGMENT
	ting this certificate verifies only the identity of the to which this certificate is attached, and not the document.
State of California	
County of Orange	
within instrument and acknowledge his/her/their authorized capacity(ies)	person(s) whose name(s) is/are subscribed to the person(s) whose name(s) is/are subscribed to the ed to me that he/she/they executed same in and that by his/her/their signature(s) on the tity upon behalf of which the person(s) acted,
I certify under PENALTY OF PERJUR foregoing paragraph is true and correc	RY under the laws of the State of California that the ct.
WITNESS my hand and official seal.	·
Signature	(coal)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California		
County of Orange		
within instrument his/her/their autho	2017, before me, rappeared ry evidence to the person(s) whose and acknowledged to me that prized capacity(ies) and that by lerson(s), or the entity upon behalt ument.	he/she/they executed same ir his/her/their signature(s) on the
	NALTY OF PERJURY under the laws ph is true and correct.	s of the State of California that the
WITNESS my han	d and official seal.	
Signature		(seal)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	3	
County of Orange	•	
within instrumen his/her/their auth	2017, before me, y appeared ory evidence to the person(s) whose t and acknowledged to me that norized capacity(ies) and that by person(s), or the entity upon behal rument.	he/she/they executed same in his/her/their signature(s) on the
	NALTY OF PERJURY under the laws	s of the State of California that the
WITNESS my ha	nd and official seal.	
Signature		(seal)

#### CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Easement

Deed from the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, is hereby accepted by the CITY OF STANTON, a public body, corporate and politic, and that it consents to the recordation thereof. DATED: , 2017 Allan Rigg, Public Works Director/City Engineer ACKNOWLEDGMENT A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. State of California County of Orange On \_\_\_\_\_2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

(seal)

Signature \_\_\_\_\_

### **EXHIBIT "A"**

# **LEGAL DESCRIPTION**

Right-of-Way Easement Over Lot 41 of Tract No. 17118

[SEE ATTACHED]

# Exhibit D

# Fuel Station/QSR Parcel Right-of-Way Deed

Recording Requested by:
City Clerk of the City of Stanton
WHEN RECORDED MAIL TO:
CITY OF STANTON
7800 Katella Avenue
Stanton, CA 90680
Attention: City Clerk

Free Recording Requested Under Government Code Section 27383,

Document Necessary Due to City Interest

DOCUMENTARY TRANSFER TAX: Exempt pursuant to Revenue and Taxation Code Section 11922

#### RIGHT-OF-WAY DEED

For valuable consideration, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), for itself and its successors and assigns, does hereby grant and dedicate to the CITY OF STANTON, a public body, corporate and politic ("City"), an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes, over, under and across the real property in the City of Stanton, County of Orange, State of California, as described on the attached Exhibit "A", and as shown on the attached Exhibit "B", each incorporated by reference. This grant and dedication extends the right to enter upon and to pass and re-pass over, under and along such real property, and to deposit tools, equipment and materials thereon, by the City, its officers, agents and employees, and by any contractor, its agents and employees engaged by the City, and by any assignee or designee of the City and its respective contractors, agents and employees, whenever and wherever necessary for all the purposes listed above.

Date	d:, 2017
AGE	NCY:
	CESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, blic body, corporate and politic
Ву: _	James A. Box Executive Director
ATT	EST:
Ву:	
, -	Patricia A. Vazquez
	City Clerk

0047

APPROVED AS TO FORM:	
Best Best & Krieger LLP	
By: Matthew E. Richardson Agency Counsel ACKN	OWLEDGMENT
	ng this certificate verifies only the identity of the which this certificate is attached, and not the document.
State of California	
County of Orange	
within instrument and acknowledged his/her/their authorized capacity(ies)	re me,, Notary, who proved to me on the erson(s) whose name(s) is/are subscribed to the document to me that he/she/they executed same in and that by his/her/their signature(s) on the ity upon behalf of which the person(s) acted.
I certify under PENALTY OF PERJURY foregoing paragraph is true and correct	or under the laws of the State of California that the it.
WITNESS my hand and official seal.	
Signature	(seal)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	
County of Orange	
On2017, before me, Public, personally appeared basis of satisfactory evidence to the person(s) we within instrument and acknowledged to me his/her/their authorized capacity(ies) and that instrument the person(s), or the entity upon executed the instrument.	hose name(s) is/are subscribed to the that he/she/they executed same in by his/her/their signature(s) on the
I certify under PENALTY OF PERJURY under the foregoing paragraph is true and correct.	e laws of the State of California that the
WITNESS my hand and official seal.	
Signature	(seal)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California			
County of Orange			
basis of satisfactory within instrument his/her/their author	2017, before me, appeared v evidence to the person(s) whose and acknowledged to me that ized capacity(ies) and that by son(s), or the entity upon beha- ment.	e name(s) is/are subscribed to th : he/she/they executed same his/her/their signature(s) on th	ne in ne
•	ALTY OF PERJURY under the lawn is true and correct.	vs of the State of California that th	1e
WITNESS my hand	and official seal.		
Signature		(seal)	

#### CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Easement Deed from the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, is hereby accepted by the CITY OF STANTON, a public body, corporate and politic, and that it consents to the recordation thereof. DATED: \_\_\_\_\_\_, 2017 Allan Rigg. Public Works Director/City Engineer **ACKNOWLEDGMENT** A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. State of California County of Orange On \_\_\_\_\_2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted. executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

(seal)

Signature \_\_\_\_\_

### **EXHIBIT "A"**

### **LEGAL DESCRIPTION**

# Right-of-Way Easement at Northeast Corner of Beach Boulevard and Orangewood Avenue

[SEE ATTACHED]

# Exhibit E

# Landscape Maintenance Agreement

Exhibit F

<u>Declaration</u>

# Exhibit G-1

# City-Developer LMA

# Landscape Maintenance Agreement By and Between the City of Stanton and Developer Regarding the Segment of Route 39

This Landscape Maintenance Agreement ("Agreement"), is entered into as of ], 2017, by and between the City of Stanton, a California municipal corporation ("City"), and Beach and Orangewood LLC, a California limited liability company ("Developer" and, together with City, the "Parties"). Recitals 1, 2017, the City and the California Department of Transportation ("Caltrans") executed the Landscape Maintenance Agreement ("Caltrans Agreement") with respect to Caltrans-issued Permit [ ]. The Caltrans Agreement obligates the City to perform certain landscaping, maintenance, and improvements along a segment of Route 39. Developer has acquired, or concurrently herewith is acquiring, the real property described on Exhibit A attached hereto (the "Property") from the Successor Agency to the Stanton Redevelopment Agency. C. The Caltrans Agreement is meant to be a pass-through agreement. Meaning, the landscaping, maintenance, and improvements that Caltrans requires of the City are meant to be and shall be performed by Developer and other third parties. D. As a condition to Developer's development of the Property, the City is requiring Developer to assume and perform certain landscaping, maintenance, and improvements as required of the City by Caltrans in the Caltrans Agreement. E. Accordingly, the Parties wish to enter into this Agreement so that Developer may assume and perform certain landscaping, maintenance, and improvements as required of the City by Caltrans in the Caltrans Agreement. Agreement Now, therefore, in consideration of the above recitals and of the mutual covenants as well as for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows: 1. **EXHIBITS** The following documents are attached to, and by reference made a part of, this document: 1.1. Exhibit A: Description of the Property. 1.2. Exhibit B: Caltrans Agreement.

TERM

2.

The term of this Agreement shall remain in full force until the performance under this Agreement is complete.

#### 3. LANDSCAPING, MAINTENANCE, AND IMPROVEMENTS

- 3.1. <u>Developer Performance of Caltrans Agreement.</u> Developer shall assume and perform any and all of the City's obligations under the Caltrans Agreement, including, but not limited to any landscaping, maintenance, and improvements, to the extent such obligations first arise following Developer's acquisition of the Property and pertain to property located within the portion of the "Caltrans Right-of-Way" (as shown on Exhibit A to the Caltrans Agreement) that is to the west of, or constitutes a portion of, the Property. Developer shall perform its obligations under this Section 3.1 of this Agreement to the satisfaction of the City.
- 3.2. <u>Notice.</u> The City shall provide Developer with timely written notice of unsatisfactory conditions that require correction by Developer. However, Developer's non-receipt of any notice shall not excuse Developer of its obligations under this Agreement.
- 3.3. <u>Failure to Perform.</u> If during the term of this Agreement, Developer ceases or fails to perform its obligations under this Agreement, then, at Developer's sole expense:
  - 3.3.1. The City may undertake to perform the obligations by providing at least seven (7) days written notice to Developer and invoice Developer for the City's costs to perform the obligations. Developer shall pay the City's invoice within thirty (30) days of the City's issuance of the invoice.
  - 3.3.2. Developer's failure to perform its obligations under this Agreement, including paying the City's invoice, as provided in subsection 3.3.1, above, shall constitute grounds for the City's revocation of Precise Plan of Development PPD-777.

#### 4. INDEMNIFICATION

Developer shall defend, indemnify, and hold harmless the City, its officers, employees and agents with respect to any claim, damage, loss, cause of action, lawsuit or preceding that arises out of or is in any way related to any act or omission by Developer or its officers, employees or agents regarding this Agreement or arising out of the performance or non-performance of any duty or obligation pursuant to this Agreement.

#### 5. MISCELLANEOUS PROVISIONS

5.1. Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the Parties, and all oral or written representations, understandings or agreements are expressly stated in this Agreement. No testimony or evidence of any such representations, understandings, or covenants, will be admissible in any proceeding or any kind of nature to interpret or determine the terms or conditions of this Agreement.

- 5.2. Severability. If any term, provision, covenant, or condition of this Agreement is ruled invalid, void, or unenforceable by a court of competent jurisdiction, this Agreement will nonetheless remain in full force and effect as to all remaining terms, provisions, covenants, and conditions.
- 5.3. <u>Interpretation and Governing Law.</u> This Agreement and any related dispute will be governed and interpreted in accordance with the laws of the State of California. This Agreement will be construed according to its plain language and fair and common meaning to achieve the objectives and purposes of the Parties. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not be employed in interpreting this Agreement since all Parties have been represented by counsel.
- 5.4. <u>Section Headings.</u> All section headings and subheadings are inserted for convenience only and will not affect any construction or interpretation of this Agreement.
  - 5.5. <u>Singular and Plural.</u> As used herein, the singular of any word includes the plural.
- 5.6. <u>Waiver</u>. The failure of a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure of a Party to exercise its rights upon the default of the other Party, will not constitute a waiver of that Party's right to demand and require, at any time, the other Party's strict compliance with the terms of this Agreement.
- 5.7. <u>No Third Party Beneficiaries.</u> This Agreement is made and entered into for the sole protection and benefit for the Parties and their successors and assigns. No other person will have any right of action based upon any provision of this Agreement.
- 5.8. Successors in Interest. The burdens of this Agreement will be binding upon, and the benefits of this Agreement will insure to, all successors in interest to the Parties to this Agreement.
- 5.9. <u>Specific Performance</u>. The Parties acknowledge that monetary damages may be inadequate to remedy any breach of this Agreement by either Party. Accordingly, the Parties agree that any beach of this Agreement will also entitle the non-breaching Party to file an action for specific performance in a court of competent jurisdiction.
- 5.10. <u>Counterparts.</u> This Agreement may be executed by the Parties and counterparts, which counterparts will be construed together and have the same effect as if all of the Parties had executed the same instrument.
- 5.11. <u>Jurisdiction and Venue.</u> Any action at law or in equity arising under this Agreement or brought by any Party for the purpose of enforcing, construing, or determining the validity of any provision of this Agreement will be filed and tried in the Superior Court of the County of Orange, State of California. The Parties waive all provisions of law providing for the filing, removal or change or venue to any other court.

- 5.12. Further Actions and Instruments. Each of the Parties will cooperate with and provide reasonable assistance to the others to the extent contemplated by this Agreement to achieve the objectives of this Agreement. Upon the request of either Party at any time, the other Party will promptly execute, with acknowledgement or affidavit if reasonably required, and file or record instruments and writing. The Parties will also take any action that may be reasonable necessary under the terms of this Agreement to carry out the intent and to achieve the objectives of this Agreement.
- 5.13. Amendments in Writing and Cooperation. This Agreement may be amended only by written consent of the Parties specifically approving the amendment. The Parties will cooperate in good faith with respect to any amendment proposed in order to clarify that intent and application of this Agreement, and will treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters.
- 5.14. Authority to Execute. Any person or persons executing this Agreement on behalf of the Parties warrants and represents that he/she has the authority to execute this Agreement on behalf of his/her agency and to bind that Party to the performance of its obligations pursuant to the Agreement.
- 5.15. Notice. All notices, demands, requests or approvals to be given under this Agreement will be given in writing and will be deemed served when delivered personally or on the third business day after deposit in the United States mail, postage prepaid, first class mail, addressed as follows:

To the City:

City of Stanton 7800 Katella Ave. Stanton, CA 90680

To Developer:

Beach and Orangewood LLC 610 Newport Center Drive, Suite 1520 Newport Beach, CA 92660

Attention: Dan Almquist

[Signatures on following page]

# Signatures

Agreement on [], 2017.	to have executed this Landscape Maintenance
CITY OF STANTON, a California municipal corporation	BEACH AND ORANGEWOOD LLC, a California limited liability company
By: James A. Box City Manager	By: Dan Almquist Manager
ATTEST:	
By:Patricia A. Vazquez City Clerk	
APPROVED AS TO FORM:	
By:  Matthew E. Richardson City Attorney	

# **Exhibit A:** Description of the Property

### Exhibit B:

Landscape Maintenance Agreement Within State Highway Right of Way On Route 39 within the City of Stanton (By and Between the City and Caltrans)

# Exhibit G-2

# City-QSR LMA

# Landscape Maintenance Agreement By and Between the City of Stanton and Developer Regarding the Segment of Route 39

This Landscape Maintenance Agreement ("Agreement"), is entered into as of ], 2017, by and between the City of Stanton, a California municipal corporation ("City"), and QSR Investments LLC, a California limited liability company ("Developer" and, together with City, the "Parties"). Recitals On [ ], 2017, the City and the California Department of Transportation ("Caltrans") executed the Landscape Maintenance Agreement ("Caltrans Agreement") with respect to Caltrans-issued Permit [ ]. The Caltrans Agreement obligates the City to perform certain landscaping, maintenance, and improvements along a segment of Route 39. Developer has acquired, or concurrently herewith is acquiring, the real property described on Exhibit A attached hereto (the "Property") from the Successor Agency to the Stanton Redevelopment Agency. C. The Caltrans Agreement is meant to be a pass-through agreement. Meaning, the landscaping, maintenance, and improvements that Caltrans requires of the City are meant to be and shall be performed by Developer and other third parties. As a condition to Developer's development of the Property, the City is requiring D. Developer to assume and perform certain landscaping, maintenance, and improvements as required of the City by Caltrans in the Caltrans Agreement. Accordingly, the Parties wish to enter into this Agreement so that Developer may assume and perform certain landscaping, maintenance, and improvements as required of the City by Caltrans in the Caltrans Agreement. Agreement Now, therefore, in consideration of the above recitals and of the mutual covenants as well as for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows: 1. **EXHIBITS** The following documents are attached to, and by reference made a part of, this document: 1.1. Exhibit A: Description of the Property. 1.2. Exhibit B: Caltrans Agreement.

TERM

2.

The term of this Agreement shall remain in full force until the performance under this Agreement is complete.

#### 3. LANDSCAPING, MAINTENANCE, AND IMPROVEMENTS

- 3.1. <u>Developer Performance of Caltrans Agreement.</u> Developer shall assume and perform any and all of the City's obligations under the Caltrans Agreement, including, but not limited to any landscaping, maintenance, and improvements, to the extent such obligations first arise following Developer's acquisition of the Property and pertain to property located within the portion of the "Caltrans Right-of-Way" (as shown on Exhibit A to the Caltrans Agreement) that is to the west of, or constitutes a portion of, the Property. Developer shall perform its obligations under this Section 3.1 of this Agreement to the satisfaction of the City.
- 3.2. <u>Notice.</u> The City shall provide Developer with timely written notice of unsatisfactory conditions that require correction by Developer. However, Developer's non-receipt of any notice shall not excuse Developer of its obligations under this Agreement.
- 3.3. <u>Failure to Perform.</u> If during the term of this Agreement, Developer ceases or fails to perform its obligations under this Agreement, then, at Developer's sole expense:
  - 3.3.1. The City may undertake to perform the obligations by providing at least seven (7) days written notice to Developer and invoice Developer for the City's costs to perform the obligations. Developer shall pay the City's invoice within thirty (30) days of the City's issuance of the invoice.
  - 3.3.2. Developer's failure to perform its obligations under this Agreement, including paying the City's invoice, as provided in subsection 3.3.1, above, shall constitute grounds for the City's revocation of Conditional Use Permit C16-04 and/or Precise Plan of Development PPD-777.

#### 4. INDEMNIFICATION

Developer shall defend, indemnify, and hold harmless the City, its officers, employees and agents with respect to any claim, damage, loss, cause of action, lawsuit or preceding that arises out of or is in any way related to any act or omission by Developer or its officers, employees or agents regarding this Agreement or arising out of the performance or non-performance of any duty or obligation pursuant to this Agreement.

#### 5. MISCELLANEOUS PROVISIONS

5.1. <u>Entire Agreement.</u> This Agreement sets forth and contains the entire understanding and agreement of the Parties, and all oral or written representations, understandings or agreements are expressly stated in this Agreement. No testimony or evidence of any such representations, understandings, or covenants, will be admissible in any proceeding or any kind of nature to interpret or determine the terms or conditions of this Agreement.

- 5.2. <u>Severability.</u> If any term, provision, covenant, or condition of this Agreement is ruled invalid, void, or unenforceable by a court of competent jurisdiction, this Agreement will nonetheless remain in full force and effect as to all remaining terms, provisions, covenants, and conditions.
- 5.3. <u>Interpretation and Governing Law.</u> This Agreement and any related dispute will be governed and interpreted in accordance with the laws of the State of California. This Agreement will be construed according to its plain language and fair and common meaning to achieve the objectives and purposes of the Parties. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not be employed in interpreting this Agreement since all Parties have been represented by counsel.
- 5.4. <u>Section Headings.</u> All section headings and subheadings are inserted for convenience only and will not affect any construction or interpretation of this Agreement.
  - 5.5. Singular and Plural. As used herein, the singular of any word includes the plural.
- 5.6. <u>Waiver</u>. The failure of a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure of a Party to exercise its rights upon the default of the other Party, will not constitute a waiver of that Party's right to demand and require, at any time, the other Party's strict compliance with the terms of this Agreement.
- 5.7. <u>No Third Party Beneficiaries.</u> This Agreement is made and entered into for the sole protection and benefit for the Parties and their successors and assigns. No other person will have any right of action based upon any provision of this Agreement.
- 5.8. <u>Successors in Interest.</u> The burdens of this Agreement will be binding upon, and the benefits of this Agreement will insure to, all successors in interest to the Parties to this Agreement.
- 5.9. <u>Specific Performance</u>. The Parties acknowledge that monetary damages may be inadequate to remedy any breach of this Agreement by either Party. Accordingly, the Parties agree that any beach of this Agreement will also entitle the non-breaching Party to file an action for specific performance in a court of competent jurisdiction.
- 5.10. <u>Counterparts.</u> This Agreement may be executed by the Parties and counterparts, which counterparts will be construed together and have the same effect as if all of the Parties had executed the same instrument.
- 5.11. <u>Jurisdiction and Venue</u>. Any action at law or in equity arising under this Agreement or brought by any Party for the purpose of enforcing, construing, or determining the validity of any provision of this Agreement will be filed and tried in the Superior Court of the County of Orange, State of California. The Parties waive all provisions of law providing for the filing, removal or change or venue to any other court.

- 5.12. <u>Further Actions and Instruments.</u> Each of the Parties will cooperate with and provide reasonable assistance to the others to the extent contemplated by this Agreement to achieve the objectives of this Agreement. Upon the request of either Party at any time, the other Party will promptly execute, with acknowledgement or affidavit if reasonably required, and file or record instruments and writing. The Parties will also take any action that may be reasonable necessary under the terms of this Agreement to carry out the intent and to achieve the objectives of this Agreement.
- 5.13. <u>Amendments in Writing and Cooperation</u>. This Agreement may be amended only by written consent of the Parties specifically approving the amendment. The Parties will cooperate in good faith with respect to any amendment proposed in order to clarify that intent and application of this Agreement, and will treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters.
- 5.14. <u>Authority to Execute</u>. Any person or persons executing this Agreement on behalf of the Parties warrants and represents that he/she has the authority to execute this Agreement on behalf of his/her agency and to bind that Party to the performance of its obligations pursuant to the Agreement.
- 5.15. <u>Notice</u>. All notices, demands, requests or approvals to be given under this Agreement will be given in writing and will be deemed served when delivered personally or on the third business day after deposit in the United States mail, postage prepaid, first class mail, addressed as follows:

To the City:

City of Stanton 7800 Katella Ave. Stanton, CA 90680

To Developer:

QSR Investments LLC 32 Edelman Irvine, CA 92618 Attention: Ziad Boukai

[Signatures on following page]

# Signatures

Agreement on [], 2017.	o have executed this Landscape Maintenance
CITY OF STANTON, a California municipal corporation	QSR INVESTMENTS LLC, a California limited liability company
By: James A. Box City Manager	By: Ziad Boukai Manager
ATTEST:	
By: Patricia A. Vazquez City Clerk	By: Amer Boukai Manager
APPROVED AS TO FORM:	
By: Matthew E. Richardson City Attorney	

# **Exhibit A:** Description of the Property

#### Exhibit B:

Landscape Maintenance Agreement Within State Highway Right of Way On Route 39 within the City of Stanton (By and Between the City and Caltrans)

## Exhibit G-3

## City-Sater LMA

[attached]

# Landscape Maintenance Agreement By and Between the City of Stanton and Developer Regarding the Segment of Route 39

This Landscape Maintenance Agreement ("Agreement"), is entered into as of [\_\_\_\_\_], 2017, by and between the City of Stanton, a California municipal corporation ("City"), and Mike Sater, an individual ("Developer" and, together with City, the "Parties").

#### Recitals

A.	On [	], 2017,	, the City ar	d the Californ	iia Departme	nt of Transpor	tation
("Caltrans")	executed	the Landscape	Maintenan	ce Agreemen	t ("Caltrans	Agreement")	with
respect to Ca	altrans-issı	ued Permit [	].	The Caltrans	Agreement c	bligates the C	Lity to
perform cert	ain landsca	aping, maintenan	ice, and imp	rovements alc	ong a segmen	t of Route 39.	- I

- B. Developer has acquired, or concurrently herewith is acquiring, the real property described on Exhibit A attached hereto (the "Property") from the Successor Agency to the Stanton Redevelopment Agency.
- C. The Caltrans Agreement is meant to be a pass-through agreement. Meaning, the landscaping, maintenance, and improvements that Caltrans requires of the City are meant to be and shall be performed by Developer and other third parties.
- D. As a condition to Developer's development of the Property, the City is requiring Developer to assume and perform certain landscaping, maintenance, and improvements as required of the City by Caltrans in the Caltrans Agreement.
- E. Accordingly, the Parties wish to enter into this Agreement so that Developer may assume and perform certain landscaping, maintenance, and improvements as required of the City by Caltrans in the Caltrans Agreement.

#### Agreement

Now, therefore, in consideration of the above recitals and of the mutual covenants as well as for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

#### 1. EXHIBITS

The following documents are attached to, and by reference made a part of, this document:

- 1.1. Exhibit A: Description of the Property.
- 1.2. Exhibit B: Caltrans Agreement.
- 2. Term

The term of this Agreement shall remain in full force until the performance under this Agreement is complete.

#### 3. LANDSCAPING, MAINTENANCE, AND IMPROVEMENTS

- 3.1. <u>Developer Performance of Caltrans Agreement.</u> Developer shall assume and perform any and all of the City's obligations under the Caltrans Agreement, including, but not limited to any landscaping, maintenance, and improvements, to the extent such obligations first arise following Developer's acquisition of the Property and pertain to property located within the portion of the "Caltrans Right-of-Way" (as shown on Exhibit A to the Caltrans Agreement) that is to the west of, or constitutes a portion of, the Property. Developer shall perform its obligations under this Section 3.1 of this Agreement to the satisfaction of the City.
- 3.2. <u>Notice</u>. The City shall provide Developer with timely written notice of unsatisfactory conditions that require correction by Developer. However, Developer's non-receipt of any notice shall not excuse Developer of its obligations under this Agreement.
- 3.3. <u>Failure to Perform.</u> If during the term of this Agreement, Developer ceases or fails to perform its obligations under this Agreement, then, at Developer's sole expense:
  - 3.3.1. The City may undertake to perform the obligations by providing at least seven (7) days written notice to Developer and invoice Developer for the City's costs to perform the obligations. Developer shall pay the City's invoice within thirty (30) days of the City's issuance of the invoice.
  - 3.3.2. Developer's failure to perform its obligations under this Agreement, including paying the City's invoice, as provided in subsection 3.3.1, above, shall constitute grounds for the City's revocation of Conditional Use Permit C16-05 and/or Precise Plan of Development PPD-777.

#### 4. INDEMNIFICATION

Developer shall defend, indemnify, and hold harmless the City, its officers, employees and agents with respect to any claim, damage, loss, cause of action, lawsuit or preceding that arises out of or is in any way related to any act or omission by Developer or its officers, employees or agents regarding this Agreement or arising out of the performance or non-performance of any duty or obligation pursuant to this Agreement.

#### 5. MISCELLANEOUS PROVISIONS

5.1. Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the Parties, and all oral or written representations, understandings or agreements are expressly stated in this Agreement. No testimony or evidence of any such representations, understandings, or covenants, will be admissible in any proceeding or any kind of nature to interpret or determine the terms or conditions of this Agreement.

- 5.2. <u>Severability</u>. If any term, provision, covenant, or condition of this Agreement is ruled invalid, void, or unenforceable by a court of competent jurisdiction, this Agreement will nonetheless remain in full force and effect as to all remaining terms, provisions, covenants, and conditions.
- 5.3. <u>Interpretation and Governing Law.</u> This Agreement and any related dispute will be governed and interpreted in accordance with the laws of the State of California. This Agreement will be construed according to its plain language and fair and common meaning to achieve the objectives and purposes of the Parties. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not be employed in interpreting this Agreement since all Parties have been represented by counsel.
- 5.4. <u>Section Headings.</u> All section headings and subheadings are inserted for convenience only and will not affect any construction or interpretation of this Agreement.
  - 5.5. Singular and Plural. As used herein, the singular of any word includes the plural.
- 5.6. <u>Waiver.</u> The failure of a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure of a Party to exercise its rights upon the default of the other Party, will not constitute a waiver of that Party's right to demand and require, at any time, the other Party's strict compliance with the terms of this Agreement.
- 5.7. <u>No Third Party Beneficiaries.</u> This Agreement is made and entered into for the sole protection and benefit for the Parties and their successors and assigns. No other person will have any right of action based upon any provision of this Agreement.
- 5.8. <u>Successors in Interest.</u> The burdens of this Agreement will be binding upon, and the benefits of this Agreement will insure to, all successors in interest to the Parties to this Agreement.
- 5.9. <u>Specific Performance</u>. The Parties acknowledge that monetary damages may be inadequate to remedy any breach of this Agreement by either Party. Accordingly, the Parties agree that any beach of this Agreement will also entitle the non-breaching Party to file an action for specific performance in a court of competent jurisdiction.
- 5.10. <u>Counterparts.</u> This Agreement may be executed by the Parties and counterparts, which counterparts will be construed together and have the same effect as if all of the Parties had executed the same instrument.
- 5.11. <u>Jurisdiction and Venue</u>. Any action at law or in equity arising under this Agreement or brought by any Party for the purpose of enforcing, construing, or determining the validity of any provision of this Agreement will be filed and tried in the Superior Court of the County of Orange, State of California. The Parties waive all provisions of law providing for the filing, removal or change or venue to any other court.

- 5.12. <u>Further Actions and Instruments</u>. Each of the Parties will cooperate with and provide reasonable assistance to the others to the extent contemplated by this Agreement to achieve the objectives of this Agreement. Upon the request of either Party at any time, the other Party will promptly execute, with acknowledgement or affidavit if reasonably required, and file or record instruments and writing. The Parties will also take any action that may be reasonable necessary under the terms of this Agreement to carry out the intent and to achieve the objectives of this Agreement.
- 5.13. Amendments in Writing and Cooperation. This Agreement may be amended only by written consent of the Parties specifically approving the amendment. The Parties will cooperate in good faith with respect to any amendment proposed in order to clarify that intent and application of this Agreement, and will treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters.
- 5.14. <u>Authority to Execute</u>. Any person or persons executing this Agreement on behalf of the Parties warrants and represents that he/she has the authority to execute this Agreement on behalf of his/her agency and to bind that Party to the performance of its obligations pursuant to the Agreement.
- 5.15. <u>Notice</u>. All notices, demands, requests or approvals to be given under this Agreement will be given in writing and will be deemed served when delivered personally or on the third business day after deposit in the United States mail, postage prepaid, first class mail, addressed as follows:

To the City:

City of Stanton 7800 Katella Ave.

Stanton, CA 90680

To Developer:

Mike Sater

c/o Sater Oil International, LLC

683 Cliffside Drive San Dimas, CA 91773

[Signatures on following page]

### Signatures

Agreement on [], 2017.	re to	have	executed	this	Landscape	Maintenance
CITY OF STANTON, a California municipal corporation						
By:						
James A. Box		Miki	E SATER			
City Manager						
ATTEST:						
Ву:						
Patricia A. Vazquez						
City Clerk						
APPROVED AS TO FORM:						
By:						
Matthew E. Richardson						
City Attorney						

## **Exhibit A:** Description of the Property

#### Exhibit B:

Landscape Maintenance Agreement Within State Highway Right of Way On Route 39 within the City of Stanton (By and Between the City and Caltrans)

## Exhibit H

## Quitclaim Deed

[attached]

## RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Frontier Real Estate Investments LLC 610 Newport Center Drive, Suite 1520 Newport Beach, CA 92660 Attn: Dan Almquist

SPACE ABOVE THIS LINE FOR RECORDER'S USE

#### **QUITCLAIM DEED**

For valuable consideration, the receipt	of which is hereby acknowledged, the CITY OF
STANTON, a public body, corporate and po	litic (the "City"), hereby remises, releases and
quitclaims to BEACH AND ORANGEWOOD	LLC, a California limited liability company, all
of the City's right, title and interest in and t	to all easements for emergency ingress, egress,
sanitary sewer and public utility purposes over t	hat portion of lettered lot "G" of Tract No. 17118
lying within Parcel 1 of Lot Line Adjustment I	No, recorded, 2017; as
	ds of Orange County, California, as dedicated to
the City on Tract Map No. 17118 recorded i	n Book 895, Page 35 through 41, inclusive, of
miscellaneous maps, in the Office of the Cou	nty Recorder of Orange County, California, and
amended by Certificate of Correction recorded	July 02, 2008 as Instrument No. 2008-317346 of
Official Records of Orange County, California.	
Dated:	CITY OF STANTON, a public body, corporate
	and politic
	By:
	James A. Box
•	City Manager

#### ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA	A )	
COUNTY OF	)	
On	, 2017, before me,	, a Notary
	edof satisfactory evidence to be the pers	
subscribed to the within in in his/her/their authorized	of satisfactory evidence to be the pers astrument and acknowledged to me that capacity(ies), and that by his/her/their upon behalf of which the person(s) as	at he/she/they executed the same signature(s) on the instrument
I certify under PEI the foregoing paragraph is	NALTY OF PERJURY under the laws true and correct.	s of the State of California that
WITNESS my har	nd and official seal.	
Signature		

## Exhibit I

## Amendment to Agency PSA

[attached]

## CITY OF STANTON

### REPORT TO THE HOUSING AUHTORITY

TO:

Honorable Chair and Members of the Stanton Housing Authority

DATE:

September 12, 2017

SUBJECT: INITIAL REVIEW OF A DEVELOPMENT AGREEMENT FOR TINA/PACIFIC DEVELOPMENT PROJECT WITH TINA PACIFIC I PARTNERS, LLC

#### **REPORT IN BRIEF:**

Conduct an initial review of proposed Development Agreement negotiations between the Housing Authority and Tina Pacific I Partners, LLC.

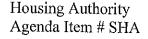
#### **RECOMMENDED ACTION:**

- 1. Conduct a public hearing;
- 2. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- Authorize City staff to negotiate the terms of a Development Agreement with Tina Pacific I Partners, LLC (a subsidiary of Related Companies) for Phase I of the Tina/Pacific development project.

#### **BACKGROUND:**

In 2009, the City of Stanton Redevelopment Agency initiated the redevelopment project for the Tina/Pacific neighborhood. In 2011, the Stanton Redevelopment Agency issued a Request for Proposals and Qualifications for a developer to partner with the City to complete the project. Seven companies responded to the RFP/RFQ process. Council interviewed the candidates and narrowed the pool down to two developers. During this time, the Redevelopment Dissolution laws were being challenged in the court system and all further activities were put on hold.

In 2013, the process was reinitiated, and Council participated in a tour of Related's existing housing portfolio in the southern California region. In September 2013, Council officially identified Related Companies as the chosen development partner for the completion of the Tina/Pacific redevelopment project.





In February 2017, the new development proposal and strategy for the project was presented to the City Council. At the conclusion of the study session, Council directed staff to move forward with the identified plan, which included the sale of Housing Authority assets to fund the project. As the purchase of the Housing Authority assets is moving forward, the developer has requested the initiation of the Development Agreement negotiations.

#### **ANALYSIS AND JUSTIFICATION:**

Section 20.510.040 of the Stanton Municipal Code provides that the Housing Authority shall hold a public hearing to initially review an application for a Development Agreement. If, at the conclusion of the public hearing, the Authority determines that it wishes to enter into a Development Agreement, the Authority must also identify the general subject areas of the Development Agreement that City staff may negotiate.

If the Authority decides to move forward with negotiations for a Development Agreement with the Applicant, the Authority may authorize staff to negotiate the general subject areas of the Agreement. General subject areas may include the Agreement's term, permitted uses of the Property, density or intensity of use, maximum height and size of proposed buildings, minimum open space requirements, architectural enhancements, funding mechanisms, and public benefits to be provided by the Applicant.

#### **FISCAL IMPACT:**

The cost associated with negotiating and drafting a Development Agreement will be incurred by the Stanton Housing Authority.

#### **ENVIRONMENTAL IMPACT:**

This project has been determined not to be subject to CEQA under Section 15061(b)(3).

#### **PUBLIC NOTIFICATION:**

As a public hearing under the requirements of Government Code 65090 and 65091 and through the regular agenda posting process.

#### STRATEGIC PLAN OBJECTIVE ADDRESSED:

5 - Provide a high quality of life.

Prepared by:

Kelly Hart

Community & Economic Development Director

Approved by:

City Manager

## **CITY OF STANTON**

### REPORT TO HOUSING AUTHORITY

TO:

Honorable Chair and Members of the Stanton Housing Authority

DATE:

September 12, 2017

SUBJECT:

PUBLIC HEARING PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34330 AND 34312.3 REGARDING THE SALE OF LAND LOCATED AT 8232 LAMPSON AVENUE, STANTON CALIFORNIA AND CONSIDERATION OF THE RELATED PURCHASE AND SALE

AGREEMENT WITH STANTONLAMPSON 2017, LLC

#### **REPORT IN BRIEF:**

The Authority Board directed staff to negotiate the sale of property located at 8232 Lampson Ave., commonly referred to as the Strawberry Field. A Purchase and Sales Agreement, subject to Authority Board approval, has been accepted by Stanton Lampson 2017, LLC (a subsidiary of Melia Homes).

#### **RECOMMENDED ACTION:**

- 1. Conduct the Public Hearing; and
- 2. Declare that the project is not subject to the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 3. Approve Resolution No. SHA 2017-02 approving the Purchase and Sales Agreement between the Stanton Housing Authority and StantonLampson 2017, LLC for the property 8232 Lampson Ave., identified by APN No. 131-491-18 for a total of \$9,000,000.00 (nine million dollars); and
- 4. Authorize the Executive Director to execute the necessary documents to close escrow.

#### **BACKGROUND:**

In February 2017, a study session was held to provide an update on the status of funding for the Housing Authority affordable housing project for the Tina/Pacific neighborhood, and potential solutions for the funding gap. The sale of the property commonly known as the Strawberry Field, located at 8232 Lampson Ave., was

identified as a possible funding solution. At the conclusion of the Study Session, Council directed staff to initiate the sale of the subject property.

In March 2017, five developers were invited to interview and present proposals for the development of the property and initial offers for the purchase of the property. Staff conducted the first round of interviews and narrowed the field to the top three developers based on the project proposal, developer qualifications, purchase price, and unit sales price. The top three developers then participated in two rounds of interviews, with each panel consisting of two council members and one staff member. At the conclusion of the interview process, Melia Homes was identified as the chosen developer.

At Council's direction, staff negotiated the sale price and terms and has drafted the proposed Purchase and Sales Agreement for consideration.

#### **ANALYSIS/JUSTIFICATION:**

The subject property carries a base zoning designation of RH (High Density Residential) and is also located in the South Gateway Mixed-Use Overlay Zone. The buyer, StantonLampson 2017, LLC (a subsidiary of Melia Homes) intends to utilize the base zoning of High Density Residential for the development of a pure residential development consisting of single family detached residential units. A Development Agreement is expected to be negotiated as part of the development. At a future date, staff will bring forward a request for Council to authorize the Development Agreement negotiations.

The buyer will be pursuing approval of entitlements for the proposed project which would consist of the construction of a residential enclave including 35 single-family detached residential units, a private park area approximately 9,000 square feet in size, private roads, and a fully improved streetscape along Lampson Ave. Further evaluation of the project will be presented to the City Council once the entitlements have been processed and the Development Agreement has been fully negotiated.

The proposed transaction is a reasonable and fair settlement of all issues relating to the acquisition. The total sales price for the property is \$9,000,000.00 (nine million dollars). The revenues generated by the sale of the properties will be utilized by the Housing Authority for its intended purpose of providing affordable housing. Specifically, the proceeds from the sale of this property will assist in funding the development gap for the Tina/Pacific redevelopment project.

#### **FISCAL IMPACT:**

The sale of the property will generate \$9,000,000.00 (nine million dollars) for the Housing Authority, minus costs of brokerage and escrow fees.

#### **ENVIRONMENTAL IMPACT:**

In accordance with the requirements of the CEQA, this project has been determined to

be exempt under Section 15061(b)(3). This Agreement is not intended to commit the Buyer to completing a particular project or to commit the Seller or City to granting any Approval. Seller's approval of this Agreement does not constitute approval by Seller or City of any development of the Property or of other activity on the Property that would have a direct or reasonably foreseeable indirect environmental impact pursuant to CEQA. (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Buyer's future use or development of the Property is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with CEQA prior to taking any discretionary action with regard to any proposed development of the Property. Nothing in this Agreement shall be construed to limit Seller's or City's discretion to consider and adopt any mitigation measure or project alternative, including the alternative of rejecting any proposed development of the Property, as provided in Public Resources Code section 21002. Following completion of the City's environmental review of any proposed development of the Property, the City shall file a notice of such approval as provided in Public Resources Code section 21152.

#### **LEGAL REVIEW:**

The City Attorney's Office has reviewed the staff report and drafted the attached Purchase and Sale Agreement.

#### **PUBLIC NOTIFICATION:**

Notice was posted in three public places on August 24, 2017, a minimum of fourteen days prior to the public hearing, and made available through the regular agenda posting process.

Prepared by:

Kelly Hart

Community & Economic Development Director

Approved by:

James A. Box / Executive Director

#### **Attachments:**

A. SHA Resolution No. 2017-02 (Purchase and Sale Agreement included as Exhibit A to the Resolution)

#### **RESOLUTION NO. SHA 2017-02**

# A RESOLUTION OF THE STANTON HOUSING AUTHORITY APPROVING A PURCHASE AND SALE AGREEMENT WITH STANTONLAMPSON 2017, LLC FOR THE PROPERTY LOCATED AT 8232 LAMPSON AVENUE

WHEREAS, the State of California, "Housing Authorities Law" is set forth in the Health and Safety Code section 34200 et seq. (the Law); and

WHEREAS, on March 22, 2011, the City Council adopted Resolution No. 2011-11, establishing the Housing Authority of the City of Stanton as a Joint Powers Authority with the Stanton Public Finance Authority (the Stanton Housing Authority); and

WHEREAS, pursuant to the Law, each Housing Authority, is authorized to exercise powers under the laws of the State of California, specifically section 34209 of the California Health and Safety Code, as well as the application of the provisions of Section 8 of the United States Housing Act of 1937, as amended (42 CFR U.S.C. 1437 f) (Section 8); and

**WHEREAS**, the Housing Authority owns the property located at 8232 Lampson Avenue which is zoned RH (High Density Residential); and

**WHEREAS**, the Housing Authority is initiating the sale of the Property to utilize the proceeds to fund the Tina/Pacific affordable housing development within the City; and

WHEREAS, the members of the Housing Authority board interviewed three developers to identify the best development company to purchase and develop the Property; and

WHEREAS, the Housing Authority identified Melia Homes as the developer of choice to partner with for the sale and development of the Property; and

WHEREAS, Melia Homes, identified StantonLampson 2017, LLC as the single purpose entity to acquire and develop the Property; and

**WHEREAS**, the transaction is in the best interest of the community, city and housing authority as staff negotiated the sales price of \$9 million, which is sufficient to fund the anticipated gap for the development of the Tina/Pacific affordable housing development, if that project proceeds; and

NOW THEREFORE, THE HOUSING AUTHORITY OF THE CITY OF STANTON DOES HEREBY FIND DETERMINE AND RESOLVE, AS FOLLOWS:

<u>Section 1.</u> <u>Recitals</u>. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

<u>Section 2.</u> <u>CEQA Compliance</u>. In accordance with the requirements of the CEQA, entering into this agreement has been determined to be exempt under Section 15061(b)(3). The PSA is

not intended to commit the Buyer to completing a particular project or to commit the Seller or City to granting any Approval. Seller's approval of this Agreement does not constitute approval by Seller or City of any development of the Property or of other activity on the Property that would have a direct or reasonably foreseeable indirect environmental impact pursuant to CEQA. (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Buyer's future use or development of the Property is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with CEQA prior to taking any discretionary action with regard to any proposed development of the Property. Nothing in the PSA shall be construed to limit Seller's or City's discretion to consider and adopt any mitigation measure or project alternative, including the alternative of rejecting any proposed development of the Property, as provided in Public Resources Code section 21002. Following completion of the City's environmental review of any proposed development of the Property, the City shall file a notice of such approval as provided in Public Resources Code section 21152.

<u>Section 3.</u> <u>Findings.</u> The Housing Authority finds and determines that the approval of the PSA is in the best interests of the Housing Authority for the development of housing for different economic sectors as the PSA would sell the property for the purposes of market rate housing and the proceeds of the sale would assist in the development of affordable housing for the City, and based upon the information provided in the Agenda Report, the Recitals to this Resolution, and the testimony before this action.

<u>Section 4.</u> Approval of the PSA. The Housing Authority hereby approves the PSA, in substantially the form attached to this Resolution as Exhibit "A" and subject to minor modifications as approved by the Executive Director and Housing Authority Counsel, and authorizes the Executive Director, acting on behalf of the Housing Authority, to sign and enter into the PSA and perform the obligations of the Housing Authority pursuant to the PSA.

<u>Section 5.</u> <u>Severability.</u> If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Housing Authority declares that the Housing Authority would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

<u>Section 6.</u> <u>Certification</u>. The Authority Secretary of the City of Stanton shall certify to the adoption of this Resolution.

<u>Section 7.</u> <u>Effective Date</u>. This Resolution shall become effective immediately upon its adoption.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Housing Authority, held on this 12<sup>th</sup> day of September, 2017.

## MATTHEW E. RICHARDSON, AUTHORITY ATTORNEY

PATRICIA A. VAZQUEZ, AUTHORITY SECRETARY

ATTEST:	
City of Stand being Resoluthe Authority Authority, he	Vazquez, Authority Secretary of the City of Stanton, as Housing Authority of the ton, Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution Ition No. SHA 2017-02 has been duly signed by the Chairperson and attested by Secretary, all at a regular meeting of the City of Stanton, as Stanton Housing Id on September 12, 2017, and that the same was adopted, signed, and approveding vote to wit:
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	

Resolution No. 2017-02 Page 3 of 3

#### REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (Strawberry Field/Melia Homes)

by and between

THE STANTON HOUSING AUTHORITY, a public body, corporate and politic

and

STANTONLAMPSON 2017, LLC. a California limited liability company.

[DATED AS OF,	FOR REFERENCE PURPOSES	ONLY]
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## REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(Strawberry Field/Melia Homes)

This REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOIN
ESCROW INSTRUCTIONS (Strawberry Field) ("Agreement") is dated as of
, for reference purposes only, and is entered into by and between the Stanton Housing
Authority, a public body, corporate and politic ("Seller"), and StantonLampson 2017, LLC,
California limited liability company ("Buyer"). Seller and Buyer enter into this Agreement with
reference to the following recitals of fact (each, a "Recital"):

#### RECITALS

- A. Seller owns that certain real property generally located at 8232 Lampson Avenue, Stanton, California (APN 131-491-18) (specifically defined in Section 1 of this Agreement as the "Property");
- B. Seller determined that it is in the public interest to sell this Property to allow for a yet to be defined future development of a single-family detached housing subdivision at the Property;
- C. Consequently, Seller sought proposals from potential buyers to evaluate their qualifications;
- D. Seller determined that Buyer was the most qualified and so entered into negotiations with Buyer for the purchase and sale of the Property;
- E. This Agreement implements the goals and objectives of Seller for the development of the Property, increases business development in the area, alleviates conditions of economic and physical blight in the City of Stanton, creates additional job opportunities for Stanton residents and the proceeds of the sale will then become available for a future affordable housing development;
- F. Seller has also determined that the public benefit of this Agreement outweighs any private benefit arising from this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND COVENANTS OF SELLER AND BUYER SET FORTH IN THIS AGREEMENT AND OTHER GOOD AND VALUABLE CONSIDERATION, SELLER AND BUYER AGREE, AS FOLLOWS:

#### **TERMS AND CONDITIONS**

#### 1. **DEFINITIONS**

- 1.1 <u>Definitions</u>. The following words, terms and phrases are used in this Agreement with the following meanings, unless the particular context or usage of a word, term or phrase requires another interpretation:
- 1.1.1 **Affiliate**. Any other Person, directly or indirectly, Controlling or Controlled by or under common Control with the specified Person.
- 1.1.2 Agreement. This Real Property Purchase and Sale Agreement and Joint Escrow Instructions (Strawberry Field) by and between Seller and Buyer, including all of the attached exhibits.
- 1.1.3 **Approval**. Any license, permit, approval, consent, certificate, ruling, variance, authorization, conditional use permit or amendment to any of the foregoing, as shall be necessary or appropriate under any Law to commence, perform or complete any construction on or development of the Property.
- 1.1.4 **Housing Authority.** The Housing Authority of the City of Stanton created and operated pursuant to the Housing Authorities Law, Health and Safety Code Section 34200 et seq.
- 1.1.5 **Bankruptcy Law**. Title 11 United States Code or any other or successor State or Federal statute relating to assignment for the benefit of creditors, appointment of a receiver or trustee, bankruptcy, composition, insolvency, moratorium, reorganization or similar matters.
- 1.1.6 **Bankruptcy Proceeding**. Any proceeding, whether voluntary or involuntary, under any Bankruptcy Law.
- 1.1.7 **Business Day**. Any weekday on which Seller is open to conduct regular municipal functions with Seller personnel.
- 1.1.8 **Buyer**. StantonLampson 2017, LLC, a California limited liability company, and any assignee of or successor to the rights, powers or responsibilities of StantonLampson 2017, allowed under this Agreement.
- 1.1.9 **Buyer Official Action**. A certification of LLC authority in substantially the form attached to this Agreement as **Exhibit "B"** signed by the Manager of Buyer.
- 1.1.10 **Buyer Title Policy**. A standard CLTA owners' policy of title insurance issued by the Title Company, with coverage in the amount of the Purchase Price, showing title to the Property vested in Buyer, subject only to Permitted Exceptions.
- 1.1.11 **CEQA**. The California Environmental Quality Act, Public Resources Code Section 21000, et seq.

- 1.1.12 **CEQA Documents**. Any exemption determination, any Negative Declaration (mitigated or otherwise), or any Environmental Impact Report (including any addendum or amendment to, or subsequent or supplemental Environmental Impact Report) required or permitted by any Government, pursuant to CEQA, for Seller to approve or perform this Agreement or issue any Approval.
  - 1.1.13 City. The City of Stanton, California.
- 1.1.14 City Manager. The Executive Director of Seller, or his or her designee or successor in function.
- 1.1.15 Claim. Any claim, loss, cost, damage, expense, liability, lien, action, cause of action (whether in tort, contract, under statute, at law, in equity or otherwise), charge, award, assessment, fine or penalty of any kind (including consultant and expert fees and expenses and investigation costs of whatever kind or nature and, if an Indemnitor improperly fails to provide a defense for an Indemnitee, then Legal Costs of the Indemnitee) and any judgment.
- 1.1.16 Close of Escrow. The first date on which the Escrow Agent has filed the Seller Deed with the County for recording in the official records of the County.
- 1.1.17 **Control**. Possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of Equity Interests, by contract or otherwise.
  - 1.1.18 **County**. The County of Orange.
- 1.1.19 **Default**. An Escrow Default, a Monetary Default, or a Non-Monetary Default.
- 1.1.20 **Default Interest**. Interest at an annual rate equal to the lesser of: (a) eight percent per annum; or (b) the Usury Limit.
  - 1.1.21 **Deposit**. Two Hundred Thousand Dollars (\$200,000).
- 1.1.22 **Due Diligence Completion Notice**. A written notice from Buyer delivered to both Seller and Escrow Agent, prior to the end of the Due Diligence Period, indicating Buyer's unconditional acceptance of the condition of the Property or indicating Buyer's rejection of the condition of the Property and refusal to accept a conveyance of title to the Property, describing in reasonable detail the actions that Buyer reasonably believes are indicated to allow Buyer to unconditionally accept the condition of the Property.
- 1.1.23 **Due Diligence Investigations**. Buyer's due diligence investigations of the physical and economic feasibility of the Property for Buyer's intended use of the Property, including investigation of the environmental and geotechnical conditions of the Property, identifying Approvals necessary for Buyer's intended use of the Property, studying the economic feasibility of Buyer's intended use of the Property, obtaining tenant commitments for Buyer's

intended use of the Property, all as deemed appropriate in the reasonable discretion of Buyer and all at the sole cost and expense of Buyer.

- 1.1.24 **Due Diligence Period**. The time period of ten (10) consecutive calendar months commencing on the day immediately following the Escrow Opening Date. Buyer may request and Seller, through the City Manager may administratively grant, one 6-month extension to the Due Diligence Period provided the City Manager finds that the Buyer has been diligently pursuing due diligence activities.
  - 1.1.25 Effective Date. Defined in Section 2.
- 1.1.26 Environmental Claim. Any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements or expenses, including Legal Costs and fees and costs of environmental consultants and other experts, and all foreseeable and unforeseeable damages or costs of any kind or of any nature whatsoever, directly or indirectly, relating to or arising from any actual or alleged violation of any Environmental Law or any Hazardous Substance Discharge.
- Environmental Laws. All Federal, State, local or City laws, rules. orders, regulations, statutes, ordinances, codes, decrees or requirements of any Government in effect on or enacted after the Effective Date, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use or pertaining to occupational health or industrial hygiene or occupational or environmental conditions on, under or about the Property, as now or may at any later time be in effect. including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 USC Section 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act ("HMTA") [49 USC Section 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.] the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.] the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the Occupational Safety and Health Act [29 USC Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [California Health & Safety Code Section 25288 et seq.]: the California Hazardous Substances Account Act [California Health & Safety Code Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [California Health & Safety Code Section 24249.5 et seq.]; or the Porter-Cologne Water Quality Act [California Water Code Section 13000 et seq.]; together with any regulations promulgated under the authorities referenced in this Section 1.1.27.
- 1.1.28 **Equity Interest**. All or any part of any equity or ownership interest(s) (whether stock, partnership interest, beneficial interest in a trust, membership interest in a limited liability company, or other interest of an ownership or equity nature) in any entity, at any tier of ownership, that directly owns or holds any ownership or equity interest in a Person.

- 1.1.29 **Escrow**. An escrow, as defined in Civil Code Section 1057 and Financial Code Section 17003(a), that is conducted by the Escrow Agent with respect to the sale of the Property from Seller to Buyer pursuant to this Agreement.
- 1.1.30 **Escrow Agent**. First American Title Insurance Company or such other Person mutually agreed upon in writing by both Seller and Buyer.
- 1.1.31 Escrow Closing Date. The earlier of: (a) on or before the fifteenth (15th) Business Day following the Escrow Agent's receipt of written confirmation from both Seller and Buyer of the satisfaction or waiver of all conditions precedent to the Close of Escrow; (b) one hundred twenty (120) days following approval of entitlements by the City Council; (c) three calendar years following the Escrow Opening Date; or (c) another date mutually agreed upon in writing between the Parties for the Close of Escrow, in the Parties' respective sole and absolute discretion.
- 1.1.32 Escrow Closing Statement. A statement prepared by the Escrow Agent indicating, among other things, the Escrow Agent's estimate of all funds to be deposited or received by Seller or Buyer, respectively, and all charges to be paid by Seller or Buyer, respectively, through the Escrow.
- 1.1.33 **Escrow Default**. The unexcused failure of a Party to submit any document or funds to the Escrow Agent as reasonably necessary to close the Escrow, pursuant to the terms and conditions of this Agreement.
- 1.1.34 Escrow Opening Date. The first date on which a copy of this Agreement signed by both Seller and Buyer is deposited with the Escrow Agent, as provided in Section 4.1.
  - 1.1.35 Event of Default. The occurrence of any one or more of the following:
- (a) Monetary Default. A Monetary Default that continues for seven (7) calendar days after Notice to the Party in Default, specifying in reasonable detail the amount of money not paid or the bond, surety or insurance not provided;
- (b) Escrow Default. An Escrow Default that continues for seven (7) calendar days after Notice to the Party in Default, specifying in reasonable detail the document or funds not submitted;
- (c) Bankruptcy or Insolvency. Buyer admits in writing that Buyer is unable to pay Buyer's debts as they become due or Buyer becomes subject to any Bankruptcy Proceeding (except an involuntary Bankruptcy Proceeding dismissed within ninety (90) days after commencement), or a custodian or trustee is appointed to take possession of, or an attachment, execution or other judicial seizure is made with respect to, substantially all of Buyer's assets or Buyer's interest in this Agreement or the Property (unless such appointment, attachment, execution, or other seizure was involuntary and is contested with diligence and continuity and vacated and discharged within ninety (90) days);

- (d) Transfer. The occurrence of a Transfer, whether voluntarily or involuntarily or by operation of Law, in violation of the terms or conditions of this Agreement; or
- (e) Non-Monetary Default. Any Non-Monetary Default, other than those specifically addressed in Section 1.1.35(c) or Section 1.1.35(d), that is not cured within thirty (30) days after Notice to the Party in Default describing the Non-Monetary Default in reasonable detail. In the case of such a Non-Monetary Default that cannot with reasonable diligence be cured within thirty (30) days after the effective date of such Notice, an Event of Default shall occur, if the Party in Default does not do all of the following: (a) within thirty (30) days after Notice of such Non-Monetary Default, advise the other Party of the intention of the Party in Default to take all reasonable steps to cure such Non-Monetary Default; (b) duly commence such cure within such thirty (30) day period; and (c) diligently prosecute such cure to completion within a reasonable time under the circumstances.
  - 1.1.36 Federal. The federal government of the United States of America.
- 1.1.37 Final. Relative to issuance or denial of any Approval, when all administrative appeal periods regarding such Approval have expired, without the valid commencement of any such appeal, or all administrative appeals or challenges validly commenced regarding such Approval have been resolved to Buyer's reasonable satisfaction.
- 1.1.38 **FIRPTA Affidavit**. A certification that Seller is not a "foreign person" within the meaning of such term under Section 1445 of the United States Internal Revenue Code.
  - 1.1.39 Form 593. A California Franchise Tax Board Form 593-C.
- 1.1.40 **Government**. Any and all courts, boards, agencies, commissions, offices or authorities of any nature whatsoever of any governmental unit (Federal, State, County, district, municipal, City or otherwise) whether now or later in existence.
- 1.1.41 Hazardous Substance. Any flammable substance, explosive, radioactive material, asbestos, asbestos-containing material, polychlorinated biphenyl, chemical known to cause cancer or reproductive toxicity, pollutant, contaminant, hazardous waste. medical wastes, toxic substance or related material, explosive, petroleum, petroleum product or any "hazardous" or "toxic" material, substance or waste that is defined by those or similar terms or is regulated as such under any Law, including any material, substance or waste that is: (a) defined as a "hazardous substance" under Section 311 of the Water Pollution Control Act (33 U.S.C. § 1317), as amended; (b) designated as "hazardous substances" pursuant to 33 U.S.C. § 1321; (c) defined as a "hazardous waste" under Section 1004 of the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., as amended; (d) defined as a "hazardous substance" or "hazardous waste" under Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Reauthorization Act of 1986, 42 U.S.C. § 9601, et seq., or any so-called "superfund" or "superlien" law; (e) defined as a "pollutant" or "contaminant" under 42 U.S.C. § 9601(33); (f) defined as "hazardous waste" under 40 C.F.R. Part 260; (g) defined as a "hazardous chemical" under 29 C.F.R. Part 1910; (h) any matter within the definition of "hazardous substance" set

- forth in 15 U.S.C. § 1262; (i) any matter, waste or substance regulated under the Toxic Substances Control Act ("TSCA") [15 U.S.C. Sections 2601, et seq.]; (j) any matter, waste or substance regulated under the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; (k) those substances listed in the United States Department of Transportation (DOT)Table [49 C.F.R. 172.101]; (l) any matter, waste or substances designated by the EPA, or any successor authority, as a hazardous substance [40 C.F.R. Part 302]; (m) defined as "hazardous waste" in Section 25117 of the California Health and Safety Code; (n) defined as a "hazardous substance" in Section 25316 of the California Health and Safety Code; (o) that is subject to any other Law regulating, relating to or imposing obligations, liability or standards of conduct concerning protection of human health, plant life, animal life, natural resources, property or the enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy from whatever source; or (p) that is or becomes regulated or classified as hazardous or toxic under Law or in the regulations adopted pursuant to Law.
- 1.1.42 Hazardous Substance Discharge. Any deposit, discharge, generation, release or spill of a Hazardous Substance that occurs at, on, under, into or from the Property or during transportation of any Hazardous Substance to or from the Property, or that arises at any time from any construction, installation, use or operation or other activities conducted at, on, under or from the Property, whether or not caused by a Party.
- 1.1.43 Indemnify. Where this Agreement states that any Indemnitor shall "indemnify" any Indemnitee from, against or for a particular Claim, that the Indemnitor shall indemnify the Indemnitee and defend and hold the Indemnitee harmless from and against such Claim (alleged or otherwise). "Indemnified" shall have the correlative meaning.
- 1.1.44 **Indemnitee.** Any Person entitled to be Indemnified under the terms of this Agreement.
- 1.1.45 **Indemnitor**. A Party that agrees to Indemnify any other Person under the terms of this Agreement.
- 1.1.46 Law. Every law, ordinance, requirement, order, proclamation, directive, rule or regulation of any Government applicable to the Property, in any way, including relating to any development, construction, use, maintenance, taxation, operation, occupancy of or environmental conditions affecting the Property, or relating to any taxes, or otherwise relating to this Agreement or any Party's rights, obligations or remedies under this Agreement, or any Transfer of any of the foregoing, whether in force on the Effective Date or passed, enacted, modified, amended or imposed at some later time, subject in all cases, however, to any applicable waiver, variance or exemption.
- 1.1.47 Legal Costs. In reference to any Person, all reasonable costs and expenses such Person incurs in any legal proceeding or other matter for which such Person is entitled to be reimbursed for its Legal Costs, including reasonable attorneys' fees, court costs and expenses and consultant and expert witness fees and expenses.
- 1.1.48 **Monetary Default**. Any failure by either Party to pay or deposit, when and as this Agreement requires, any amount of money, bond, surety or evidence of any insurance

coverage required to be provided under this Agreement, whether to or with a Party or a Third Person.

- 1.1.49 **Non-Monetary Default**. The occurrence of any of the following, except to the extent constituting a Monetary Default or an Escrow Default: (a) any failure of a Party to perform any of such Party's obligations under this Agreement; (b) any failure of a Party to comply with any material restriction or prohibition in this Agreement; or (c) any other event or circumstance that, with passage of time or giving of Notice, or both, or neither, would constitute a breach of this Agreement by a Party.
- 1.1.50 **Notice**. Any consent, demand, designation, election, notice or request relating to this Agreement, including any Notice of Default. All Notices must be in writing.
  - 1.1.51 **Notify**. To give a Notice.
  - 1.1.52 Parties. Collectively, Seller and Buyer.
  - 1.1.53 Party. Individually, either Seller or Buyer, as applicable.
- 1.1.54 **Permitted Exception**. All of the following: (a) all items shown in the Preliminary Report as exceptions to coverage under the proposed Buyer Title Policy that are approved by Buyer pursuant to Section 3.4; (b) any lien for non-delinquent property taxes or assessments; (c) any Laws applicable to the Property; (d) this Agreement; (e) the covenants, conditions or powers in the Seller Deed; (f) any existing improvements on the Property, if any; (g) any Approval; and (h) any other document or encumbrance expressly required or allowed to be recorded against the Property pursuant to the terms of this Agreement.
- 1.1.55 **Person**. Any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization or other entity of any kind.
- 1.1.56 **Preliminary Report**. A preliminary report issued by the Title Company in contemplation of the issuance of the Buyer Title Policy, accompanied by the best available copies of all documents listed in Schedule B of the report as exceptions to coverage under the proposed Buyer Title Policy.
- 1.1.57 **Property**. That certain real property specifically described in **Exhibit** "A" attached to this Agreement.
  - 1.1.58 Purchase Price. Nine million dollars (\$ 9,000,000.00).
- 1.1.59 **Seller**. The Stanton Housing Authority, and any assignee of or successor to the rights, powers or responsibilities of the Stanton Housing Authority.
- 1.1.60 **Seller Deed**. A deed conveying Seller's interest in the Property from Seller to Buyer, at the Close of Escrow, substantially in the form of **Exhibit "C"** attached to this Agreement.

- 1.1.61 **Seller Parties**. Collectively, Seller, Seller's Board, and Seller's appointed officials, employees, agents, and attorneys.
  - 1.1.62 State. The State of California.
- 1.1.63 **Third Person**. Any Person that is not a Party, an Affiliate of a Party or an elected official, officer, director, manager, shareholder, member, principal, partner, employee, or agent of a Party.
- 1.1.64 Title Company. First American Title Insurance Company, or such other Person mutually agreed upon in writing by both Seller and Buyer.
- 1.1.65 **Title Notice.** A written notice from Buyer to Seller indicating Buyer's acceptance of the state of the title to the Property, as described in the Preliminary Report, or Buyer's disapproval or conditional approval of specific matters shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Buyer Title Policy, describing in suitable detail the actions that Buyer reasonably believes are required to obtain Buyer's unconditional approval of the state of the title to the Property.
- 1.1.66 Title Notice Response. The written response of Seller to the Title Notice, in which Seller either elects to: (a) cause the removal from the Preliminary Report of any matters disapproved or conditionally approved in the Title Notice; (b) obtain title or other insurance or endorsement in a form reasonably satisfactory to Buyer insuring against any matters disapproved or conditionally approved in the Title Notice; or (c) not take either action described in clause "(a)" or "(b)" of this Section 1.1.66.
- 1.1.67 **Title Notice Waiver**. A written notice from Buyer to Seller waiving Buyer's previous disapproval or conditional approval in the Title Notice of specific matters shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Buyer Title Policy.
- 1.1.68 Transfer. Regarding any property, right or obligation, any of the following, whether by operation of Law or otherwise, whether voluntary or involuntary and whether direct or indirect: (a) any assignment, conveyance, grant, hypothecation, mortgage, pledge, sale or other transfer, whether direct or indirect, of all or any part of such property, right or obligation, or of any legal, beneficial, or equitable interest or estate in such property, right or obligation or any part of it (including the grant of any easement, lien, or other encumbrance); (b) any conversion, exchange, issuance, modification, reallocation, sale or other transfer of any Equity Interest(s) in the owner of such property, right or obligation by the holders of such Equity Interest(s); or (c) any transaction that is in substance equivalent to any of the foregoing. A transaction affecting Equity Interests, as referred to in clauses "(b)" or "(c)" of this Section 1.1.68, shall be deemed a Transfer by Buyer, even though Buyer is not technically the transferor. A "Transfer" shall not, however, include any of the following (provided that the other Party has received Notice of such occurrence) relating to the Property or any Equity Interest: (i) a mere change in form of ownership, with no material change in beneficial ownership, that constitutes a tax-free transaction under, as applicable, Federal income tax law or State real estate transfer tax law; (ii) a conveyance only to member(s) of the immediate family(ies) of the transferor(s) or

trusts for their benefit; (iii) a conveyance only to any Person that, as of the Effective Date, holds an Equity Interest in the entity whose Equity Interest is being transferred; or (iv) an assignment of Buyer's rights under this Agreement to any Person in which Buyer or Melia Homes, Inc., a California corporation, owns a majority of the Equity Interests and where such Person assumes all obligations of Buyer under this Agreement.

- 1.1.69 Unavoidable Delay. A delay in either Party performing any obligation under this Agreement arising from or on account of any cause whatsoever beyond the Party's reasonable control, including strikes, labor troubles or other union activities, casualty, war, acts of terrorism, riots, litigation, governmental action or inaction, regional natural disasters or inability to obtain required materials. Unavoidable Delay shall not include delay caused by a Party's financial condition or insolvency.
- 1.1.70 **Usury Limit**. The highest rate of interest, if any, that Law allows under the circumstances.
- 2. **EFFECTIVE DATE.** This Agreement shall become effective ("Effective Date") on the first date on which all of the following have occurred: (a) Seller has received three (3) counterpart originals of this Agreement signed by the authorized representative(s) of Buyer; (b) Seller has received a certified copy of the Buyer Official Action signed by the authorized representative(s) of Buyer; (c) this Agreement has been approved by Seller's Board; (d) this Agreement has been signed by the authorized representative(s) of Seller; and (e) one (1) original of this Agreement signed by the authorized representative(s) of Seller has been delivered by Seller to Buyer. Seller shall send Notice of the Effective Date to Buyer within seven (7) days following the occurrence of the Effective Date. Buyer shall sign and return a copy of such Notice to Seller within seven (7) days after receipt of such Notice.

#### 3. PURCHASE AND SALE OF PROPERTY

- 3.1 <u>Escrow.</u> Seller shall sell the Property to Buyer and Buyer shall purchase the Property from Seller, subject to the Permitted Exceptions and the terms and conditions of this Agreement. For the purposes of exchanging funds and documents to complete the sale of the Property from Seller to Buyer and the purchase of the Property by Buyer from Seller, pursuant to the terms and conditions of this Agreement, Seller and Buyer agree to open the Escrow with the Escrow Agent. The provisions of Section 4 are the joint escrow instructions of the Parties to the Escrow Agent for conducting the Escrow.
- 3.2 <u>Payment of Purchase Price</u>. Buyer shall purchase the Property from Seller for the Purchase Price, subject to the terms and conditions of this Agreement. Buyer shall pay the Purchase Price at the Close of Escrow in immediately available funds.
- 3.3 <u>Deposit</u>. Buyer shall deliver the Deposit to Escrow Agent within five (5) Business Days following the Escrow Opening Date. Except as provided in Section 5.2, the Deposit shall be fully refundable to Buyer, upon termination of this Agreement during the Due Diligence Period or as a result of the occurrence of an Event of Default by Seller. The Deposit shall become non-refundable to Buyer, as earned compensation to Seller for providing the Due Diligence Period, upon the expiration of the Due Diligence Period (without Buyer terminating

this Agreement). At the Close of Escrow, the Deposit shall be credited toward the Purchase Price for the benefit of Buyer.

(a) Independent Consideration. One Hundred Dollars (\$100.00) of the Deposit shall be considered as independent consideration (the "Independent Consideration"). The Independent Consideration shall be non-refundable to Buyer as independent consideration for the rights extended to Buyer under this Agreement. The Independent Consideration shall be released to Seller immediately following Buyer's deposit of the Independent Consideration into Escrow. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement and the Deposit must be returned to Buyer, the Seller shall retain the Independent Consideration. The Independent Consideration shall not be applicable towards the Purchase Price.

#### 3.4 <u>Buyer's Approval of Title to Property.</u>

- 3.4.1 **Title Notice**. Within fifteen (15) days after the Escrow Opening Date, Buyer shall request the Preliminary Report from the Title Company and that the Title Company deliver a copy of such Preliminary Report to Seller. Within thirty (30) days following Buyer's receipt of the Preliminary Report, Buyer shall send the Title Notice to both Seller and Escrow Agent.
- 3.4.2 Failure to Deliver Title Notice. If Buyer fails to send the Title Notice to Seller and Escrow Agent within the time period provided in Section 3.4.1, Buyer will be deemed to disapprove the status of title to the Property and refuse to accept conveyance of the Property and either Buyer or Seller shall have the right to cancel the Escrow and terminate this Agreement upon ten (10) days' Notice, in their respective sole and absolute discretion.
- 3.4.3 **Title Notice Response**. Within thirty (30) days following Seller's receipt of the Title Notice (if any), Seller shall send the Title Notice Response to both Buyer and Escrow Agent. If the Title Notice does not disapprove or conditionally approve any matter in the Preliminary Report or Buyer fails to deliver the Title Notice, Seller shall not be required to send the Title Notice Response. If Seller does not send the Title Notice Response, if necessary, within the time period provided in this Section 3.4.3, Seller shall be deemed to elect not to take any action in reference to the Title Notice. If Seller elects in the Title Notice Response to take any action in reference to the Title Notice, Seller shall complete such action, prior to the Escrow Closing Date or as otherwise specified in the Title Notice Response.
- 3.4.4 **Title Notice Waiver**. If Seller elects or is deemed to have elected not to address one or more matters set forth in the Title Notice to Buyer's reasonable satisfaction, then within ten (10) days after the earlier of: (a) Buyer's receipt of Seller's Title Notice Response; or (b) the last date for Seller to deliver its Title Notice Response pursuant to Section 3.4.3, Buyer shall either: (i) refuse to accept the title to and conveyance of the Property, or (ii) waive Buyer's disapproval or conditional approval of all such matters set forth in the Title Notice by sending the Title Notice Waiver to both Seller and Escrow Agent. Failure by Buyer to timely send the Title Notice Waiver, where the Title Notice Response or Seller's failure to deliver the Title Notice Response results in Seller's election not to address one or more matters set forth in the Title Notice to Buyer's reasonable satisfaction, will be deemed Buyer's continued refusal to

accept the title to and conveyance of the Property, in which case either Buyer or Seller shall have the right, in their respective sole and absolute discretion, to cancel the Escrow and terminate this Agreement upon ten (10) calendar days' Notice to the other Party and Escrow Agent.

- 3.4.5 **Disapproval of Encumbrances Securing Seller Obligations**. Notwithstanding any other provision of this Agreement, Buyer disapproves any and all encumbrances against the Property securing monetary (other than non-delinquent property taxes) obligations of Seller.
- 3.4.6 No Termination Liability. Any termination of this Agreement or cancellation of the Escrow pursuant to this Section 3.4 shall be without liability to the other Party or any other Person. Termination shall be accomplished by delivery of a Notice of termination to both the other Party and the Escrow Agent at least ten (10) calendar days prior to the termination date. Following issuance of a Notice of termination of this Agreement pursuant to a right provided under this Agreement, the Parties and the Escrow Agent shall proceed pursuant to Section 4.13. Once a Notice of termination is given pursuant to this Section 3.4, delivery of a Title Notice or Title Notice Waiver shall have no force or effect and this Agreement shall terminate in accordance with the Notice of termination.

#### 3.5 <u>Due Diligence Investigations.</u>

- 3.5.1 **Time and Expense**. Buyer shall complete all Due Diligence Investigations within the Due Diligence Period and shall conduct all Due Diligence Investigations at Buyer's sole cost and expense.
- 3.5.2 **Right to Enter**. As of the Effective Date, Seller licenses, permits and authorizes Buyer to enter the Property for the purpose of conducting Due Diligence Investigations. The license given by Seller in this Section 3.5 to conduct Due Diligence Investigations shall terminate with the termination of this Agreement. Any Due Diligence Investigations by Buyer shall not unreasonably disrupt any then existing use or occupancy of the Property. Buyer's exercise of the license provided pursuant to this Section 3.5 after expiration of the Due Diligence Period shall not extend the Due Diligence Period.
- 3.5.3 Limitations. Buyer shall not conduct any intrusive or destructive testing of any portion of the Property, other than low volume soil samples, without Seller's prior written consent. Buyer shall pay all of Buyer's vendors, inspectors, surveyors, consultants or agents engaged in any inspection or testing of the Property, such that no mechanics liens or similar liens for work performed are imposed upon the Property by any such Person. Following the conduct of any Due Diligence Investigations on the Property, Buyer shall restore the Property to substantially the Property's condition prior to the conduct of such Due Diligence Investigations. Buyer shall Indemnify Seller against any and all Claims arising from or relating to Buyer's Due Diligence Investigations regarding the Property. Buyer shall provide Seller with evidence of commercial general liability insurance acceptable to Seller prior to the commencement of any Due Diligence Investigations on the Property.
- 3.5.4 **Due Diligence Completion Notice**. Buyer shall deliver a Due Diligence Completion Notice to Seller prior to the end of the Due Diligence Period. If Buyer does not

unconditionally accept the condition of the Property by delivery of its Due Diligence Completion Notice indicating such acceptance, prior to the end of the Due Diligence Period, Buyer shall be deemed to have rejected the condition of the Property and refused to accept conveyance of title to the Property. If the condition of the Property is rejected or deemed rejected by Buyer, then either Seller or Buyer shall have the right to cancel the Escrow and terminate this Agreement, in their respective sole and absolute discretion, without liability to the other Party or any other Person, by delivery of a Notice of termination to the other Party and Escrow Agent, in which case the Parties and Escrow Agent shall proceed pursuant to Section 4.13.

- "AS-IS" Acquisition. The Close of Escrow shall evidence Buyer's unconditional 3.6 and irrevocable acceptance of the Property in the Property's AS IS, WHERE IS, SUBJECT TO ALL FAULTS CONDITION, AS OF THE CLOSE OF ESCROW, WITHOUT WARRANTY as to character, quality, performance, condition, title, physical condition, soil conditions, the presence or absence of fill, shoring or bluff stability or support, subsurface support, zoning, land use restrictions, the availability or location of utilities or services, the location of any public infrastructure on or off of the Property (active, inactive or abandoned), the suitability of the Property for Buyer's intended use or any other use or the existence or absence of Hazardous Substances affecting the Property and with full knowledge of the physical condition of the Property, the nature of Seller's interest in and use of the Property, all laws applicable to the Property and any and all conditions, covenants, restrictions, encumbrances and all matters of record relating to the Property. The Close of Escrow shall further constitute Buyer's representation and warranty to Seller that: (a) Buyer has had ample opportunity to inspect and evaluate the Property and the feasibility of the uses and activities Buyer is entitled to conduct on the Property; (b) Buyer is experienced in real estate development; (c) Buyer is relying entirely on Buyer's experience, expertise and Buyer's own inspection of the Property in the Property's current state in proceeding with acquisition of the Property; (d) Buyer accepts the Property in the Property's present condition; (e) to the extent that Buyer's own expertise with respect to any matter regarding the Property is insufficient to enable Buyer to reach an informed conclusion regarding such matter, Buyer has engaged the services of Persons qualified to advise Buyer with respect to such matters; (f) Buyer has received assurances acceptable to Buyer by means independent of Seller or Seller's agents of the truth of all facts material to Buyer's acquisition of the Property; and (g) the Property is being acquired by Buyer as a result of Buyer's own knowledge, inspection and investigation of the Property and not as a result of any representation made by Seller or Seller's agents relating to the condition of the Property, unless such statement or representation is expressly and specifically set forth in this Agreement. expressly and specifically disclaims any express or implied warranties regarding the Property.
- 3.7 <u>Seller Covenants Regarding Maintenance of the Property</u>. Seller covenants and agrees with the Buyer that between the Effective Date and the date of the Close of Escrow:
- 3.7.1 **No Changes to Agreements.** Seller shall not modify or amend any lease or any service contract or other agreement respecting the Property, or enter into any new lease or contract respecting the Property, without the Buyer's prior written approval;
- 3.7.2 **Normal Maintenance**. Seller shall maintain the Property in accordance with the same standards Seller has customarily observed in its ownership and management of the Property;

- 3.7.3 **Maintenance of Insurance**. Seller shall maintain in force all insurance policies (if any) currently maintained by Seller with respect to the Property; and
- 3.7.4 **No Title Exceptions**. Seller shall not cause, permit, allow or suffer any additional exception to the title of the Property.

#### 3.8 <u>Land Use Approvals.</u>

- 3.8.1 **Cooperation.** Seller, as owner of the Property, will reasonably cooperate with Buyer regarding Applications or Approvals made by Buyer and required for Buyer's intended use and development of the Property, such as signing development applications that are consistent with the land use and zoning designations for the Property in effect on the Effective Date, as the Property owner.
- 3.8.2 No Waiver of Discretion. Nothing in the immediately preceding sentence, nor the approval of this Agreement by Seller shall be binding on Seller, Seller's Board of Directors, the City, the City Council or any other commission, committee, board or body of the City regarding any Approvals required from such bodies regarding Buyer's use or development of the Property. Nothing in this Agreement, nor any action by Seller with reference to this Agreement or any related documents is intended to be nor shall be deemed to constitute issuance or waiver of any required Seller Approval or City Approval regarding the Property or waiver or exercise of any legislative discretion of Seller or City regarding any Application, Approval or other matter relating to Buyer's intended use or development of the Property.
- No Commitment to Development. The Parties agree that nothing in this 3.8.3 Agreement is intended to commit the Buyer to completing a particular project or to commit the Seller or City to granting any Approval. Seller's approval of this Agreement does not constitute approval by Seller or City of any development of the Property or of other activity on the Property that would have a direct or reasonably foreseeable indirect environmental impact pursuant to CEQA. (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Buyer's future use or development of the Property is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with CEQA prior to taking any discretionary action with regard to any proposed development of the Property. Nothing in this Agreement shall be construed to limit Seller's or City's discretion to consider and adopt any mitigation measure or project alternative. including the alternative of rejecting any proposed development of the Property, as provided in Public Resources Code section 21002. Following completion of the City's environmental review of any proposed development of the Property, the City shall file a notice of such approval as provided in Public Resources Code section 21152. Buyer's purchase of the Property will serve the current needs of the Seller and City.
- 3.8.4 Future Proposals Subject to Review. Buyer and Seller shall work together to conduct environmental review in accordance with CEQA before City takes action on any plan or entitlement or before the Parties Close of Escrow under this Agreement. The Parties agree and acknowledge that any proposed development of the Property might change as a result of various environmental factors. On or before the Close of Escrow, the scope and location of proposed development and the design of the anticipated improvements might well change to account for needs of Buyer, including changes required by the CEQA process.

#### 3.9 Seller Representations and Warranties.

- 3.9.1 **Defaults**. Seller represents and warrants that the execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not result in any breach of the terms of, conditions of, or constitute a default under, any instrument or obligation by which Seller is bound, or violate any order, writ, injunction or decree of any court in any litigation to which Seller is a party.
- 3.9.2 Survival. All the representations and warranties of Seller set forth in this Section 3.9 shall be true upon the Effective Date and shall be deemed to be repeated at and as of Close of Escrow and shall survive Close of Escrow for a time period of one (1) year.
- 3.9.3 **Condemnation**. Seller has not received written notice of, and is not aware of, any condemnation, eminent domain or similar action with respect to the Property.
- 3.9.4 **Violations**. Seller has not received written notice of, and is not aware of, any violations or alleged violations of (1) any local, State or Federal law, statute, rules or regulations relating to the Property, nor (2) any covenant, conditions, restriction or other document encumbering the Property.
- 3.9.5 Agreements. Except as disclosed in the Preliminary Report or disclosed or provided for in this Agreement, Seller has not entered into, and Seller is not aware of, any agreements that will be binding against the Property after the Close of Escrow.

#### 4. **JOINT ESCROW INSTRUCTIONS**

- 4.1 <u>Opening of Escrow; Escrow Instructions</u>. The purchase and sale of the Property shall take place through the Escrow to be administered by Escrow Agent. Buyer shall cause the Escrow to be opened within five (5) days following Buyer's receipt of Notice of the occurrence of the Effective Date. Escrow Agent shall promptly confirm the Escrow Opening Date in writing to each of the Parties.
- 4.2 <u>Escrow Instructions</u>. This Section 4 constitutes the joint escrow instructions of the Parties to Escrow Agent for conduct of the Escrow for the purchase and sale of the Property, as contemplated by this Agreement. Buyer and Seller shall sign such further escrow instructions consistent with the provisions of this Agreement as may be reasonably requested by Escrow Agent. In the event of any conflict between the provisions of this Agreement and any further escrow instructions requested by Escrow Agent, the provisions of this Agreement shall control.

#### 4.3 Escrow Agent Authority. Seller and Buyer authorize Escrow Agent to:

- 4.3.1 **Charges.** Pay and charge Seller and Buyer for their respective shares of the applicable fees, taxes, charges and costs payable by either Seller or Buyer regarding the Escrow;
- 4.3.2 **Settlement/Closing Statements**. Release each Party's Escrow Closing Statement to the other Party;

- 4.3.3 **Document Recording**. File any documents delivered for recording through the Escrow with the office of the Recorder of the County for recordation in the official records of the County, pursuant to the joint instructions of the Parties; and
- 4.3.4 Counterpart Documents. Utilize documents signed by Seller or Buyer in counterparts, including attaching separate signature pages to one original of the same document.
- 4.4 <u>Buyer's Conditions Precedent to Close of Escrow.</u> Provided that the failure of any such condition to be satisfied is not due to a Default under this Agreement by Buyer, Buyer's obligation to purchase the Property from Seller on the Escrow Closing Date shall be conditioned upon the satisfaction or waiver (waivers must be in writing and signed by Buyer) of each of the following conditions precedent to such purchase on or before the Escrow Closing Date:
- 4.4.1 **Title Policy**. Title Company is committed to issue the Buyer Title Policy to Buyer upon payment of Title Company's premium for such policy;
- 4.4.2 **Due Diligence**. Buyer timely delivers its Due Diligence Completion Notice to Seller stating Buyer's unconditional acceptance of the condition of the Property, in accordance with Section 3.5;
- 4.4.3 **Approvals.** Buyer has secured all final City Approvals that are required for Buyer's intended use and development of the Property;
- 4.4.4 **CEQA Documents**. Adoption, approval or certification of the CEQA Documents for the final City Approvals;
- 4.4.5 **Development Agreement.** City and Buyer have entered into a binding Development Agreement pursuant to Government Code Section 65864 et seq. governing the development of the Property;
- 4.4.6 **Seller Escrow Deposits**. Seller deposits all of the items into Escrow required by Section 4.8;
- 4.4.7 **Settlement/Closing Statement**. Buyer reasonably approves Buyer's Escrow Closing Statement; and
- 4.4.8 **Seller Pre-Closing Obligations**. Seller performs all of the material obligations required to be performed by Seller pursuant to this Agreement prior to the Close of Escrow.
- 4.5 <u>Seller's Conditions Precedent to Close of Escrow.</u> Provided that the failure of any such condition to be satisfied is not due to a Default under this Agreement by Seller, Seller's obligation to sell the Property to Buyer on the Escrow Closing Date shall be conditioned upon the satisfaction or waiver (waivers must be in writing and signed by Seller) of each of the following conditions precedent to such sale on or before the Escrow Closing Date:

- 4.5.1 **Title.** Buyer accepts the state of the title of the Property, in accordance with Section 3.4.
- 4.5.2 **Due Diligence**. Buyer timely delivers its Due Diligence Completion Notice to Seller stating Buyer's unconditional acceptance of the condition of the Property, in accordance with Section 3.5.
- 4.5.3 **Development Agreement.** Buyer and Seller have entered into a binding Development Agreement pursuant to Government Code Section 65864 et seq. governing the development of the Property;
- 4.5.4 **CEQA Documents**. Adoption, approval or certification of the CEQA Documents for the final City Approvals, including any development agreement that the Parties might execute, by each applicable Government;
- 4.5.5 **Buyer Escrow Deposits**. Buyer deposits all of the items into Escrow required by Section 4.7;
- 4.5.6 **Settlement/Closing Statement**. Seller reasonably approves Seller's Escrow Closing Statement; and
- 4.5.7 **Buyer Pre-Closing Obligations**. Buyer performs all of the material obligations required to be performed by Buyer pursuant to this Agreement prior to Close of Escrow.
- 4.6 Failure of Conditions Not Default. City's failure to enter into a Development Agreement shall not constitute an Escrow Default (or any other type of Default or Event of Default) by Seller under this Agreement. Seller and City retain their independent, sole and absolute discretion with respect to any legislative act or approval.
- 4.7 <u>Buyer's Escrow Deposits</u>. Buyer shall deposit the following items into Escrow and, concurrently, provide a copy of each document submitted into Escrow to Seller, at least one (1) business day prior to the Escrow Closing Date:
- 4.7.1 Closing Funds. All monetary amounts required to be deposited into Escrow by Buyer under the terms of this Agreement to close the Escrow, all in immediately available funds;
- 4.7.2 **Seller Deed Certificate of Acceptance**. The Certificate of Acceptance attached to the Seller Deed signed by the authorized representative(s) of Buyer in recordable form;
- 4.7.3 **Escrow Closing Statement**. The Buyer's Escrow Closing Statement signed by the authorized representative(s) of Buyer;
- 4.7.4 Other Reasonable Items. Any other money or documents required to be delivered by Buyer under the terms of this Agreement or as otherwise reasonably requested

by Escrow Agent or Title Company in order to close the Escrow or comply with applicable Law that have not previously been delivered by Buyer.

- 4.8 <u>Seller's Escrow Deposits</u>. Seller shall deposit the following items into Escrow and, concurrently, provide a copy of each document (excluding the Seller Deed) deposited into Escrow to Buyer, at least one (1) business day prior to the Escrow Closing Date:
- 4.8.1 **Seller Deed**. The Seller Deed signed by the authorized representative(s) of Seller in recordable form;
- 4.8.2 **Escrow Closing Statement**. Seller's Escrow Closing Statement signed by the authorized representative(s) of Seller;
- 4.8.3 **FIRPTA Affidavit**. A FIRPTA affidavit signed by the authorized representative(s) of Seller, in the form used by the Escrow Agent;
- 4.8.4 Form 593. A Form 593 signed by the authorized representative(s) of Seller; and
- 4.8.5 Other Reasonable Items. Any other money or documents required to be delivered by Seller under the terms of this Agreement or as otherwise reasonably requested by Escrow Agent or Title Company in order to close the Escrow or comply with applicable Law that have not been previously delivered by Seller.
- 4.9 <u>Closing Procedure</u>. Upon Escrow Agent's receipt of written confirmation from both Buyer and Seller that each of their respective conditions precedent to the Close of Escrow are satisfied or waived, Escrow Agent shall close the Escrow by doing all of the following:
- 4.9.1 Recording and Distribution of Documents. Escrow Agent shall cause the following documents to be filed with the Recorder of the County for recording in the official records of the County regarding the Property in the following order of priority at Close of Escrow: (a) the Seller Deed; and (b) any other documents to be recorded regarding the Property through the Escrow upon the joint instructions of the Parties. At Close of Escrow, Escrow Agent shall deliver conformed copies of all documents filed with the Recorder of the County for recording in the official records of the County through the Escrow to Seller, Buyer and any other Person designated in the written joint escrow instructions of the Parties to receive an original or conformed copy of each such document. Each conformed copy of a document filed for recording shall show all recording information. The Parties intend and agree that this Section 4.9.1 shall establish the relative priorities of the documents to be recorded in the official records of the County through the Escrow, by providing for recordation of senior interests prior to junior interests, in the order provided in this Section 4.9.1;
- 4.9.2 **Funds**. Distribute all funds held by the Escrow Agent pursuant to the Escrow Closing Statements approved in writing by Seller and Buyer.
- 4.9.3 **FIRPTA Affidavit**. File the FIRPTA Affidavit with the United States Internal Revenue Service;

- 4.9.4 Form 593. File the Form 593 with the California Franchise Tax Board;
- 4.9.5 **Title Policy**. Obtain from the Title Company and deliver to Buyer the Buyer Title Policy issued by the Title Company.
- Close of Escrow. The Close of Escrow shall occur on or before the Escrow Closing Date. The Parties may mutually agree to change the Escrow Closing Date by joint written instruction to Escrow Agent. The City Manager is authorized to agree to one or more extensions of the Escrow Closing Date on behalf of Seller up to a maximum time period extension of six (6) months in the aggregate, in the City Manager's sole and absolute discretion. If for any reason (other than a Default or Event of Default by such Party) the Close of Escrow has not occurred on or before the Escrow Closing Date, then any Party not then in Default under this Agreement may cancel the Escrow and terminate this Agreement, without liability to the other Party or any other Person for such cancellation and termination, by delivering Notice of termination to both the other Party and Escrow Agent. Following any such Notice of termination of this Agreement and cancellation of the Escrow, the Parties and Escrow Agent shall proceed pursuant to Section 4.13. Without limiting the right of either Party to cancel the Escrow and terminate this Agreement, pursuant to this Section 4.10, if the Escrow does not close on or before the Escrow Closing Date and neither Party has exercised its contractual right to cancel the Escrow and terminate this Agreement under this Section 4.10 before the first date on which Escrow Agent Notifies both Parties that Escrow is in a position to close in accordance with the terms and conditions of this Agreement, then the Escrow shall close as soon as reasonably possible following the first date on which Escrow Agent Notifies both Parties that Escrow is in a position to close in accordance with the terms and conditions of this Agreement.
- 4.11 Escrow Costs. Escrow Agent shall Notify Buyer and Seller of the costs to be borne by each of them at the Close of Escrow by delivering an Escrow Closing Statement to both Seller and Buyer at least four (4) Business Days prior to the Escrow Closing Date. Seller shall pay all recording fees, all documentary transfer taxes, one-half of Escrow Agent's charges for conducting the Escrow and the premium charged by the Title Company for the Buyer Title Policy, excluding any endorsements to the coverage of the Buyer Title Policy that may be requested by Buyer. Buyer shall pay one-half of Escrow Agent's charges for conducting the Escrow and the costs of any endorsements to the coverage of the Buyer Title Policy requested by Buyer. All other charges, fees and taxes levied by each and every Government relative to the conveyance of the Property through the Escrow shall be paid by the applicable Party, as customary in the County.
- 4.12 <u>Escrow Cancellation Charges</u>. If the Escrow fails to close due to Seller's Default under this Agreement, Seller shall pay all ordinary and reasonable Escrow and title order cancellation charges charged by Escrow Agent or Title Company, respectively, if any. If the Escrow fails to close due to Buyer's Default under this Agreement, Buyer shall pay all ordinary and reasonable Escrow and title order cancellation charges charged by Escrow Agent or Title Company, respectively, if any. If the Escrow fails to close for any reason other than the Default of either Buyer or Seller, Buyer and Seller shall each pay one-half (1/2) of any ordinary and reasonable Escrow and title order cancellation charges charged by Escrow Agent or Title Company, respectively, if any.

and

- 4.13 <u>Escrow Cancellation</u>. If this Agreement is terminated pursuant to a contractual right granted to a Party in this Agreement to terminate this Agreement (other than due to an Event of Default by the other Party), the Parties shall do all of the following:
- 4.13.1 Cancellation Instructions. The Parties shall, within seven (7) Business Days following Escrow Agent's written request, sign any reasonable Escrow cancellation instructions requested by Escrow Agent;
- 4.13.2 Return of Funds and Documents. Within seven (7) Business Days following receipt by the Parties of a settlement statement of Escrow and title order cancellation charges from Escrow Agent (if any) or within seven (7) Business days following Notice of termination, whichever is earlier: (a) Buyer or Escrow Agent shall return to Seller all documents previously delivered by Seller to Buyer or Escrow Agent, respectively, regarding the Escrow; (b) Seller or Escrow Agent shall return to Buyer all documents previously delivered by Buyer to Seller or Escrow Agent, respectively, regarding the Escrow; (c) Escrow Agent shall, unless otherwise provided in this Agreement, return to Buyer all funds deposited in Escrow by Buyer, less Buyer's share of customary and reasonable Escrow and title order cancellation charges (if any) in accordance with Section 4.12; and (d) Escrow Agent shall, unless otherwise provided in this Agreement, return to Seller all funds deposited in Escrow by Seller, less Seller's share of customary and reasonable Escrow and title order cancellation charges (if any) in accordance with Section 4.12.
- 4.14 Report to IRS. After the Close of Escrow and prior to the last date on which such report is required to be filed with the Internal Revenue Service under applicable Federal law, if such report is required pursuant to Internal Revenue Code Section 6045(e), Escrow Agent shall report the gross proceeds of the purchase and sale of the Property to the Internal Revenue Service on Form 1099-B, W-9 or such other form(s) as may be specified by the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e). Concurrently with the filing of such reporting form with Internal Revenue Service, Escrow Agent shall deliver a copy of the filed form to both Seller and Buyer.
- 4.15 <u>Condemnation</u>. If any portion of the Property or any interest in any portion of the Property becomes the subject of any eminent domain proceeding prior to Close of Escrow, including the filing of any notice of intended condemnation or proceedings in the nature of eminent domain, Seller shall give Buyer Notice of such occurrence and Buyer shall have the option, exercisable within ten (10) Business Days after receipt of such Notice from Seller, to either: (a) cancel the Escrow and terminate this Agreement, in which case the Parties and the Escrow Agent shall proceed in accordance with Section 4.13, or (b) continue with this Agreement in accordance with its terms, in which event Seller shall assign to Buyer, at the Close of Escrow, any right of Seller to receive any condemnation award attributable to the Property acquired by Buyer pursuant to this Agreement.

#### 5. **REMEDIES**

5.1 <u>Buyer's right to specific performance and limitation on recovery of damages prior to Close of Escrow.</u>

- 5.1.1 Election of Remedies. During the continuance of an Event of Default by Seller under this Agreement, should Buyer elect to terminate this Agreement, its damages shall be limited to recover up to a maximum amount of Twenty Five Thousand Dollars (\$25,000) of amounts actually paid by Buyer prior to the date of such Event of Default to Third Persons directly related to conducting Due Diligence Investigations regarding the Property, but exclusive of amounts paid or allocated directly or indirectly to internal costs of Buyer or Buyer's employees, members, shareholders, partners, affiliates or employees or agents of any of them. Under no circumstances shall Seller be liable to Buyer under this Agreement for any amount exceeding the amount set forth in this Section 5.1.1, any speculative, consequential, collateral, special, punitive or indirect damages or for any loss of profits suffered or claimed to have been suffered by Buyer. Nothing in the foregoing shall limit Buyer's right to compel Seller's specific performance.
- 5.1.2 Waiver of Rights. Seller and Buyer each acknowledge and agree that Seller would not have entered into this Agreement, if Seller were to be liable to Buyer for any monetary damages, monetary recovery or any remedy during the continuance of an Event of Default under this Agreement by Seller, other than specific performance of this Agreement or termination of this Agreement and payment of the amount specified in clause "(2)" of Section 5.1.1. Accordingly, Seller and Buyer agree that the remedies specifically provided for in Section 5.1.1 are reasonable and shall be Buyer's sole and exclusive rights and remedies during the continuance of an Event of Default under this Agreement by Seller. Buyer waives any right to pursue any remedy or damages against Seller arising from or relating to this Agreement other than those specifically provided in Section 5.1.1.
- 5.1.3 **State Civil Code Section 1542 Waiver**. Buyer acknowledges the protections of California Civil Code section 1542 regarding the waivers and releases contained in this Section 5.1, which Civil Code section reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

5.1.4 **Acknowledgment**. By initialing below, Buyer knowingly and voluntarily waives the provisions of California Civil Code section 1542 and all other statutes and judicial decisions (whether state or federal) of similar effect solely regarding the waivers and releases contained in this Section 5.1.

Initials of Authorized Buyer Representative(s)

5.1.5 Statement of Intent. California Civil Code section 1542 notwithstanding, it is the intention of Buyer to be bound by the limitations on damages and remedies set forth in this Section 5.1, and Buyer hereby releases any and all claims against Seller for monetary damages, monetary recovery or other legal or equitable relief related to any Event of Default under this Agreement by Seller, except as specifically provided in this Section 5.1,

whether or not any such released claims were known or unknown to Buyer as of the effective date.

- 5.2 <u>Liquidated Damages to Seller</u>. If the Close of Escrow does not occur due to Buyer's Default, then Seller shall retain the Deposit as liquidated damages. The amount of the Deposit is the reasonable estimate by the parties of the damages Seller would suffer from such Default, it being agreed that it is extremely difficult, if not impossible and impracticable, to fix the exact amount of damage that would be incurred by Seller as a result of such Default by Buyer. Upon such a Default by Buyer, Escrow shall be canceled and the Parties shall proceed in accordance with Section 4.13. In addition, if all or any portion of the Deposit has been deposited into Escrow by Buyer, Escrow Agent is hereby irrevocably instructed by Buyer and Seller to disburse the Deposit to Seller as liquidated damages for Buyer's Default under this Agreement and failure to complete the purchase of the Property, pursuant to California Civil Code section 1671 et. seq.
- 5.3 <u>Legal Actions</u>. Either Party may institute legal action, at law or in equity, to enforce or interpret the rights or obligations of the Parties under this Agreement or recover damages, subject to the provisions of Section 5.1 or Section 5.2, as applicable.
- 5.4 <u>Rights and Remedies Are Cumulative</u>. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties set forth in this Agreement are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by such Party, at the same or different times, of any other rights or remedies for the same Default or the same rights or remedies for any other Default by the other Party.

#### 6. GENERAL PROVISIONS

- 6.1 <u>Incorporation of Recitals</u>. The Recitals of fact set forth preceding this Agreement are true and correct and are incorporated into this Agreement in their entirety by this reference.
- 6.2 <u>Tax Deferred Exchange</u>. Buyer and Seller shall cooperate with each other in effectuating disposition of the Property as part of a tax deferred exchange, if applicable. The exchanging Party shall indemnify and hold the non-exchanging Party harmless from any liability, damage and additional cost, expense or claim regarding any such exchange. Further, the non-exchanging Party shall not be required to act as a purchaser or seller of any property other than the Property, consistent with the terms and conditions of this Agreement. Notwithstanding any provision of this Agreement to the contrary, including this Section 6.2, any exchange described in this Section 6.2 shall not delay the Close of Escrow for any reason.

#### 6.3 Notices, Demands, and Communications Between the Parties.

6.3.1 **Delivery**. Any and all Notices submitted by any Party to another Party pursuant to or as required by this Agreement shall be proper, if in writing and sent by messenger for immediate personal delivery, nationally recognized overnight (one Business Day) delivery service (i.e., United Parcel Service, Federal Express, etc.) or by registered or certified United States mail, postage prepaid, return receipt requested, to the address of the recipient Party, as designated in Section 6.3.2. Notices may be sent in the same manner to such other addresses as either Party may from time to time designate by Notice in accordance with this Section 6.3.

Notice shall be deemed received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that the Notice is sent by messenger for immediate personal delivery, one Business Day after delivery to a nationally recognized overnight delivery service or three (3) calendar days after the Notice is placed in the United States mail in accordance with this Section 6.3. Any attorney representing a Party may give any Notice on behalf of such Party.

6.3.2 Addresses. The Notice addresses for the Parties, as of the Effective Date, are as follows:

To Buyer:

StantonLampson, LLC

c/o Melia Homes, Inc.

8951 Research Drive, Suite 100

Irvine, CA 92618 Attn: BJ Delzer

With a Copy to:

Browning Law Group, a PLC

2603 Main Street, Suite 1050

Irvine, CA 92614

Attn: John R. Browning, Esq.

To Seller:

Stanton Housing Authority

76800 Katella Ave Stanton, CA 90680

Attn: James Box, City Manager

With Copy to:

Best, Best & Krieger, LLP

18101 Van Karmen Ave., Suite 1000

Irvine, CA 92614

Attn: Matthew Richardson, Stanton

Housing Authority Counsel

- 6.4 <u>Relationship of Parties</u>. The Parties each intend and agree that Seller and Buyer are independent contracting entities and do not intend by this Agreement to create any partnership, joint venture or similar business arrangement, relationship or association between them.
- 6.5 Warranty Against Payment of Consideration for Agreement. Buyer represents and warrants to Seller that: (a) Buyer has not employed or retained any Person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees of Buyer and Third Persons to whom fees are paid for professional services related to this Agreement; and (b) no gratuities, in the form of entertainment, gifts or otherwise have been or will be given by Buyer or any of Buyer's agents, employees or representatives to any elected or appointed official or employee of Seller in an attempt to secure this Agreement or favorable terms or conditions for this Agreement. Breach of the representations or warranties of this Section 6.5 shall entitle Seller to terminate this Agreement and cancel Escrow (if open) upon seven (7) calendar days' Notice to Buyer and, if

the Escrow is open, to Escrow Agent. Upon any such termination of this Agreement, Buyer shall immediately refund any payments made to or on behalf of Buyer by Seller pursuant to this Agreement or otherwise related to the Property, any Approval, any CEQA Document or otherwise, prior to the date of such termination.

- 6.6 <u>Non-liability of Seller Officials and Employees</u>. No elected official or employee of Seller shall be personally liable to Buyer, or any successor in interest to Buyer, in the event of any Default by Seller under this Agreement or for any amount that may become due to Buyer or to Buyer's successor, or on any obligations under the terms of this Agreement, except to the extent resulting from the negligence or willful misconduct of such elected official or employee.
- 6.7 <u>Calculation of Time Periods</u>. Unless otherwise specified, all references to time periods in this Agreement measured in days shall be to consecutive calendar days, all references to time periods in this Agreement measured in months shall be to consecutive calendar months and all references to time periods in this Agreement measured in years shall be to consecutive calendar years. Any reference to Business Days in this Agreement shall mean consecutive Business Days.
- 6.8 Principles of Interpretation. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this Agreement. The Parties have both participated substantially in the negotiation, drafting and revision of this Agreement, with advice from legal and other counsel and advisers of their own selection. A word, term or phrase defined in the singular in this Agreement may be used in the plural, and vice versa, all in accordance with ordinary principles of English grammar, which shall govern all language in this Agreement. The words "include" and "including" in this Agreement shall be construed to be followed by the words: "without limitation." Each collective noun in this Agreement shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to a document, including this Agreement, refers to such document, as modified from time to time (excepting any modification that violates this Agreement), and includes all exhibits, schedules, addenda and riders to such document. The word "or" in this Agreement includes the word "and." Every reference to a law, statute, regulation, order, form or similar governmental requirement refers to each such requirement as amended, modified, renumbered, superseded or succeeded, from time to time.
- 6.9 Governing Law. The procedural and substantive laws of the State shall govern the interpretation and enforcement of this Agreement, without application of conflicts of laws, principles, or statutes. The Parties acknowledge and agree that this Agreement is entered into, is to be fully performed in and relates to real property located in the County. All legal actions arising from this Agreement shall be filed in the Superior Court of the State in and for the County or in the United States District Court with jurisdiction in the County.

#### 6.10 Unavoidable Delay; Extension of Time of Performance.

6.10.1 **Notice.** Performance by either Party under this Agreement shall not be deemed or considered to be in Default, where any such Default is due to the occurrence of an Unavoidable Delay. Any Party claiming an Unavoidable Delay shall Notify the other Party: (a) within twenty (20) days after such Party knows of any such Unavoidable Delay; and (b) within

twenty (20) days after such Unavoidable Delay ceases to exist. The extension of time for performance under this Agreement resulting from the occurrence of an Unavoidable Delay shall commence on the date of occurrence of the condition causing the Unavoidable Delay. Notice of an Unavoidable Delay must describe the Unavoidable Delay in reasonable detail. The Party claiming an extension of time to perform due to an Unavoidable Delay shall exercise reasonable efforts to cure the condition causing the Unavoidable Delay, within a reasonable time.

6.10.2 Assumption of Economic Risks. EACH PARTY EXPRESSLY AGREES THAT ADVERSE CHANGES IN ECONOMIC CONDITIONS, OF EITHER PARTY SPECIFICALLY OR THE ECONOMY GENERALLY, OR CHANGES IN MARKET CONDITIONS OR DEMAND OR CHANGES IN THE ECONOMIC ASSUMPTIONS OF EITHER PARTY THAT MAY HAVE PROVIDED A BASIS FOR ENTERING INTO THIS AGREEMENT SHALL NOT OPERATE TO EXCUSE OR DELAY THE PERFORMANCE OF EACH AND EVERY ONE OF EACH PARTY'S OBLIGATIONS AND COVENANTS ARISING UNDER THIS AGREEMENT. ANYTHING IN THIS AGREEMENT TO THE CONTRARY NOTWITHSTANDING, THE PARTIES EXPRESSLY ASSUME THE RISK OF UNFORESEEABLE CHANGES IN ECONOMIC CIRCUMSTANCES OR MARKET DEMAND OR CONDITIONS AND WAIVE, TO THE GREATEST EXTENT ALLOWED BY LAW, ANY DEFENSE, CLAIM, OR CAUSE OF ACTION BASED IN WHOLE OR IN PART **ECONOMIC** NECESSITY, IMPRACTICABILITY, **CHANGED** CIRCUMSTANCES, FRUSTRATION OF PURPOSE, OR SIMILAR THEORIES. PARTIES AGREE THAT ADVERSE CHANGES IN ECONOMIC CONDITIONS, EITHER OF THE PARTY SPECIFICALLY OR THE ECONOMY GENERALLY, OR CHANGES IN MARKET CONDITIONS OR DEMANDS, SHALL NOT OPERATE TO EXCUSE OR DELAY THE STRICT OBSERVANCE OF EACH AND EVERY ONE OF THE OBLIGATIONS, COVENANTS, CONDITIONS AND REQUIREMENTS OF AGREEMENT. THE PARTIES EXPRESSLY ASSUME THE RISK OF SUCH ADVERSE ECONOMIC OR MARKET CHANGES, WHETHER OR NOT FORESEEABLE AS OF THE EFFECTIVE DATE.

Initials of Authorized
Seller Representative(s)

Initials of Authorized Buyer Representative(s)

- 6.11 <u>Tax Consequences</u>. Buyer acknowledges and agrees that Buyer shall bear any and all responsibility, liability, costs or expenses connected in any way with any tax consequences experienced by Buyer related to this Agreement.
- 6.12 Real Estate Commissions. The Seller acknowledges that it has utilized the services of Kosmont Realty Corporation in connection with the sale of this Property and that Kosmont Realty Corporation is entitled to a six percent (6%) commission which shall be paid out of the Seller's proceeds of the sale and is subject to the terms of the existing Exclusive Authorization to Sell agreement with Kosmont Realty Corporation and the Seller. Developer (a) represents and warrants that Developer did not engage or deal with any broker or finder in connection with this Agreement and no Person is entitled to any commission or finder's fee regarding this Agreement on account of any agreement or arrangement made by such Developer

- and (b) shall Indemnify the other Party against any breach of the representation and warranty set forth in clause "(a)" of this Section 6.12.
- 6.13 <u>No Third-Party Beneficiaries</u>. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any Third Person to any Party or give any Third Person any right of subrogation or action over or against any Party.
- Buyer Assumption of Risks of Legal Challenges. Buyer assumes the risk of delays or damages that may result to Buyer from each and every Third Person legal action related to Seller's approval of this Agreement or any associated Approval, even in the event that an error, omission or abuse of discretion by Seller is determined to have occurred. If a Third Person files a legal action regarding Seller's approval of this Agreement or any associated Approval prior to the Close of Escrow, Buyer shall choose, in its sole and absolute discretion, to either (i) cancel the Escrow and terminate this Agreement, without liability Seller or any other Person, in which case the Parties and the Escrow Agent shall proceed in accordance with Section 4.13, or (ii) defend the legal action. If Buyer chooses to defend the legal action, it shall bear all costs and expenses associated therewith, and may later choose to cancel the Escrow and terminate this Agreement, without liability to Seller or any other Person, , in which case the Parties and the Escrow Agent shall proceed in accordance with Section 4.13. Nothing contained in this Section 6.14 is intended to be nor shall be deemed or construed to be an express or implied admission that Seller may be liable to Buyer or any other Person for damages or other relief regarding any alleged or established failure of Seller to comply with any law. Subject to the right of either Party to cancel the Escrow and terminate this Agreement previously provided in this Section 6.14, any legal action that is subject to this Section 6.14 (including any appeal periods and the pendency of any appeals) shall constitute an Unavoidable Delay and the time periods for performance by either Party under this Agreement may be extended pursuant to the provisions of this Agreement regarding Unavoidable Delay.
- 6.15 <u>Effect</u>. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- 6.16 <u>Time Declared to be of the Essence</u>. As to the performance of any obligation under this Agreement of which time is a component, the performance of such obligation within the time specified is of the essence.
- 6.17 <u>Entire Agreement</u>. This Agreement integrates all of the terms and conditions mentioned in this Agreement or incidental to this Agreement, and supersedes all negotiations or previous agreements between the Parties with respect to the Property.
- 6.18 <u>Waivers and Amendments</u>. All waivers of the provisions of this Agreement must be in writing and signed by the authorized representative(s) of the Party making the waiver. All amendments to this Agreement must be in writing and signed by the authorized representative(s) of both Seller and Buyer.

- Assignment Prior to Close of Escrow. Buyer acknowledges and agrees that the qualifications and identity of Buyer are of particular importance and concern to Seller. Buyer further acknowledges and agrees that Seller has relied and is relying on the specific qualifications and identity of Buyer in entering into this Agreement and Seller would not have entered into this Agreement, but for the specific qualifications and identity of Buyer. As a consequence, Transfers by Buyer prior to the Close of Escrow are only permitted with the prior written consent of Seller. Buyer represents and warrants to Seller that Buyer has not made and agrees that Buyer will not create or permit to be made or created any Transfer prior to the Close of Escrow, except in accordance with this Section 6.19, either voluntarily, involuntarily or by operation of law. Any Transfer made in contravention of this Section 6.19 shall be voidable at the election of Seller, in Seller's sole and absolute discretion. Buyer acknowledges and agrees that the restrictions on Transfers set forth in this Section 6.19 are reasonable.
  - 6.20 Exhibit List. All of the exhibits attached to this Agreement are as follows:

Exhibit A Property Legal Description

Exhibit B Buyer Official Action

Exhibit C Seller Deed

- 6.21 No Implied Waiver. Failure to insist on any one occasion upon strict compliance with any term, covenant, condition, restriction or agreement contained in this Agreement shall not be deemed a waiver of such term, covenant, condition, restriction or agreement, nor shall any waiver or relinquishment of any rights or powers under this Agreement, at any one time or more times, be deemed a waiver or relinquishment of such right or power at any other time or times.
- City Manager Implementation. Seller shall implement this Agreement through its City Manager. The City Manager is hereby authorized by Seller to enter into agreements and sign documents referenced in this Agreement or reasonably required to implement this Agreement on behalf of Seller, issue approvals, interpretations or waivers and enter into amendments to this Agreement on behalf of Seller, to the extent that any such action does not increase the monetary obligations of Seller by more than Twenty-five Thousand Dollars (\$25,000) in the aggregate. All other actions shall require the consideration and approval of the Housing Authority Board, unless expressly provided otherwise by action of the Housing Authority Board. Nothing in this Section 6.22 shall restrict the submission to the Housing Authority Board of any matter within the City Manager's authority under this Section 6.22, in the City Manager's sole and absolute discretion, to obtain the Housing Authority Board's express and specific authorization on such matter. The specific intent of this Section 6.22 is to authorize certain actions on behalf of Seller by the City Manager, but not to require that such actions be taken by the City Manager, without consideration by the Housing Authority Board.
- 6.23 <u>Survival of Agreement</u>. All of the provisions of this Agreement shall be applicable to any dispute between the Parties arising from this Agreement, whether prior to or following expiration or termination of this Agreement, until any such dispute is finally and completely resolved between the Parties, either by written settlement, entry of a non-appealable judgment or expiration of all applicable statutory limitations periods and all terms and conditions

of this Agreement relating to dispute resolution, indemnity or limitations on damages or remedies shall survive any expiration or termination of this Agreement.

- 6.24 <u>Counterparts</u>. This Agreement may be signed in multiple counterpart originals each of which is deemed to be an original and all of which shall constitute one agreement. This Agreement includes 1 pages and \_\_\_\_\_(\_) exhibits (each exhibit is incorporated into this Agreement by reference) that constitute the entire understanding and Agreement of the Parties regarding the subject matter of this Agreement.
- 6.25 <u>Facsimile or Electronic Signatures</u>. Signatures delivered by facsimile or electronically shall be binding as originals upon the Party so signing and delivering; provided, however, that original signature(s) of each Party shall be required for each document to be recorded.

[Signatures on following page]

#### SIGNATURE PAGE

TO

# REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (STRAWBERRY FIELD/MELIA HOMES)

IN WITNESS WHEREOF, the Parties have signed and entered into this Agreement by and through the signatures of their respective authorized representative(s) as follow:

SELLER:	BUYER:			
The Stanton Housing Authority, a public body, corporate and politic	StantonLampson 2017, LLC, a California limited liability company			
By: Carol Warren Title: Chair person	By: Melia Homes, Inc., Manager  By: BJ Delzer, President			
ATTEST:				
By: Name: <u>Patricia A. Vazquez</u> Title: <u>Secretory</u>				
APPROVED AS TO FORM:				
BEST BEST & KRIEGER LLP				

Housing Authority General Counsel

# EXHIBIT A TO REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (Strawberry Field/Melia Homes)

**Property Legal Description** 

#### **EXHIBIT B**

TO

### REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(Strawberry Field/Melia Homes)

#### **Buyer Official Action**

[TO BE DETERMINED BASED ON BUYER ENTITY TYPE]

#### EXHIBIT C

#### TO

### REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(Strawberry Field/Melia Homes)

#### Seller Deed

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:	
THE WILL RECORDED WITH TO.	
	SPACE ABOVE THIS LINE FOR RECORDER'S USE
GRANT D	
	<del></del>
(Strawberry Field/	Melia Homes)
The undersigned declares:	
Documentary Transfer Tax is: \$	
[City or County where Property is located]	
Assessor's Parcel No.:  computed on full value of interest computed on full value of liens or	or property conveyed, or encumbrances remaining at time of sale.
FOR VALUABLE CONSIDERATION, rec	eipt of which is hereby acknowledged,
, a	("Grantor"),
hereby grants to	
, a	("Grantee"),
that certain real property legally described in Exincorporated into this Grant Deed, subject to:	chibit "1" attached to and by this reference
1. Real property taxes and assessments	, not delinquent.
Mail Tax Statements to:	

ced:		<del>-</del>	 	 
	-			

#### EXHIBIT "1" TO GRANT DEED (Strawberry Field/Melia Homes)

**Legal Description** 

### **CITY OF STANTON**

#### REPORT TO CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT:

APPROVAL OF OPERATIONAL AGREEMENT WITH THE NORTH

ORANGE COUNTY PUBLIC SAFETY TASK FORCE

#### REPORT IN BRIEF:

The City, as part of the North Orange County Public Safety Task Force has been designated to receive funds from the 2017-2018 Corrections Planning and Grant Programs from the Board of State and Community Corrections (BSCC) using a regional collaborative effort for the purpose of violence prevention, intervention and suppression activities. Specifically, purpose for the use of funds is through the use of evidence-based practices in the following areas: 1) programs to address youth violence prevention and intervention in K-12<sup>th</sup> schools; 2) promote and enhance the successful reentry of offenders into the community; and 3) address homeless outreach and intervention efforts. The funding period is from July 1, 2017 through June 30, 2021.

#### RECOMMENDED ACTION:

- 1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378(b)(4) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
- 2. Approve the Operational Agreement with the North Orange County Public Safety Task Force; and
- 3. Authorize the City Manager to execute the Operational Agreement; and
- 4. Approve Budget Adjustment No. 2018-06 to record revenues and expenditures of the Public Safety Task Force project.

#### **BACKGROUND:**

As a result of the passage of AB 97, \$20 million was appropriated to North Orange County cities over the next four years to address the issues of youth violence and prevention, reentry programs and homelessness. The City of Stanton is scheduled to receive \$633,333 annually over the next four years. The City must disperse \$300,000 of these funds to Community Based Organizations (CBO's) with the remaining balance applied towards the three intended purposes of the use of funds in the City of Stanton.

The City will be joining nine other North Orange County cities who are also receiving these funds. Those cities are as follows: Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia and Yorba Linda. The 10 cities and their collaborative community based organizations have agreed to provide the services as specified in the use of funds to satisfy the project's requirement.

On August 8, 2017 City Council approved a budget adjustment appropriating funds from the project to fund a Community Enhancement Deputy in conjunction with the amendment to the OCSD contract. The budget adjustment included with this staff report will budget all additional project-related revenues and expenditures.

#### **ANALYSIS/JUSTIFICATION:**

Approval of this operational agreement confirms the City's intent to participate in the North Orange County Public Safety Task Force. This revenue stream will be utilized to address the identified areas of youth violence prevention and intervention, reentry programs and homelessness.

#### FISCAL IMPACT:

On August 8, 2017 City Council approved a budget adjustment appropriating funds from the project to fund a Community Enhancement Deputy. Budget Adjustment No. 2018-06 will budget the equal and offsetting additional revenues and expenditures relating to this grant. There is no affect on the General Fund.

#### **ENVIRONMENTAL IMPACT:**

None

**LEGAL REVIEW:** 

N/A

#### **PUBLIC NOTIFICATION:**

Through the normal agenda process.

Prepared and Presented for Approval By:

James J. Wren

**Public Safety Director** 

Reviewed By:

Approved By:

Stephen M. Parker, CPA

Administrative Services Director

James A. Box City Manager

#### Attachments:

- A. North Orange County Public Safety Task Force Operational Agreement
- B. Budget Adjustment No. 2018-06

#### OPERATIONAL AGREEMENT

This Operational Agreement stands as evidence that the NORTH ORANGE COUNTY PUBLIC SAFETY TASK FORCE (herein, the Task Force) consisting of the cities of Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia, Stanton and Yorba Linda intend to work together toward the mutual goal of providing maximum available assistance to support its regional communities using local collaborative effort to reduce violence through prevention, intervention and suppression activities through the use of evidence-based services.

The Task Force believes that the formation of the North Orange County Public Safety Coordinating and Advisory Council (herein, the Council) and the implementation of the North Orange County Public Safety Services (herein, the Services) (together, the "Project"), as described within this application, will further this goal. Each city agency agrees to participate in the Project as outlined below.

#### North Orange County Public Safety Coordinating and Advisory Council

The cities of Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia, Stanton and Yorba Linda will closely coordinate regional services and activities through the formation of the Council. The Council members are representatives from the cities of Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia, Stanton and Yorba Linda. The Chair of the Council is the Chief of Police from Buena Park, Chief Corey Sianez, who will facilitate the Council's efforts. The Council will ensure that the Project is responsive to community needs, prioritize the use of funds, secure key agencies to support the efforts and identify ways to obtain sustainability.

The Council's support of the efforts is to ensure that Services are readily available for resource provision through the evidence-based prevention support services such as OST (out of school time) character and leadership development, education and career development, health and life skills, the arts, and sports, fitness and recreation through intervention support services such as homeless street outreach and intervention efforts through appropriate linkages to continuum of care, reentry supportive resources and case management services.

Quarterly Council meetings will review fiscal and project reports. To serve the community as a safety net, regional efforts and its coordination to provide the community direct resources through the Services will also be monitored and modified as necessary.

#### North Orange County Public Safety Programmatic Responsibilities and Fiscal Administrator

The North Orange County Public Safety Services Programmatic and Fiscal Administrator is Soo Elisabeth Kang (herein, the Administrator) who will directly report to the Council as to coordinating the administrative framework and wraparound effort to meet its goals and objectives of the Services in the region.

Management structure and decision making processes and how it will support the objectives and goals: Under the leadership of the Coordinating and Advisory Council, the Administrator evaluates emerging trends, early, middle and late evaluation and outcomes of rendered services, sets given policy direction, monitors the progress of the community-based organization (CBO) partners, facilitates interagency/collaboration and troubleshooting while implementing the Council's direction.

The Administrator shall file reports to the Board of State and Community Corrections fiscally and programmatically as required by the Board of State and Community Corrections. <u>Fiscal responsibilities</u> include 1) Preparation which includes all Project-related receipts for each reimbursable item with sufficient supporting documentation with labels on all documents for expenses eligible for reimbursement; 2) Invoice Line Item Clarification which includes line items from the budget match worksheets, invoices, itemized receipts to substantiate charges for each line item; and 3) Assembly and submission of supporting documentation packet signed by the Council's authorized designated officer on the required face page.

<u>Programmatic responsibilities</u> include 1) compiling and submitting Progress Reports due in the timeline requested to capture the implementation measures of the Services for the timeframe of the report; 2) Local Evaluation Plan to collect and evaluate data to measure performance and outcomes of the Services' activities with any preliminary findings or evidence of Project impact; 3) Final Outcome Evaluation Report to provide final findings of the measured performance and outcomes of the Services' activities.

The Administrator's responsibilities also include monthly intervention meetings with the community and faith based organizations, the school districts and stakeholders to discuss strategies, timetables, implementation of services and support to reduce violence through prevention, intervention and suppression activities.

#### North Orange County Public Safety Services

The regional collective impact of the North Orange County Public Safety Task Force includes funded community based partners.

Funded Services Partners: The funded Services community based organizations partners will provide the following direct resources: Out of school time (OST) violence, prevention and intervention activities and case management services; mentoring services; early violence prevention and intervention activities; homeless and reentry case management services; promotion of positive outcomes for all children and families by leveraging collaborative impact of partners and championing quality family support and strengthening practices; assessment, life skills, coping and counseling services; and programmatic evaluation and outcome reports. Law enforcement agencies within the Task Force will provide dedicated officers to meet the needs of the Services in the region working collaboratively.

#### Period

Effective performance period is for four years: July 1, 2017 through June 30, 2021.

#### **Financial Arrangements**

Board of State and Community Corrections under the Corrections Planning and Grant Programs shall award the funds to the North Orange County Public Safety Task Force for a total of \$20,000,000 over a four- year performance period. Funds are available for encumbrance or expenditure until June 30, 2021. The Task Force agrees that the City of Stanton shall serve as the designated fiscal agent (herein, the Fiscal Agent) on behalf of the Task Force with authority to present claims to Board of State and Community Corrections on behalf of each of the funded cities and its community based organizations for services delivered by each. Disbursement of payment as appropriate will be made by the Fiscal Agent. The Fiscal Agent shall be responsible for facilitating partners meetings, collecting documentation for invoices and outcome measurements from each partner and maintaining complete and accurate records of all financial and outcome measurement data.

#### Miscellaneous

Each party agrees to mutually defend, indemnify, and hold harmless the other parties, their officials, officers, directors, agents, employees, and volunteers, from all claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, or costs of any kind, whether actual, alleged, or threatened, actual attorney's fees incurred by each party, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever, including, but not limited to, liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of, or relating to any negligent act, error or omission, or willful misconduct of that party, its officials, officers, directors, agents, employees, and volunteers acting pursuant to its control and performing under this Operational Agreement. To the extent that more than one party is determined to have been negligent or at fault, the parties agree that each party shall bear its own portion or percentage of liability and to indemnify and hold harmless the other parties for that share.

This Operational Agreement may be executed and delivered in any number of counter parts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile or electronic signatures will be permitted.

The laws of the State of California and applicable local and federal laws, regulations, and guidelines shall govern this Operational Agreement.

Should litigation arise out of this Operational Agreement or the performance thereof, each party shall be responsible for its own costs and expenses, including attorney's fees.

Any party may withdrawal from this Operational Agreement without cause upon thirty (30) days' written notice to the other parties. Upon the effective date of the withdrawal, the withdrawing party shall have no right or claim to any additional sums from the Board of State and Community Corrections under the Corrections Planning and Grant Programs, as contemplated by this Operational Agreement.

#### Authorized Representatives for the North Orange County Public Safety Task Force

We, the undersigned, as authorized representatives of the cities of Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia, Stanton and Yorba Linda, do hereby approve this document.

City of Anaheim	City of Brea
City of Buena Park	City of Cypress
City of Fullerton	City of La Habra
City of La Palma	City of Placentia
James A. Box, City Manager City of Stanton	City of Yorba Linda

#### CITY OF STANTON BUDGET ADJUSTMENT AUTHORIZATION Fiscal Year: 2017-18 BA # 2018-06 **Public Safety** Department: Date: August 31, 2017 Requested By: James Wren Title: Public Safety Services Director City Council Approval: Date: September 12, 2017 **Availability of Funds:** Title: Administrative Services Director Increase (Decrease) Amended Amount Current Transfer 🤛 Budget 🔄 Account Description **Account Number** Public Safety Task Force: Special Department Expense 271-2100-602100 <u>\$ 210,936</u> \$ 122,397 \$ 333,333 Public Safety Task Force: Contract Services 271-2100-608100 300,000 300,000 Public Safety Task Force: Grant 271-0000-432260 \$ (210,936) **\$** (422,397) **\$** JUSTIFICATION To record Public Safety Task Force Grant revenues and expenditures. Budget Adjustment Request Approved: City Manager Budget Adjustment Processed: Date posted Entered by

\*\*\* PRINT ON BLUE PAPER ONLY \*\*\*

#### CITY OF STANTON

## REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO:

Honorable Chair and Members of the Successor Agency

DATE:

September 12, 2017

SUBJECT:

CONSIDERATION OF THE THIRD AMENDMENT TO THE PURCHASE AND SALE AGREEMENT WITH BEACH AND ORANGEWOOD, LLC

FOR ELEVEN PROPERTIES LOCATED AT 11382, 11430 AND 11462

**BEACH BOULEVARD** 

#### **REPORT IN BRIEF:**

Consistent with the Successor Agency's Long Range Property Management Plan, Staff is recommending approval of the Third Amendment to the Purchase and Sales Agreement for the sale of eleven properties located at 11382, 11430 and 11462 Beach Boulevard to Beach and Orangewood, LLC for \$2,100,000.00. The Successor Agency had previously approved the Purchase and Sales Agreement for the sale of these properties, but amendments were necessary to extend the due diligence period and address the modifications to the deal structure.

#### **RECOMMENDED ACTIONS:**

- Successor Agency declare that the proposed disposition of the land pursuant to the Third Amendment to the Purchase and Sale Agreement is consistent with the adopted Project EIR addendum approved for the Stanton Plaza Specific Plan and direct staff to file the notice of determination; and
- 2. Approve Resolution No. SA 2017-02 approving the Third Amendment to the Purchase and Sale Agreements for the sale of the properties identified by APN Nos. 131-691-49, 50, 51, 58, 59, 60, 61, 62, 63, 64, and 65 for a total of \$2,100,000.00 to Beach and Orangewood, LLC; and
- 3. Authorize the Executive Director to execute the necessary documents and take all actions reasonably necessary to complete the sale of the properties.

#### **BACKGROUND:**

As part of the dissolution of the former Stanton Redevelopment Agency, the Successor Agency developed a Long Range Property Management Plan (LRPMP) to identify the disposition and use of the real properties of the former Stanton Redevelopment Agency. This plan was approved by the Oversight Board of the Successor Agency and

by the Department of Finance (DOF). As part of the LRPMP, the DOF approved the Successor Agency's plan to sell eleven properties located at 11382, 11430 and 11462 Beach Boulevard, totaling 126,975 square feet or 2.9 acres. This area is known as the Stanton Plaza and is generally located at the northeast corner of Beach Boulevard and Orangewood Avenue.

As these properties are listed as Successor Agency assets in the LRPMP, revenues generated from the sale will be distributed to the local taxing entities by the County Auditor/Controller.

In September and October 2015, the Successor Agency and Oversight Board approved a Purchase and Sales Agreement (PSA) between the Stanton Successor Agency and Frontier Real Estate Investments. Since the approval of the original PSA, the deal has been modified to reflect the successor in interest (Beach and Orangewood LLC), new conditions identified on the site, and modifications to the deal structure.

#### **ANALYSIS/JUSTIFICATION:**

The Successor Agency and Oversight Board, both approved the original Purchase and Sales Agreement ("Original PSA") for the sale of the properties under consideration as part of this agenda item. The terms of the Original PSA were to sell the properties to Frontier Real Estate Investments for \$2,100,000 for the development of the commercial component of the Stanton Plaza Specific Plan area. The Due Diligence Period was anticipated to be completed by December 2016 with the close of escrow one month after. Since the approval of the Original PSA, there were unforeseen circumstances that occurred which required the Original PSA to be amended. The Original PSA included provisions to allow the City Manager to extend the time frames within the PSA administratively. The following provides an overview of the amendments to date.

As part of the development proposal, several lot lines within the development required adjustment. These adjustments were in portions of the project that abutted neighboring residential properties within the Stanton Plaza development. As such, the lot line adjustments required approval from both the Successor Agency as well as the residential Homeowner's Associations involved. This process exceeded the expected timeframe as identified in the Original PSA, which resulted in the First Amendment to the Agreement. Specifically, the First Amendment extended the due diligence period for six months.

During the extended Due Diligence Period, additional actions were taken by the Developer, including a Phase II environmental analysis, to evaluate the site in preparation of construction documents. The Phase II report identified hazardous materials on the site that required further research and evaluation. The delay associated with the environmental condition of the property resulted in the Second Amendment to the PSA, which extended the Due Diligence Period by another two months.

Based on the evaluation of the data collected in the Phase II environmental analysis,

the Developer and staff determined the Original PSA should be amended a third time to disclose the results of the site testing. In addition, at the request of the Developer, the deal structure was amended to direct deed three of the parcels to two of the commercial uses, as well as the residential association to the east of the project site. This allows for an immediate transition of the site to the ultimate parties, rather than conducting multiple transactions. Land dedication was also required from the Successor Agency to the City of Stanton as part of the Livable Beach Blvd. Mobility Plan improvement requirements for the development. These changes memorialized in the Third Amendment do not modify the purchase price or development timeline and are in the community's, the Successor Agency's and the affected taxing entities' best interest because the property will still be sold consistent with the LRPMP, at the previously approved price and will result in timely development by the intended end user. The timely development of the Property will result in increased property taxes and sales taxes from the site.

These items are the final proposed amendments and have been reflected in the Third Amendment to the PSA. If approved, the close of escrow is anticipated to occur at the end of October, if not sooner.

#### **FISCAL IMPACT:**

Sale of the properties will generate \$2.1 million in revenue less brokerage and escrow fees. The net proceeds from the sale of the properties will be conveyed to the County Auditor Controller's office for distribution to the taxing entities.

#### **ENVIRONMENTAL IMPACT:**

A Project EIR was adopted by the City Council as part of the Stanton Plaza Specific Plan. The scope of development proposed in the approved entitlements for the project is consistent with the approved Project EIR addendum and as such, no further CEQA review is required.

#### **LEGAL REVIEW:**

The City Attorney has reviewed this report and the attached resolution on behalf of the Successor Agency.

#### **PUBLIC NOTIFICATION:**

Through the normal agenda posting process.

#### STRATEGIC PLAN OBJECTIVE ADDRESSED:

2.4 - Complete Successor Agency Property Disposal

Prepared by:

Kelly Hart

Community & Economic Development Director

Approved by:

James A. Box

Executive Director

#### Attachments:

A. Resolution No. SA 2017-02 (Third Amendment to the PSA with Beach and Orangewood LLC included as Exhibit A)

#### **RESOLUTION NO. 2017-02**

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY APPROVING THE THIRD AMENDMENT TO THE PURCHASE AND SALE AGREEMENT WITH BEACH AND ORANGEWOOD, LLC FOR ELEVEN PROPERTIES LOCATED AT 11382, 11430 AND 11462 BEACH BOULEVARD

**WHEREAS**, pursuant to Health and Safety Code section 34173(d), the City of Stanton ("Successor Agency") is the successor agency to the Stanton Redevelopment Agency ("Agency"); and

**WHEREAS**, pursuant to Health and Safety Code section 34179(a), the Oversight Board is the Successor Agency's oversight board; and

**WHEREAS**, as part of the dissolution of the Agency, the Successor Agency developed a Long Range Property Management Plan (LRPMP) to identify the disposition and use of the real properties of the former Stanton Redevelopment Agency; and

**WHEREAS**, the LRPMP was approved by the Oversight Board of the Successor Agency and by the Department of Finance ("DOF"); and

**WHEREAS**, as part of the LRPMP, the DOF approved the Successor Agency's plan to sell eleven properties located at 11382, 11430 and 11462 Beach Boulevard, totaling approximately 2.9 acres ("Property"); and

WHEREAS, staff marketed the property extensively, receiving seven development proposals, and eventually selecting Frontier Real Estate Investments, Inc. based upon the ability to finance the transaction and provide a quality development for the community and negotiated the Purchase and Sale Agreement ("Original PSA") to convey the Property for Development to Frontier Real Estate Investments, Inc.; and

**WHEREAS**, Frontier Real Estate Investments, Inc. identified Beach and Orangewood, LLC as the single purpose entity to acquire and develop the Property; and

**WHEREAS**, during the due diligence period, unforeseen circumstances arose which required the due diligence period to be extended including required participation from the neighboring homeowner's associations to approve lot line adjustments, and further environmental evaluation as a result of the Phase II environmental testing; and

**WHEREAS**, the First Amendment to the Original PSA was administratively approved pursuant to the provisions of the Original PSA and extended the due diligence period to May 31, 2017 to allow for Beach and Orangewood, LLC to complete the entitlements,

specifically, the Lot Line Adjustments necessary to create the legal separate lots intended for sale and dedication as part of the approved project; and

WHEREAS, all Lot Line Adjustments have been approved by all parties involved and will be executed and filed with the County of Orange Clerk Recorder prior to close of Escrow; and

**WHEREAS**, during the extended due diligence period, a Phase II environmental assessment was conducted on the site in preparation of submittal of construction documents;

**WHEREAS**, the results of the Phase II assessment required further evaluation beyond the timeframe that the due diligence period allowed, resulting in the Second Amendment being administratively approved to extend the due diligence period; and

**WHEREAS**, the results of the Phase II assessment and evaluation resulted in additional language being added to the PSA through the Third Amendment to fully disclose the results of the Phase II assessment to all parties involved in the transaction; and

WHEREAS, the Third Amendment to the PSA altered escrow procedures from deeding all property associated to the sale to Beach and Orangewood, LLC, to direct deeding three of the parcels to the intended end users of each portion of the Property; and

**WHEREAS**, Beach and Orangewood, LLC has diligently pursued and obtained approval of all entitlements required for the development as required for close of due diligence as part of the PSA; and

**WHEREAS**, this transaction is in the best interest of the community, city and the taxing entities as staff has negotiated a sales price of \$2.1 million, 64% higher than the value of \$1,348,107 indicated in the LRPMP; and

**WHEREAS**, additionally approval of the Third Amendment maintains the \$2.1 million purchase price, protects the environment through ensuring certain vapor barrier techniques will be use on the property, and will result in the timely development of the Property raising property taxes and generating sales tax; and

NOW THEREFORE, BE IT RESOLVED by the Successor Agency to the Redevelopment Agency of the City of Stanton, as follows:

<u>Section 1.</u> Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

<u>Section 2.</u> <u>CEQA Compliance</u>. The City of Stanton, as lead agency, previously adopted an Environmental Impact Report (*SCH #2004071165*) for the Stanton Plaza Specific Plan, which was certified by the City Council on January 25, 2005, regarding

development of the Property in compliance with the California Environmental Quality Act ("CEQA"). On October 11, 2016, The City of Stanton, as lead agency, adopted an Environmental Impact Report addendum to reflect the changes in the development proposal. The Successor Agency hereby finds and determines that the PSA will not result in any changes to the development of the Property or the circumstances surrounding the development of the Property and there is no new information regarding the development of the Property, since adoption of the Environmental Impact Report addendum on October 11, 2016 that would require or allow additional environmental review or documentation regarding the development of the Property. The City Clerk of the City of Stanton, acting on behalf of the Successor Agency, is authorized and directed to file a Notice of Determination, as applicable, under CEQA with the appropriate official of the County of Orange, California, within five (5) days following the date of adoption of this Resolution.

<u>Section 3.</u> Findings. The Successor Agency finds and determines that the approval of the Third Amendment to the PSA is in the best interests of the Successor Agency, the community and the winding down of the Agency's business based upon the information provided in the Agenda Report, the Recitals to this Resolution, and the testimony before this action.

Section 4. Approval of Third Amendment to the PSA. The Successor Agency hereby approves the Third Amendment to the PSA, in substantially the form attached to this Resolution as Exhibit "A" and subject to minor modifications as approved by the Executive Director and Successor Agency Counsel, and authorizes the Executive Director, acting on behalf of the Successor Agency, to sign and enter into the Third Amendment to the PSA and perform the obligations of the Successor Agency pursuant to the PSA as amended.

<u>Section 5.</u> <u>Severability.</u> If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

<u>Section 6.</u> <u>Certification.</u> The City Clerk of the City of Stanton, acting on behalf of the Successor Agency, shall certify to the adoption of this Resolution.

<u>Section 7.</u> <u>Effective Date</u>. This Resolution shall become effective immediately upon its adoption.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Successor Agency to the Redevelopment Agency of the City of Stanton, held on this 12<sup>th</sup> day of September, 2017.

#### SIGNATURE PAGE FOR SA RESOLUTION NO. 2017-02

#### **EXHIBIT A**

# THIRD AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (BEACH AND ORANGEWOOD, LLC)

[Attached behind this cover page]

# THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (Beach and Orangewood)

THIS THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (Beach and Orangewood) (this "Amendment"), is dated this \_\_ day of \_\_\_\_\_, 2017, and is entered into by and between the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), and BEACH AND ORANGEWOOD LLC, a California limited liability company ("Buyer"). Agency and Buyer are sometimes referred to in this Amendment collectively as the "Parties." This Amendment is entered into by the Parties with reference to the following recited facts (collectively, the "Recitals"):

#### RECITALS

- A. Agency and Buyer (as successor in interest by assignment to FRONTIER REAL ESTATE INVESTMENTS LLC, a California limited liability company) are the current parties in interest to that certain Purchase and Sale Agreement (Beach and Orangewood), dated October 29, 2015, as amended by that certain First Amendment to Purchase and Sale Agreement (Beach and Orangewood), dated February 23, 2017, and as further amended by that certain Second Amendment to Purchase and Sale Agreement (Beach and Orangewood), dated June 6, 2017 (as so amended, the "Agreement"), pursuant to which Buyer has the right to acquire from Agency the Property described in Exhibit A to the Agreement. All terms, phrases and words indicated to be defined terms by initial capitalization in this Amendment that are not specifically defined in this Amendment shall have the meanings ascribed to them in the Agreement except as otherwise noted in this Amendment.
- B. A lot line adjustment in the form attached hereto as <u>Exhibit A</u> has been approved by the City in connection with the Shop Parcel (as defined in the City Agreement) ("**Shop Parcel Lot Line Adjustment**").
- C. A lot line adjustment in the form attached hereto as <u>Exhibit B</u> has been approved by the City in connection with the Fuel Station Parcel (as defined in the City Agreement) and the QSR Parcel (as defined in the City Agreement) ("Fuel Station/QSR Parcel Lot Line Adjustment"). The Fuel Station/QSR Parcel Lot Line Adjustment has been executed by the Sienna at Renaissance Plaza Community Association ("Sienna"). Provided the Lot Line Adjustments are approved and recorded, Buyer will not be processing, and will have no obligation to process, either a New Tract Map (as defined in the City Agreement) or a New Parcel Map.
- D. Agency intends to grant and dedicate to the City an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes, over, under and across a portion of the Shop Parcel pursuant to a Right-of-Way Deed in the form attached hereto as Exhibit C (the "Shop Parcel Right-of-Way Deed").
- E. Agency intends to grant and dedicate to the City an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes,

over, under and across a portion of the Fuel Station Parcel and a portion of the QSR Parcel pursuant to a Right-of-Way Deed in the form attached hereto as <u>Exhibit D</u> (the "Fuel Station/QSR Parcel Right-of-Way Deed" and, together with the Shop Parcel Right-of-Way Deed, the "Right-of-Way Deeds").

- F. Buyer has entered into an agreement for the sale of the Fuel Station Parcel ("Fuel Station PSA") to MIKE SATER ("Sater"). 'Sater intends to develop the Fuel Station Parcel as an ARCO Gas Station.
- G. Buyer has entered into an agreement for the sale of the QSR Parcel ("QSR PSA") to QSR INVESTMENTS LLC, a California limited liability company ("QSR"). QSR intends to develop the QSR Parcel as a Wendy's Restaurant.
- H. The Parties desire to amend the Agreement on the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants, restrictions and conditions contained in this Amendment, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### **TERMS**

1. **INCORPORATION OF RECITALS**. The Recitals set forth above are true and correct and are incorporated into this Amendment.

#### 2. DUE DILIGENCE COMPLETION NOTICE; OUTSIDE CLOSING DATE.

- a. **Due Diligence Completion Notice.** Upon mutual execution and delivery of this Amendment, Buyer shall be deemed to have timely delivered to Agency a Due Diligence Completion Notice pursuant to Section 2.4.6 of the Agreement stating Buyer's unconditional acceptance of the condition of the Property.
  - b. Section 1.1.56 of the Agreement is amended in its entirety to read as follows:

Outside Closing Date. The Outside Closing Date shall be October 30, 2017.

3. LOT LINE ADJUSTMENTS. Agency shall forthwith execute the Fuel Station/QSR Parcel Lot Line Adjustment and the Shop Parcel Lot Line Adjustment. The Fuel Station/QSR Parcel Lot Line Adjustment and the Shop Parcel Lot Line Adjustment shall be recorded no later than immediately prior to the Close of Escrow. Buyer shall be solely responsible for completing at its sole cost and expense all improvements pursuant to and in accordance with Buyer's agreement with Sienna on Parcel 3 of the Fuel Station/QSR Parcel Lot Line Adjustment and any other land owned by Sienna. In addition, Buyer shall complete all improvements on the Sienna land and Parcel 3 required by the Precise Plan of Development No. 777, adopted by City Council Resolution 2395 prior to the issuance of a certificate of occupancy for the building on the Shop Parcel.

- 4. **RIGHT-OF-WAY DEEDS.** Agency shall forthwith execute the Right-of-Way Deeds. The Right-of-Way Deeds shall be recorded as soon as possible, and in any event no later than immediately prior to the Close of Escrow.
- 5. FUEL STATION PSA. The closing under the Fuel Station PSA shall be concurrent with the Close of Escrow under the Agreement and the closing under the QSR PSA. At the Close of Escrow under the Agreement, Agency shall convey title to the Fuel Station Parcel directly to Sater pursuant to a grant deed in the form attached hereto as Exhibit E, conditioned upon the execution by Sater of the Certificate of Acceptance of Grant Deed thereon and a Partial Assumption Agreement in substantially the form attached hereto as Exhibit F. Agency shall not have any obligations to Sater under the Fuel Station PSA. Prior to the Close of Escrow, the Fuel Station PSA shall be amended to expressly provide that the Agency and the City are express third party beneficiaries of the release provisions set forth in Sections 6.07 and 6.08 thereof and that such release provisions expressly extend to and cover soil, air, soil vapor and groundwater. Agency shall not bear or otherwise incur any additional escrow costs or closing costs pursuant to Section 3.11 of the Agreement or otherwise by reason of the Fuel Station PSA and/or as a result of the direct deed to Sater. Agency hereby confirms that any notice and consent requirements under the Agreement with respect to the Fuel Station PSA and the transactions contemplated thereby have been satisfied. All site work and off-site work to be performed by Buyer under Fuel Station PSA shall be performed by Buyer at Buyer's sole cost and expense. Buyer shall ensure that Sater shall install and maintain an environmentally appropriate vapor barrier under any buildings on the Property (not including the car wash tunnel and fuel canopies). Plans for the vapor barrier shall be provided to and subject to approval of the Agency. Such approval shall not be unreasonably withheld, delayed or conditioned. Agency confirms and agrees that a Stego® Wrap 20-Mil Vapor Barrier or equivalent is approved by the Agency and satisfies the foregoing requirements.
- 6. QSR PSA. The closing under the QSR PSA shall be concurrent with the Close of Escrow under the Agreement and the closing under the Fuel Station PSA. At the Close of Escrow under the Agreement, Agency shall convey title to the OSR Parcel directly to OSR pursuant to a grant deed in the form attached hereto as Exhibit G, conditioned upon the execution by QSR of the Certificate of Acceptance of Grant Deed thereon and a Partial Assumption Agreement in substantially the form attached hereto as Exhibit H. Agency shall not have any obligations to QSR under the QSR PSA. Prior to the Close of Escrow, the QSR PSA shall be amended to expressly provide that the Agency and the City are express third party beneficiaries of the release provisions set forth in Sections 26.2 and 26.3 thereof and that such release provisions expressly extend to and cover soil, air, soil vapor and groundwater. Agency shall not bear or otherwise incur additional escrow costs or closing costs pursuant to Section 3.11 of the Agreement or otherwise by reason of the QSR PSA and/or as a result of the direct deed to QSR. Agency hereby confirms that any notice and consent requirements under the Agreement with respect to the QSR PSA and the transactions contemplated thereby have been satisfied. All site work and off-site work to be performed by Buyer under QSR PSA shall be performed by Buyer at Buyer's sole cost and expense. Buyer shall ensure that QSR shall install and maintain an environmentally appropriate vapor barrier under any buildings on the Property. Plans for the vapor barrier shall be provided to and subject to approval of the Agency. Such approval shall not be unreasonably withheld, delayed or conditioned. Agency confirms and agrees that a Stego®

Wrap 20-Mil Vapor Barrier or equivalent is approved by the Agency and satisfies the foregoing requirements.

- 7. **SHOP PARCEL**. At the Close of Escrow under the Agreement, Agency shall convey title to the Shop Parcel to Buyer pursuant to a grant deed in the form attached as Exhibit B to the Agreement with the legal description to include no portion of the Property other than the Shop Parcel.
- 8. **CONCURRENT CLOSINGS**. Upon the closings under the Fuel Station PSA and the QSR PSA (both of which shall be concurrent with the Close of Escrow under the Agreement), Escrow Agent is authorized and instructed to credit Buyer with all funds deposited by Sater under the Fuel Station PSA and all funds deposited by QSR under the QSR PSA, and Buyer shall be entitled to use such funds to effect the Close of Escrow under the Agreement and to pay the Purchase Price to Agency under the Agreement. Buyer shall be responsible for any additional funds required to close the escrow.
- 9. RELEASE OF ENVIRONMENTAL CLAIMS. Buyer represents to Agency that Buyer has conducted such investigation of the Property, including, but not limited to, the physical and environmental conditions thereof, as Buyer deems necessary or desirable to satisfy Buyer as to the condition of the Property and the existence or nonexistence of curative action to be taken with respect to any Hazardous Materials or substances. Upon the Close of Escrow. Buyer expressly assumes the risk that adverse matters, including, but not limited to, subsurface defects and adverse physical and environmental conditions, obligations, costs and liabilities, may not have been revealed by Buyer's investigation. Upon the Close of Escrow, Buyer shall be deemed to have waived, relinquished and released the Agency and City (and their respective employees, attorneys, representatives and agents), from and against any and all known or unknown, claims, demands, causes of action (including, without limitation, causes of action in tort, for contribution or indemnity), losses, damages, liabilities, obligations, costs and expenses (including reasonable attorneys' and experts' fees and costs) of any kind or character, including, without limitation, all those arising out of environmental conditions, liabilities, or obligations (under federal, state, or local environmental statute, regulation, ordinance, or program) in anyway relating to or arising from the Property (Environmental Claims), which Buyer could or might have asserted or alleged against the Agency or the City (and their respective employees, attorneys, representatives and agents) at any time by reason of or arising out of any latent or patent defect or physical or environmental condition or liabilities, violations of any applicable statutes, regulations, ordinances, programs or laws and any and all other acts, omissions, events circumstances or matters regarding the Property. The Agency and the City (and their respective employees, attorneys, representatives and agents), are hereby released from all responsibility and liability to Buyer regarding the condition (including the presence in the soil, air, soil vapor, or groundwater of Hazardous Materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable, or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, marketability or utility of the Property, or its suitability for any purpose whatsoever. Buyer further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property, and the risk that adverse physical characteristics and conditions, including the presence of Hazardous Materials or substances or other contaminants, may not be revealed by its

investigation. Buyer expressly assumes the risk of all such environmental liabilities and obligations, known or unknown. Buyer also acknowledges that the price reflects and takes into account that the Property is being sold "AS IS". The foregoing release shall be subject to the waiver of unknown claims and Section 1542 of the Civil Code pursuant to Section 2.6.1 of the Agreement.

- ENVIRONMENTAL CLAIMS; INDEMNIFICATION. Clause (e) of Section 5.5.2 of 10. the Agreement is amended to read as follows: "(e) any Environmental Claim regarding the Project, the Property or attributable to any action or failure to act by Buyer Parties except for any Environmental Claim related to or arising from any Hazardous Materials that were on or under the Property prior to the Close of Escrow, any violation of any Law or Environmental Law occurring prior to the Close of Escrow and/or any Hazardous Material Discharge occurring on, under or from the Property prior to the Close of Escrow unless caused by any action of Buyer Parties". For the avoidance of doubt and notwithstanding anything to the contrary in the Agreement, Buyer and Buyer's successors and assigns, expressly including QSR and Sater, shall have no duty to Indemnify the Agency or any Agency Party for any Environmental Claims related to or arising from any Hazardous Materials that were on or under the Property prior to the Close of Escrow, any violation of any Law or Environmental Law occurring prior to the Close of Escrow and/or any Hazardous Material Discharge on, from or under the Property prior to the Close of Escrow unless caused by any action of Buyer Parties. In no event shall any failure of Buyer Parties to remove, remediate, treat or otherwise dispose of any Hazardous Materials that were on or under the Property prior to the Close of Escrow give rise to any duty on the part of Buyer Parties to Indemnify the Agency or any Agency Party for any Environmental Claims related thereto or arising therefrom. Nothing contained in this Section 10 shall be deemed to be in derogation of the releases in favor of Agency and Agency Parties set forth in the Agreement or be deemed to impose upon Agency or the Agency Parties any duty to Indemnify Buyer or Buyer's successors and assigns, expressly including QSR and Sater, for any of the foregoing matters. For further avoidance of doubt, this provision does not change Buyer and Buyers' successors and assigns, expressly including QSR and Sater, release of the Agency from any and all Environmental Claims regarding the Project or Property, whether known or unknown.
- 11. **EFFECT OF AMENDMENT**. Except as expressly provided in this Amendment, all of the terms, conditions, and provisions set forth in the Agreement shall remain in full force and effect. From and after the date of this Amendment, wherever the term "Agreement" appears in the Agreement, it shall be read and understood to mean the Agreement, as amended by this Amendment.
- 12. **AMENDMENT EFFECTIVE DATE**. This Amendment shall be effective on the first date upon which all of the following have occurred: (i) all Parties hereto have signed this Amendment and (ii) Buyer and City have executed an amendment to the City Agreement that is substantially in the form attached hereto as <u>Exhibit I</u>.
- 13. **EXECUTION IN COUNTERPARTS**. This Amendment may be executed in counterparts, each of which shall be deemed an original.

[Signatures on the following page]

# SIGNATURE PAGE TO THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (Beach and Orangewood)

IN WITNESS WHEREOF, Agency and Buyer have signed and entered into this Third Amendment to Purchase and Sale Agreement (Beach and Orangewood) by and through the signatures of their authorized representative(s) set forth below:

AGENCY:	BUYER:
SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic	BEACH AND ORANGEWOOD LLC, a California limited liability company
By:	By: Dan Almquist Manager
ATTEST:	
By: Patricia A. Vazquez City Clerk	
APPROVED AS TO FORM:	
Best Best & Krieger LLP	
By: Matthew E. Richardson Agency Counsel	

# Exhibit A

## Shop Parcel Lot Line Adjustment

## Exhibit B

# Fuel Station/QSR Parcel Lot Line Adjustment

# Exhibit C

# Shop Parcel Right-of-Way Deed

Recording Requested by:
City Clerk of the City of Stanton
WHEN RECORDED MAIL TO:
CITY OF STANTON
7800 Katella Avenue
Stanton, CA 90680
Attention: City Clerk

Free Recording Requested Under Government Code Section 27383,
Document Necessary Due to City Interest
DOCUMENTARY TRANSFER TAX: Exempt pursuant to Revenue and Taxation Code Section 11922

#### RIGHT-OF-WAY DEED

For valuable consideration, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), for itself and its successors and assigns, does hereby grant and dedicate to the CITY OF STANTON, a public body, corporate and politic ("City"), an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes, over, under and across the real property in the City of Stanton, County of Orange, State of California, as described on the attached Exhibit "A", and as shown on the attached Exhibit "B", each incorporated by reference. This grant and dedication extends the right to enter upon and to pass and re-pass over, under and along such real property, and to deposit tools, equipment and materials thereon, by the City, its officers, agents and employees, and by any contractor, its agents and employees engaged by the City, and by any assignee or designee of the City and its respective contractors, agents and employees, whenever and wherever necessary for all the purposes listed above.

Date	ed:, 2017
AGE	ENCY:
	CESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, blic body, corporate and politic
Ву:	James A. Box Executive Director
ATT	EST:
Ву:	Patricia A. Vazquez

City Clerk

APPROVED AS TO FORM:	
Best Best & Krieger LLP	
By: Matthew E. Richardson Agency Counsel ACKI	NOWLEDGMENT
	ting this certificate verifies only the identity of the to which this certificate is attached, and not the document.
State of California	
County of Orange	
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I certify under PENALTY OF PERJUR foregoing paragraph is true and correct	RY under the laws of the State of California that the ct.
WITNESS my hand and official seal.	
Signature	(seal)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	•
County of Orange	
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I certify under PENALTY OF PERJURY foregoing paragraph is true and correct.	under the laws of the State of California that the
WITNESS my hand and official seal.	
Signature	_ (seal)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California		
County of Orange		
Public, personally a basis of satisfactory within instrument a his/her/their author	revidence to the person(s) whe and acknowledged to me the ized capacity(ies) and that be son(s), or the entity upon be	, Notary, who proved to me on the ose name(s) is/are subscribed to the nat he/she/they executed same in by his/her/their signature(s) on the chalf of which the person(s) acted,
I certify under PENA foregoing paragraph		laws of the State of California that the
WITNESS my hand	and official seal.	
Signature		(seal)

#### CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Easement

Deed from the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, is hereby accepted by the CITY OF STANTON, a public body, corporate and politic, and that it consents to the recordation thereof. DATED: \_\_\_\_\_\_, 2017 Allan Rigg, Public Works Director/City Engineer **ACKNOWLEDGMENT** A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. State of California County of Orange On \_\_\_\_\_\_2017, before me, \_\_\_\_\_\_, Notary \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal. Signature \_\_\_\_\_ (seal)

#### **EXHIBIT "A"**

### **LEGAL DESCRIPTION**

Right-of-Way Easement Over Lot 41 of Tract No. 17118

[SEE ATTACHED]

# Exhibit D

# Fuel Station/QSR Parcel Right-of-Way Deed

Recording Requested by:
City Clerk of the City of Stanton
WHEN RECORDED MAIL TO:
CITY OF STANTON
7800 Katella Avenue
Stanton, CA 90680
Attention: City Clerk

Free Recording Requested Under Government Code Section 27383, Document Necessary Due to City Interest

DOCUMENTARY TRANSFER TAX: Exempt pursuant to Revenue and Taxation Code Section 11922

#### **RIGHT-OF-WAY DEED**

For valuable consideration, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), for itself and its successors and assigns, does hereby grant and dedicate to the CITY OF STANTON, a public body, corporate and politic ("City"), an easement and right of way for sidewalk widening and landscaping purposes, including all related public right-of-way purposes, over, under and across the real property in the City of Stanton, County of Orange, State of California, as described on the attached Exhibit "A", and as shown on the attached Exhibit "B", each incorporated by reference. This grant and dedication extends the right to enter upon and to pass and re-pass over, under and along such real property, and to deposit tools, equipment and materials thereon, by the City, its officers, agents and employees, and by any contractor, its agents and employees engaged by the City, and by any assignee or designee of the City and its respective contractors, agents and employees, whenever and wherever necessary for all the purposes listed above.

Date	ed:, 2017
AGE	NCY:
	CESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, blic body, corporate and politic
By: _	James A. Box Executive Director
ATT	EST:
Ву:	Patricia A. Vazquez

City Clerk

APPROVED AS TO FORM:	
Best Best & Krieger LLP	
By: Matthew E. Richardson Agency Counsel	_
ACK	KNOWLEDGMENT
	eting this certificate verifies only the identity of the to which this certificate is attached, and not the at document.
State of California	
County of Orange	
Public, personally appeared basis of satisfactory evidence to the within instrument and acknowledg his/her/their authorized capacity(ies	ore me,, Notary, who proved to me on the person(s) whose name(s) is/are subscribed to the jed to me that he/she/they executed same in s) and that by his/her/their signature(s) on the entity upon behalf of which the person(s) acted,
I certify under PENALTY OF PERJU foregoing paragraph is true and corre	RY under the laws of the State of California that the ect.
WITNESS my hand and official seal.	
Signature	(leas)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	
County of Orange	
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I certify under PENALTY OF PERJURY u foregoing paragraph is true and correct.	nder the laws of the State of California that the
WITNESS my hand and official seal.	
Signature	(seal)

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	
County of Orange	
Public, personally appeared basis of satisfactory evidence to the within instrument and acknowledg his/her/their authorized capacity(ies	person(s) whose name(s) is/are subscribed to the ed to me that he/she/they executed same in and that by his/her/their signature(s) on the ntity upon behalf of which the person(s) acted
I certify under PENALTY OF PERJUI foregoing paragraph is true and corre	RY under the laws of the State of California that the ect.
WITNESS my hand and official seal.	
Signature	(seal)

#### CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Easement

Deed from the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, is hereby accepted by the CITY OF STANTON, a public body, corporate and politic, and that it consents to the recordation thereof. DATED: \_\_\_\_\_\_, 2017 Allan Rigg, Public Works Director/City Engineer **ACKNOWLEDGMENT** A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. State of California County of Orange Public, personally appeared basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted. executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

(seal)

Signature \_\_\_\_\_

#### **EXHIBIT "A"**

#### **LEGAL DESCRIPTION**

# Right-of-Way Easement at Northeast Corner of Beach Boulevard and Orangewood Avenue

[SEE ATTACHED]

## Exhibit E

## Fuel Station Parcel Deed

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INS. CO.

AND WHEN RECORDED MAIL TO:

Mike Sater c/o Sater Oil International, LLC 683 Cliffside Drive San Dimas, CA 91773

Order No. NCS-854020-SA1 (RH)

Assessor's Parcel Nos. 131-691-64 (portion) and 131-691-65

SPACE ABOVE THIS LINE FOR RECORDER'S USE

# GRANT DEED (Beach and Orangewood)

#### **PART ONE**

For valuable consideration, the receipt of which is hereby acknowledged, the Successor Agency to the City of Stanton Redevelopment Agency, a public body, corporate and politic (the "Agency"), hereby grants to MIKE SATER, a married man as his sole and separate property (the "Grantee"), the real property legally described in Exhibit "A" and by this reference incorporated into this Deed (the "Property").

#### **PART TWO**

The grant of the Property by the Agency to the Grantee in Part One is subject to the following community development terms, conditions and covenants:

Property and first arising after the close of escrow under the Agency PSA. The provisions of the Agreements, to the extent pertaining to the Property, are incorporated into this Deed by this reference and are deemed to be a part of this Deed, as though fully set forth in this Deed. This conveyance is subject to all limitations on liability set forth in the Agreements. In no event shall the Agency or the City be liable to Grantee for the performance of, or failure to perform, any of their respective duties or obligations under the Agreements.

Condition of Property. The Grantee acknowledges and agrees Section 2. that the Property is accepted by the Grantee from the Agency in its "AS IS," "WHERE IS" and "SUBJECT TO ALL FAULTS CONDITION," as of the date of recordation of this Deed, with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property, except as otherwise expressly set forth in the Agency PSA, and expressly subject to the releases of environmental claims set forth in the Agreements.

Dated:	SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic
	By: James A. Box Executive Director

a

# EXHIBIT "A" TO GRANT DEED (Beach and Orangewood)

#### **Property Legal Description**

[Attached behind this cover page]

#### **CERTIFICATE OF ACCEPTANCE OF GRANT DEED**

This is to certify that the interest in real property conveyed by the foregoing Grant D	)eed
from the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPME	ENT
AGENCY, a public body, corporate and politic, to MIKE SATER, a married man as his s	sole
and separate property, is hereby accepted by the undersigned, who consents to the recordation	n of
such Grant Deed in the official records of the County of Orange, California.	

MIKE SATER		

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFO	RNIA )	
COUNTY OF	)	
On Public, personally ap	, 2017, before me,	, a Notary
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_	er PENALTY OF PERJURY under the law aph is true and correct.	rs of the State of California that
WITNESS m	y hand and official seal.	
Signature		

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFO	RNIA )	
COUNTY OF	)	
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	r PENALTY OF PERJURY under the laws uph is true and correct.	of the State of California that
WITNESS m	y hand and official seal.	
Signature		

# Exhibit F

# Partial Assumption Agreement (Sater)

#### **Recording Requested By:**

First American Title Insurance Company

#### When Recorded Mail Document To:

Beach and Orangewood LLC 2700 Pacific Coast Highway, 2nd Floor Torrance, CA 90505 Attn: Dan Almquist

File No.: NCS-854020-SA1 (RH)

Assessor's Parcel Nos. 131-691-64 (portion) and 131-691-65

SPACE ABOVE THIS LINE FOR RECORDER'S USE

#### PARTIAL ASSUMPTION AGREEMENT

This PARTIAL ASSUMPTION AGREEMENT (this "<u>Assignment</u>") is made as of \_\_\_\_\_\_, 2017, by and between BEACH AND ORANGEWOOD LLC, a California limited liability company ("<u>Assignor</u>"), and MIKE SATER, an individual ("<u>Assignee</u>").

#### RECITALS

- A. Assignor and the Successor Agency to the Redevelopment Agency for the City of Stanton, a public body, corporate and politic (the "Agency"), are the current parties in interest to that certain Purchase and Sale Agreement (Beach and Orangewood) dated October 29, 2015, as amended by that certain First Amendment to Purchase and Sale Agreement dated February 23, 2017, that certain Second Amendment to Purchase and Sale Agreement dated June 6, 2017, and that certain Third Amendment to Purchase and Sale Agreement dated \_\_\_\_\_\_\_\_, 2017 (as so amended, "Agency PSA"), pursuant to which Assignor has the right to acquire from the Agency 2.892 acres of certain real property generally located at the northeast corner of Beach Boulevard and Orangewood Boulevard in the City of Stanton, California consisting of eleven (11) contiguous and adjacent parcels (APNs 131-691-49, 131-691-50, 131-691-51, 131-691-58, 131-691-59, 131-691-60, 131-691-61, 131-691-62, 131-691-63, 131-691-64, and 131-691-65) (collectively, the "Property"). The Property is more particularly described on Exhibit "A" of the Agency PSA.
- B. As a condition to closing escrow pursuant to the Agency PSA (the "Close of Escrow"), Assignor and the City of Stanton, a public body, corporate and politic (the "City"), entered into that certain Agreement Affecting Real Property (Beach and Orangewood) dated as of February 23, 2017, as amended (together with the Agency PSA, the "Agreements"), which, among other things, governs the development of, and places various restrictions upon, the Property.
- C. Assignor and Assignee are the parties to that certain Purchase Agreement and Escrow Instructions, dated as of June 6, 2017, as amended by that certain First Amendment to

Purchase Agreement and Escrow Instructions, dated as of August 21, 2017 (the "Assignee PSA"), pursuant to which Assignee is acquiring a parcel of property located at the NEC of Beach Boulevard and Orangewood Avenue in the City of Stanton, California ("Assignee's Property"). Assignee's Property is a portion of the Property, and is more particularly described on Exhibit "A" attached hereto.

- D. The Property (including Assignee's Property) is and shall remain subject to the Agreements following the Close of Escrow and the recordation of the deeds thereto, and Assignor has and shall continue to have various duties and obligations under the Agreements following the Close of Escrow.
- E. Assignor now desires to delegate to Assignee all of Assignor's duties and obligations under the Agreements to the extent pertaining to Assignee's Property and first arising after the Close of Escrow, and Assignee has agreed to assume all of such Assignor's duties and obligations under the Agreements to the extent pertaining to Assignee's Property, in each case subject to the terms set forth herein.
- F. Capitalized terms used herein but not otherwise defined shall have the meanings given such terms in the Agreements.

#### **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

- 1. <u>Delegation</u>. Subject to Paragraph 3 below, Assignor hereby delegates to Assignee all of Assignor's duties and obligations under the Agreements to the extent pertaining to Assignee's Property that first arise after the Close of Escrow.
- 2. <u>Assumption</u>. Except as may otherwise be provided in Paragraph 3 below, Assignee hereby agrees to and accepts the delegation set forth in Paragraph 1 above, expressly assumes all duties and obligations of Assignor under the Agreements to the extent pertaining to Assignee's Property and that first arise after the Close of Escrow, agrees that Assignee and Assignee's Property are subject to all of the provisions of the Agreements applicable to Assignee's Property, and hereby agrees to keep, perform, fulfill and be bound by all of the terms, covenants, obligations, duties, liabilities and conditions required to be kept, performed and fulfilled by Assignor under or with respect to the Agreements to the extent pertaining to Assignee's Property.

#### 3. Reservations, Exceptions and Additional Agreements.

a. <u>Amendment and Termination of Agreements</u>. Assignee shall not seek or agree to any amendment or modification to, or termination of, the Agreements, or either of them, without the prior written approval of Assignor, which approval Assignor may grant or withhold in its sole and absolute discretion or grant subject to conditions imposed by Assignor in its sole and absolute discretion.

- Indemnification. Assignee shall Indemnify Assignor and Assignor's directors, officers, employees, agents, shareholders, members, managers and partners from and against any and all claims, losses (including, without limitation, Environmental Losses), costs, damages, expenses, liabilities, liens, actions, causes of action (whether in tort, contract, under statute, at law, in equity or otherwise), judgments, charges, awards, assessments, fines and penalties of any kind (including reasonable attorneys' fees, court costs and expenses and consultant and expert witness fees and expenses of whatever kind or nature) (collectively, "Claims") to the extent any such Claim arises from or relates to (i) any act committed by, or any failure to act (when action is required by Law or pursuant to either or both of the Agreements) by, Assignee or any of Assignee's directors, officers, employees, agents, contractors, shareholders, members, managers or partners (all of the foregoing, together with Assignee, the "Assignee Parties"); (ii) any violation of applicable Law by any of the Assignee Parties; (iii) Assignee's breach of or default under either of the Agreements or this Assignment; (iv) the failure of Assignee's Property to comply with any condition or requirement imposed upon it by either of the Agreements or applicable Law; or (v) any other matter, to the extent pertaining to Assignee or Assignee's Property, for which Assignor is required to Indemnify the City Parties or the Agency Parties under either or both of the Agreements.
- Assignee shall at all times reasonably cooperate with Assignor in the performance of the Agreements, and Assignee further agrees not to commit any act or omission that would result in or constitute a breach of or default under either of the Agreements. Assignee acknowledges and agrees that breach of either of the Agreements or this Assignment by Assignee may cause Assignor irreparable harm and that monetary damages may not be fully adequate to compensate Assignor for any such breach. Assignee therefore agrees that, in the event of a breach or potential breach of either of the Agreements or this Assignment by Assignee, Assignor will be entitled to seek extraordinary relief in court, including but not limited to temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security and in addition to and without prejudice to any other rights or remedies that Assignor may have at law or in equity for any breach of either of the Agreements or this Assignment.
- d. Actions by Assignee. Assignee agrees that it shall not make or file any claim, suit or action against the City or the Agency in connection with the Agreements, the Project or Assignee's Property, without the prior written approval of Assignor, which approval Assignor may grant or withhold in its sole and absolute discretion or grant subject to conditions imposed by Assignor in its sole and absolute discretion. In the event any such claim, suit or action thereafter proceeds, Assignor shall have a right to reasonably participate therein (including without limitation by intervention in any suit or action if so elected by Assignor) and in any settlement or resolution of such matter. In no event shall Assignee agree or consent to any settlement or resolution of any such claim, suit or action without the prior written approval of Assignor if such settlement or resolution will affect any portion of the Property (other than Assignee's Property) or any rights of Assignor or other parties (other than Assignee) under the Agreements or any of the Project Approvals. Any such approval of Assignor may be granted or withheld in Assignor's sole and absolute discretion.

#### 4. Release of Environmental Claims.

- a. Assignee hereby acknowledges receipt of, and unconditionally accepts and approves all matters, conditions and circumstances disclosed or referenced in: (i) the Phase I Environmental Site Assessment prepared by Terrax Environmental Inc. dated August, 2016; (ii) the Phase II Soil and Soil Vapor Site Investigation prepared by Terrax Environmental Inc. dated September 27, 2016; (iii) The Phase II Groundwater and Expanded Soil Vapor Site Investigation prepared by Terrax Environmental Inc. dated June 16, 2017, and (iv) the No Further Action Certification dated August 20, 2012, provided by the County of Orange Health Care Agency regarding the former Beachwood Plaza Cleaners (OCHCA Case #06IC020), including without limitation the former Insta-Tune & Lube LUST Site (OCHCA Case #91UT056).
- Assignee represents and warrants that Assignee has conducted such b. investigation of the Property, including, but not limited to, the physical and environmental conditions thereof, as Assignee deems necessary or desirable to satisfy Assignee as to the condition of the Property and the existence or nonexistence of curative action to be taken with respect to any Hazardous Materials or substances. Upon the Close of Escrow, Assignee expressly assumes the risk that adverse matters, including, but not limited to, subsurface defects and adverse physical and environmental conditions, obligations, costs and liabilities, may not have been revealed by Assignee's investigation. Upon the Close of Escrow, Assignee shall be deemed to have waived, relinquished and released the Agency and City (and their respective employees, attorneys, representatives and agents), from and against any and all known or unknown, claims, demands, causes of action (including, without limitation, causes of action in tort, for contribution or indemnity), losses, damages, liabilities, obligations, costs and expenses (including reasonable attorneys' and experts' fees and costs) of any kind or character, including, without limitation, all those arising out of environmental conditions, liabilities, or obligations (under federal, state, or local environmental statute, regulation, ordinance, or program) in anyway relating to or arising from the Property, which Assignee could or might have asserted or alleged against the Agency or the City (and their respective employees, attorneys, representatives and agents) at any time by reason of or arising out of any latent or patent defect or physical or environmental condition or liabilities, violations of any applicable statutes, regulations, ordinances, programs or laws and any and all other acts, omissions, events circumstances or matters regarding the Property. The Agency and the City (and their respective employees, attorneys, representatives and agents), are hereby released from all responsibility and liability to Assignee regarding the condition (including the presence in the soil, air, soil vapor, or groundwater of Hazardous Materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable, or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, marketability or utility of the Property, or its suitability for any purpose whatsoever. Assignee further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property, and the risk that adverse physical characteristics and conditions, including the presence of Hazardous Materials or substances or other contaminants, may not be revealed by its investigation. Assignee expressly assumes the risk of all such environmental liabilities and obligations, known or unknown.
- c. In connection with the releases set forth above, as part of Assignee's agreement to purchase and accept the Property "AS-IS, WHERE-IS," and "WITH ALL

FAULTS", but not as a limitation thereon, Assignee hereby agrees, represents and warrants that the matters released herein are not limited to matters which are known, and Assignee hereby waives any and all rights and benefits which Assignee now has, or in the future may have conferred upon Assignee, by virtue of the provisions of Section 1542 of the Civil Code of the State of California or any similar statute, law, rule or regulation of any other state. Assignee acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

- "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTION OF THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."
- d. Assignee hereby expressly confirms and agrees that the Agency and the City are express third party beneficiaries of the release provisions set forth above and that such release provisions expressly extend to and cover soil, air soil vapor and groundwater. The foregoing releases by and obligations of Assignee shall survive the Close of Escrow and the recordation of the grant deed.
- 5. <u>Further Acts</u>. Assignor and Assignee each agree to do such further acts and things and to execute and deliver such additional agreements and instruments as may reasonably be required to consummate, evidence or confirm the assignments and agreements contained herein.
- 6. <u>Governing Law.</u> The validity, interpretation and performance of this Assignment shall be controlled by and construed under the laws of the State of California.
- 7. Attorneys' Fees. Should any dispute arise between the parties hereto or their legal representatives, successors or assigns concerning any provision of this Assignment or the rights and duties of any person in relation thereto, the party prevailing in such dispute shall be entitled, in addition to such other relief that may be granted, to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute.
- 8. <u>Severability</u>. In the event that any provision of this Assignment shall be unenforceable or inoperative as a matter of law, the remaining provisions shall remain in full force and effect.
- 9. <u>Successors and Assigns</u>. This Assignment shall be binding upon and inure to the benefit the parties hereto and their respective successors and assigns.
- 10. <u>Counterparts</u>. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 11. <u>Amendment</u>. This Assignment may only be amended or modified by a written instrument executed by all of the parties hereto.

IN WITNESS WHEREOF, the parties have each executed this Assignment as of the date first written above.

ASSIGNOR:
BEACH AND ORANGEWOOD LLC, a California limited liability company
By:
ASSIGNEE:
MIKE SATER

# EXHIBIT "A" TO PARTIAL ASSUMPTION AGREEMENT

## **Legal Description of Assignee's Property**

[to be attached behind this cover page]

STATE OF CALIFORNIA	<b>(</b> )
COUNTY OF ORANGE	)
appeared DAN ALMQUIS person(s) whose name(s) is he/she/they executed the sa	, 2017, before me, JENNY AMARAL, a Notary Public, personally ST, who proved to me on the basis of satisfactory evidence to be the s/are subscribed to the within instrument and acknowledged to me that ame in his/her/their authorized capacity(ies), and that by his/her/their then the person(s), or the entity upon behalf of which the person(s) ment.
I certify under PEN the foregoing paragraph is	NALTY OF PERJURY under the laws of the State of California that true and correct.
WITNESS my hand	d and official seal.
Signature	

STATE OF CALIFORN	IA )	
	)	
COUNTY OF	)	
On	, 2017, before me,	, a Notary
Public, personally appea	red MIKE SATER, who prove	, a Notary d to me on the basis of satisfactory
		cribed to the within instrument and
acknowledged to me tha	t he/she/they executed the sam	e in his/her/their authorized capacity(ies),
		the person(s), or the entity upon behalf of
	d, executed the instrument.	
I certify under PI	ENALTY OF PERJURY under	the laws of the State of California that
the foregoing paragraph	is true and correct.	
		<b>.</b>
WITNESS my ha	and and official seal.	
•	•	
Signature		

## Exhibit G

## QSR Parcel Deed

[attached]

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INS. CO.

AND WHEN RECORDED MAIL TO:

QSR Investments, LLC 32 Edelman Irvine, CA 92618 Attn: Ziad Boukai

Order No. NCS-829126-SA1 (RH)

Assessor's Parcel No. 131-691-64 (portion)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## GRANT DEED (Beach and Orangewood)

#### **PART ONE**

For valuable consideration, the receipt of which is hereby acknowledged, the Successor Agency to the City of Stanton Redevelopment Agency, a public body, corporate and politic (the "Agency"), hereby grants to QSR INVESTMENTS, LLC, a California limited liability company (the "Grantee"), the real property legally described in Exhibit "A" and by this reference incorporated into this Deed (the "Property").

#### **PART TWO**

The grant of the Property by the Agency to the Grantee in Part One is subject to the following community development terms, conditions and covenants:

Section 1. Conveyance Subject to Terms of A	<b>Agreements.</b> The Property is
conveyed subject to (i) that certain Purchase and Sale Agreement,	dated as of October 29, 2015,
by and between Beach and Orangewood LLC, a California 1	limited liability company (as
successor-in-interest (by assignment) to Frontier Real Estate Ir	vestments LLC, a California
limited liability company) ("Beach and Orangewood LLC"), and	Agency, as amended by that
certain First Amendment to Purchase and Sale Agreement dated I	February 23, 2017, that certain
Second Amendment to Purchase and Sale Agreement dated June	6, 2017 and that certain Third
Amendment to Purchase and Sale Agreement dated	, 2017 (the "Agency PSA").
and (ii) that certain Agreement Affecting Real Property (Beach	
February 23, 2017, by and between Beach and Orangewood LI	C and the City of Stanton, a
public body, corporate and politic (the "City"), as amended (toget	ther with the Agency PSA, the
"Agreements"). Grantee, pursuant to that certain Partial Assumpti	on Agreement by and between
Grantee and Beach and Orangewood LLC dated , 201	7, and recorded in the Official
Records of the County of Orange concurrently herewith, has	assumed all obligations and

liabilities of Beach and Orangewood LLC under the Agreements to the extent pertaining to the Property and first arising after the close of escrow under the Agency PSA. The provisions of the Agreements, to the extent pertaining to the Property, are incorporated into this Deed by this reference and are deemed to be a part of this Deed, as though fully set forth in this Deed. This conveyance is subject to all limitations on liability set forth in the Agreements. In no event shall the Agency or the City be liable to Grantee for the performance of, or failure to perform, any of their respective duties or obligations under the Agreements.

Section 2. Condition of Property. The Grantee acknowledges and agrees that the Property is accepted by the Grantee from the Agency in its "AS IS," "WHERE IS" and "SUBJECT TO ALL FAULTS CONDITION," as of the date of recordation of this Deed, with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property, except as otherwise expressly set forth in the Agency PSA, and expressly subject to the releases of environmental claims set forth in the Agreements.

Dated:	SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic	
	By:	

**Executive Director** 

# EXHIBIT "A" TO GRANT DEED (Beach and Orangewood)

#### **Property Legal Description**

[Attached behind this cover page]

#### **CERTIFICATE OF ACCEPTANCE OF GRANT DEED**

This is to certify that the interest in real property conveyed by the foregoing Grant Deed from the SUCCESSOR AGENCY TO THE CITY OF STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, to QSR INVESTMENTS, LLC, a California limited liability company, is hereby accepted by the undersigned, who consents to the recordation of such Grant Deed in the official records of the County of Orange, California.

QSR INVESTMENTS, LLC, a California limited liability company		
By:_	Ziad Boukai, Manager	
Ву:_	Amer Boukai, Manager	

STATE OF CALIFOR	NIA )	
COUNTY OF	)	
personally appeared to be the person(s) who to me that he/she/they	, who proved to see name(s) is/are subscribed to executed the same in his/her/th s) on the instrument the person	, a Notary Public, o me on the basis of satisfactory evidence the within instrument and acknowledged eir authorized capacity(ies), and that by (s), or the entity upon behalf of which the
I certify under leading the foregoing paragrap		er the laws of the State of California that
WITNESS my	hand and official seal.	
Signature		

STATE OF CALIFO	ORNIA )	
	)	
COUNTY OF	)	
On	, 2017, before me,	, a Notary
Public, personally ap	opeared	, who
subscribed to the wiin his/her/their author	basis of satisfactory evidence to be the person thin instrument and acknowledged to me that prized capacity(ies), and that by his/her/their entity upon behalf of which the person(s) ac	at he/she/they executed the same signature(s) on the instrument
	er PENALTY OF PERJURY under the laws raph is true and correct.	of the State of California that
WITNESS n	ny hand and official seal.	
Signature		

STATE OF CALIF	FORNIA )	
COUNTY OF	<u> </u>	
On	, 2017, before me,	, a Notary
Dublia namonally	annonal	1
subscribed to the v in his/her/their auti the person(s), or th	the basis of satisfactory evidence to be the person that it is trument and acknowledged to me that horized capacity(ies), and that by his/her/their the entity upon behalf of which the person(s) acknowledged.	at he/she/they executed the same signature(s) on the instrument eted, executed the instrument.
	der PENALTY OF PERJURY under the laws graph is true and correct.	of the State of California that
WITNESS	my hand and official seal.	
Signature		

## Exhibit H

## Partial Assumption Agreement (QSR)

[attached]

#### **Recording Requested By:**

First American Title Insurance Company

#### When Recorded Mail Document To:

Beach and Orangewood LLC 2700 Pacific Coast Highway, 2nd Floor Torrance, CA 90505 Attn: Dan Almquist

File No.: NCS-829126-SA1 (RH)

Assessor's Parcel Number: 131-691-64 (portion)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

#### PARTIAL ASSUMPTION AGREEMENT

This PARTIAL ASSUMPTION AGREEMENT (this "Assignment") is made as of \_\_\_\_\_\_, 2017, by and between BEACH AND ORANGEWOOD LLC, a California limited liability company ("Assignor"), and QSR INVESTMENTS, LLC, a California limited liability company ("Assignee").

#### **RECITALS**

- B. As a condition to closing escrow pursuant to the Agency PSA (the "Close of Escrow"), Assignor and the City of Stanton, a public body, corporate and politic (the "City"), entered into that certain Agreement Affecting Real Property (Beach and Orangewood) dated as of February 23, 2017, as amended (together with the Agency PSA, the "Agreements"), which, among other things, governs the development of, and places various restrictions upon, the Property.

- C. Assignor and Assignee are the parties to that certain Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated December 21, 2016, as amended by that certain First Amendment to Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated January 27, 2017, as further amended by that certain Second Amendment to Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated February 10, 2017, as further amended by that certain Third Amendment to Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated February 27, 2017, and as further amended by that certain Fourth Amendment to Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated August 21, 2017 (the "Assignee PSA"), pursuant to which Assignee is acquiring a parcel of property located near the NEC of Beach Boulevard and Orangewood Avenue in the City of Stanton, California ("Assignee's Property"). Assignee's Property is a portion of the Property, and is more particularly described on Exhibit "A" attached hereto.
- D. The Property (including Assignee's Property) is and shall remain subject to the Agreements following the Close of Escrow and the recordation of the deeds thereto, and Assignor has and shall continue to have various duties and obligations under the Agreements following the Close of Escrow.
- E. Assignor now desires to delegate to Assignee all of Assignor's duties and obligations under the Agreements to the extent pertaining to Assignee's Property and first arising after the Close of Escrow, and Assignee has agreed to assume all of such Assignor's duties and obligations under the Agreements to the extent pertaining to Assignee's Property, in each case subject to the terms set forth herein.
- F. Capitalized terms used herein but not otherwise defined shall have the meanings given such terms in the Agreements.

#### **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

- 1. <u>Delegation</u>. Subject to Paragraph 3 below, Assignor hereby delegates to Assignee all of Assignor's duties and obligations under the Agreements to the extent pertaining to Assignee's Property that first arise after the Close of Escrow.
- 2. <u>Assumption</u>. Except as may otherwise be provided in Paragraph 3 below, Assignee hereby agrees to and accepts the delegation set forth in Paragraph 1 above, expressly assumes all duties and obligations of Assignor under the Agreements to the extent pertaining to Assignee's Property and that first arise after the Close of Escrow, agrees that Assignee and Assignee's Property are subject to all of the provisions of the Agreements applicable to Assignee's Property, and hereby agrees to keep, perform, fulfill and be bound by all of the terms, covenants, obligations, duties, liabilities and conditions required to be kept, performed and fulfilled by Assignor under or with respect to the Agreements to the extent pertaining to Assignee's Property.
  - 3. Reservations, Exceptions and Additional Agreements.

- a. <u>Amendment and Termination of Agreements</u>. Assignee shall not seek or agree to any amendment or modification to, or termination of, the Agreements, or either of them, without the prior written approval of Assignor, which approval Assignor may grant or withhold in its sole and absolute discretion or grant subject to conditions imposed by Assignor in its sole and absolute discretion.
- b. Indemnification. Assignee shall Indemnify Assignor and Assignor's directors, officers, employees, agents, shareholders, members, managers and partners from and against any and all claims, losses (including, without limitation, Environmental Losses), costs, damages, expenses, liabilities, liens, actions, causes of action (whether in tort, contract, under statute, at law, in equity or otherwise), judgments, charges, awards, assessments, fines and penalties of any kind (including reasonable attorneys' fees, court costs and expenses and consultant and expert witness fees and expenses of whatever kind or nature) (collectively, "Claims") to the extent any such Claim arises from or relates to (i) any act committed by, or any failure to act (when action is required by Law or pursuant to either or both of the Agreements) by, Assignee or any of Assignee's directors, officers, employees, agents, contractors, shareholders, members, managers or partners (all of the foregoing, together with Assignee, the "Assignee Parties"); (ii) any violation of applicable Law by any of the Assignee Parties; (iii) Assignee's breach of or default under either of the Agreements or this Assignment; (iv) the failure of Assignee's Property to comply with any condition or requirement imposed upon it by either of the Agreements or applicable Law; or (v) any other matter, to the extent pertaining to Assignee or Assignee's Property, for which Assignor is required to Indemnify the City Parties or the Agency Parties under either or both of the Agreements.
- c. <u>Cooperation: Injunctive Relief.</u> Without limiting Paragraph 2 above, Assignee shall at all times reasonably cooperate with Assignor in the performance of the Agreements, and Assignee further agrees not to commit any act or omission that would result in or constitute a breach of or default under either of the Agreements. Assignee acknowledges and agrees that breach of either of the Agreements or this Assignment by Assignee may cause Assignor irreparable harm and that monetary damages may not be fully adequate to compensate Assignor for any such breach. Assignee therefore agrees that, in the event of a breach or potential breach of either of the Agreements or this Assignment by Assignee, Assignor will be entitled to seek extraordinary relief in court, including but not limited to temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security and in addition to and without prejudice to any other rights or remedies that Assignor may have at law or in equity for any breach of either of the Agreements or this Assignment.
- d. Actions by Assignee. Assignee agrees that it shall not make or file any claim, suit or action against the City or the Agency in connection with the Agreements, the Project or Assignee's Property, without the prior written approval of Assignor, which approval Assignor may grant or withhold in its sole and absolute discretion or grant subject to conditions imposed by Assignor in its sole and absolute discretion. In the event any such claim, suit or action thereafter proceeds, Assignor shall have a right to reasonably participate therein (including without limitation by intervention in any suit or action if so elected by Assignor) and in any settlement or resolution of such matter. In no event shall Assignee agree or consent to any settlement or resolution of any such claim, suit or action without the prior written approval of

Assignor if such settlement or resolution will affect any portion of the Property (other than Assignee's Property) or any rights of Assignor or other parties (other than Assignee) under the Agreements or any of the Project Approvals. Any such approval of Assignor may be granted or withheld in Assignor's sole and absolute discretion.

#### 4. Release of Environmental Claims.

- a. Assignee hereby acknowledges receipt of, and unconditionally accepts and approves all matters, conditions and circumstances disclosed or referenced in: (i) the Phase I Environmental Site Assessment prepared by Terrax Environmental Inc. dated August, 2016; (ii) the Phase II Soil and Soil Vapor Site Investigation prepared by Terrax Environmental Inc. dated September 27, 2016; (iii) The Phase II Groundwater and Expanded Soil Vapor Site Investigation prepared by Terrax Environmental Inc. dated June 16, 2017, and (iv) the No Further Action Certification dated August 20, 2012, provided by the County of Orange Health Care Agency regarding the former Beachwood Plaza Cleaners (OCHCA Case #06IC020), including without limitation the former Insta-Tune & Lube LUST Site (OCHCA Case #91UT056).
- Assignee represents and warrants that Assignee has conducted such investigation of the Property, including, but not limited to, the physical and environmental conditions thereof, as Assignee deems necessary or desirable to satisfy Assignee as to the condition of the Property and the existence or nonexistence of curative action to be taken with respect to any Hazardous Materials or substances. Upon the Close of Escrow, Assignee expressly assumes the risk that adverse matters, including, but not limited to, subsurface defects and adverse physical and environmental conditions, obligations, costs and liabilities, may not have been revealed by Assignee's investigation. Upon the Close of Escrow, Assignee shall be deemed to have waived, relinquished and released the Agency and City (and their respective employees, attorneys, representatives and agents), from and against any and all known or unknown, claims, demands, causes of action (including, without limitation, causes of action in tort, for contribution or indemnity), losses, damages, liabilities, obligations, costs and expenses (including reasonable attorneys' and experts' fees and costs) of any kind or character, including, without limitation, all those arising out of environmental conditions, liabilities, or obligations (under federal, state, or local environmental statute, regulation, ordinance, or program) in anyway relating to or arising from the Property, which Assignee could or might have asserted or alleged against the Agency or the City (and their respective employees, attorneys, representatives and agents) at any time by reason of or arising out of any latent or patent defect or physical or environmental condition or liabilities, violations of any applicable statutes, regulations, ordinances, programs or laws and any and all other acts, omissions, events circumstances or matters regarding the Property. The Agency and the City (and their respective employees, attorneys, representatives and agents), are hereby released from all responsibility and liability to Assignee regarding the condition (including the presence in the soil, air, soil vapor, or groundwater of Hazardous Materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable, or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, marketability or utility of the Property, or its suitability for any purpose whatsoever. Assignee further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property, and the risk that adverse physical characteristics and conditions, including the

presence of Hazardous Materials or substances or other contaminants, may not be revealed by its investigation. Assignee expressly assumes the risk of all such environmental liabilities and obligations, known or unknown.

- c. In connection with the releases set forth above, as part of Assignee's agreement to purchase and accept the Property "AS-IS, WHERE-IS," and "WITH ALL FAULTS", but not as a limitation thereon, Assignee hereby agrees, represents and warrants that the matters released herein are not limited to matters which are known, and Assignee hereby waives any and all rights and benefits which Assignee now has, or in the future may have conferred upon Assignee, by virtue of the provisions of Section 1542 of the Civil Code of the State of California or any similar statute, law, rule or regulation of any other state. Assignee acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:
- "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTION OF THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."
- d. Assignee hereby expressly confirms and agrees that the Agency and the City are express third party beneficiaries of the release provisions set forth above and that such release provisions expressly extend to and cover soil, air, soil vapor and groundwater. The foregoing releases by and obligations of Assignee shall survive the Close of Escrow and the recordation of the grant deed.
- 5. <u>Further Acts</u>. Assignor and Assignee each agree to do such further acts and things and to execute and deliver such additional agreements and instruments as may reasonably be required to consummate, evidence or confirm the assignments and agreements contained herein.
- 6. <u>Governing Law.</u> The validity, interpretation and performance of this Assignment shall be controlled by and construed under the laws of the State of California.
- 7. Attorneys' Fees. Should any dispute arise between the parties hereto or their legal representatives, successors or assigns concerning any provision of this Assignment or the rights and duties of any person in relation thereto, the party prevailing in such dispute shall be entitled, in addition to such other relief that may be granted, to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute.
- 8. <u>Severability</u>. In the event that any provision of this Assignment shall be unenforceable or inoperative as a matter of law, the remaining provisions shall remain in full force and effect.
- 9. <u>Successors and Assigns</u>. This Assignment shall be binding upon and inure to the benefit the parties hereto and their respective successors and assigns.

- 10. <u>Counterparts</u>. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 11. <u>Amendment</u>. This Assignment may only be amended or modified by a written instrument executed by all of the parties hereto.

[signature page follows]

IN WITNESS WHEREOF, the parties have each executed this Assignment as of the date first written above.

ASSIGNOR:		
BEACH AND ORANGEWOOD LLC, a California limited liability company		
By:		
Dan Almquist, Manager		
ASSIGNEE:		
QSR INVESTMENTS, LLC,		
a California limited liability company		
By:		
Ziad Boukai, Manager		
By:		
Amer Boukai, Manager		

## EXHIBIT "A" TO PARTIAL ASSUMPTION AGREEMENT

## Legal Description of Assignee's Property

[to be attached behind this cover page]

STATE OF CALIFORNIA )
COUNTY OF ORANGE )
On, 2017, before me, JENNY AMARAL, a Notary Public, personally appeared DAN ALMQUIST, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.
Signature

STATE OF CALIFO	RNIA )	
COUNTY OF	) 	
On	, 2017, before me,	, a Notary
Public, personally ap	peared	, who
subscribed to the wit in his/her/their autho	basis of satisfactory evidence to be the perso hin instrument and acknowledged to me that rized capacity(ies), and that by his/her/their entity upon behalf of which the person(s) act	he/she/they executed the sam signature(s) on the instrument
	r PENALTY OF PERJURY under the laws apply is true and correct.	of the State of California that
WITNESS m	y hand and official seal.	
Signature		,

STATE OF CALIFO	ORNIA )	
COUNTY OF	)	
On	, 2017, before me,	, a Notary
Public, personally ap	ppeared	, who
subscribed to the wit in his/her/their autho	basis of satisfactory evidence to be the personal instrument and acknowledged to me that by his/her/their entity upon behalf of which the person(s) according to the person of the perso	at he/she/they executed the same signature(s) on the instrument
_	or PENALTY OF PERJURY under the laws aph is true and correct.	of the State of California that
WITNESS m	y hand and official seal.	
Signature		

## Exhibit I

## Amendment to City Agreement

[attached]

## **CITY OF STANTON**

## REPORT TO CITY COUNCIL

TO:

The second second

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT:

APPROVE INFORMATION TECHNOLOGY SUPPORT SERVICES

**AGREEMENT** 

#### REPORT IN BRIEF:

The City recently issued an RFP for Comprehensive Information Technology Services. The three highest-rated responding vendors were brought in for a panel interview, with C3 Technology Services being the recommended vendor from the interview. The contract for consideration is for a term of three years with two mutual two-year extension options.

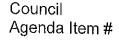
#### RECOMMENDED ACTION:

That City Council

- 1) Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060 (c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.
- 2) Authorize the City Manager to sign the Agreement for Consultant Services with C3 Technology Services to award the contract for comprehensive information technology services for three years with a not to exceed amount of \$100,094.40.

#### **BACKGROUND:**

Since 1999 the City has been contracting with the Brea IT/City of Brea to provide Comprehensive Information Technology (IT) Services. Prior to 2012, annual contracts were approved by the City Manager, with Brea IT selected as the winning vendor of a 2012 RFP for the subsequent five years. Brea IT's contract is set to expire at the end of September, 2017.





#### ANALYSIS/JUSTIFICATION:

Best practices recommend comparing costs for long-term vendors against alternative options. As such, staff initiated a Request for Proposal ("RFP") for comprehensive information technology (IT) services on July 20, 2017. The Request For Proposal was submitted to all the vendors that had been in contact with the city regarding IT services in the last year as well as other recommended vendors.

In all, seven companies were provided with the RFP. The City received four responses, and of the four, the evaluation committee narrowed down the options to three vendors based on criteria identified in the RFP including Experience and Resources, Project Approach, Experience of Key Personnel, Cost of Services, Reference List and Presentation of Proposal. Those three vendors – Knight Communication, Brea IT and C3 Technology Services – were brought in for oral interviews with a panel comprised of Stephen Parker, Administrative Services Director, Cynthia Guzman, Human Resources Specialist and Brian Dean, a partner at a local IT service-providing vendor, The Technology Depot, Inc. While all three vendors were qualified, based on the firms' proposals and responses during the oral interviews staff is recommending C3 Technology Services to provide the City with comprehensive information technology services over the next three years, with two mutual two-year options. C3 Technology Services was selected as the winning vendor from the RFP process due to their focus on cyber security, approach to forward planning and cost of services.

C3 Technology Services has been in business in Southern California since 1994. They provide state of the art, high speed IT help desk and IT security services. C3 Technology Services cost proposal for the first year is a fixed \$2,520 a month, which is based on the number of desktop PCs, laptops, physical and virtual servers rather than an hourly rate as the city has previously been billed. C3's rate includes unlimited help desk support (including field visits as necessary). The \$30,240 total is much less than the \$44,000+ the city spent for Brea IT in FY 16/17, and was the least expensive of the three options the City considered.

#### **FISCAL IMPACT:**

Sufficient funds for this contract are included in the Information Technology Budget – 101-1510-608145.

#### **ENVIRONMENTAL IMPACT:**

Not applicable.

#### **PUBLIC NOTIFICATION:**

Through the normal agenda process.

#### STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Government

Prepared by:

Reviewed by:

Stephen M. Parker, CPA

Administrative Services Director

James A. Box City Manager

V

Attachment A: Agreement for Consulting Services with C3 Technology Services for Comprehensive Information Technology Services

#### AGREEMENT FOR CONSULTANT SERVICES

**THIS AGREEMENT**, is made and effective as of September 12, 2017 between the City of Stanton, a California Municipal Corporation ("City") and C3 Technology Services, ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

#### 1. TERM

This Agreement shall commence on September 26, 2017 and shall remain and continue in effect until tasks described herein are completed, but in no event later than October 1, 2020 unless sooner terminated pursuant to the provisions of this Agreement. Prior to the expiration of this agreement on October 1, 2020, the City may in its sole discretion extend this agreement for two additional two-year periods upon terms acceptable to the City.

#### 2. **SERVICES**

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. When available, a more detailed work program shall be attached and incorporated into this agreement as a separate exhibit.

#### 3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

#### 4. CITY MANAGEMENT

City's Director of Administrative Services shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to Consultant. City's City Manager shall be authorized to act on City's behalf and to execute all necessary documents that enlarge the Tasks to Be Performed or change Consultant's compensation, subject to Section 5 hereof.

#### 5. PAYMENT

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth herein,

attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed one hundred thousand ninety-four dollars and forty cents (\$100,094.40) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

- (b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed ten percent (10%) of the amount of the Agreement, but in no event shall such sum exceed ten thousand dollars (\$10,000.00). Any additional work in excess of this amount shall be approved by the City Council.
- (c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

#### 6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- (b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 3.

#### 7. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work

performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

#### 8. OWNERSHIP OF DOCUMENTS

- (a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.
- (b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. However, use of data by City for other than the project that is the subject of this agreement shall be at City's sole risk without legal liability or exposure to Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

#### 9. **INDEMNIFICATION**

- (a) Indemnification for Professional Liability. Where the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City, and any and all of its officials, employees and agents (collectively "Indemnified Parties"), from and against any and all claims. complaints. liabilities. obligations, charges. promises, agreements, controversies, costs, losses, debts, expenses, damages, actions, causes of action, suits, rights, and demands of any nature whatsoever, including but not limited to the extent same are caused or contributed to in whole or in part which relate to or arise out of any negligent, intentional or willful act, omission, occurrence, condition, event, transaction, or thing which was done, occurred, or omitted to be done (collectively "Claims"), by Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement without regard to whether such Claims arise under the federal, state, or local constitutions, statutes, rules or regulations, or the common law. With respect to the design of public improvements, the Consultant shall not be liable for any injuries or property damage resulting from the reuse of the design at a location other than that specified in Exhibit A without the written consent of the Consultant.
- (b) Indemnification for Other Than Professional Liability. In addition to indemnification related to the performance of professional services and to the full extent permitted by law, Consultant shall further indemnify, protect, defend and hold harmless the City and Indemnified Parties from and against any liability (including Claims) where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.
- (c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements which indemnify, protect, defend and hold harmless the City from liability, with provisions identical to those set forth here in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required, this failure shall be a material breach of this Agreement, and Consultant agrees to be fully responsible according to the terms of this entire Section 9. City has no obligation to ensure compliance with this Section by Consultant and failure to do so will in no way act as a waiver. This obligation to indemnify and defend City is binding on the successors, assigns or heirs of Consultant, and shall survive the termination of this Agreement or this section.

(d) Obligation to Defend. It shall be the sole responsibility and duty of Consultant to fully pay for and indemnify the City for the costs of defense, including but not limited to reasonable attorney's fees and costs, for all Claims against the City and the Indemnified Parties, whether covered or uncovered by Consultant's insurance, against the City and the Indemnified Parties which arise out of any type of omission or error, negligent or wrongful act, of Consultant, its officers, agents, employees, or subcontractors. City shall have the right to select defense counsel.

#### 10. ATTORNEY'S FEES

If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

#### 11. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this Agreement.

#### 12. INDEPENDENT CONSULTANT

- (a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.
- (b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

#### 13. **LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations, which in any manner affect those employed by it or in any way, affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

#### 14. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City of Stanton in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City of Stanton will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

#### 15. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

#### 16. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

- (a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or sub consultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.
- (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or sub consultants be served with any summons,

complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

#### 17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:

City of Stanton 7800 Katella Ave

Stanton, California 90680 Attention: City Clerk

To Consultant:

C3 Technology Services 1536 E Warner Ave Santa Ana, CA 92705

#### 18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Because of the personal nature of the services to be rendered pursuant to this Agreement, only C3 Technology Services shall perform the services described in this Agreement.

#### 19. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

#### 20. **GOVERNING LAW**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the City of Stanton.

#### 21. ENTIRE AGREEMENT

This Agreement contains the entire understanding that between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

## 22. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the proposal submitted by the Consultant, Exhibit "A" hereto.

#### 23. <u>AUTHORITY TO EXECUTE THIS AGREEMENT</u>

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the day and year first above written.

Signature Page for Professional Services Agreement with C3 Technology Services

CITY OF STANTON	CONSULTANT
By: James A. Box City Manager	By: (Signature)
	(Typed Name)
	Its:
Attest:	
Patricia A. Vazquez, City Clerk	
Approved As To Form:	
Matthew E. Richardson, City Attorney	

## EXHIBIT A

## TASKS TO BE PERFORMED

[Insert Contract Here]

#### Service Proposal

This section shall establish the Proposer's understanding of the City's Scope of Services and the Proposer's ability to satisfy those objectives and requirements. Please include the following:

#### A. Methodology

- · Proposer's summary of the scope of services requested.
- Describe how the company is positioned to provide the services listed above and provide a history
  of experience providing similar services.
- Describe the approach the company will use in providing the services requested.
- Describe how the company intends to manage the services set forth in the Scope of Services section.

#### Scope of Services

 Manage and support all Windows-based servers, server-based applications, desktops, and laptops including hardware software and system configuration.

C3 Technology Services (C3) will manage and support all Windows-based servers, server-based applications, desktops and laptops including hardware, software and system configuration. C3 Currently uses the Autotask software system to monitor the desktop and server computers 24/7. When we receive an alert it is directly put into our helpdesk queue and immediately notifies our IT staff. For emergencies, our commitment is to respond within one hour. Our typical response time for all our trouble tickets is within minutes. Quick response times are only half the solution. Quick resolution of issues are equally important. C3 strives to resolve issues as quickly as possible to minimize the impact to the organization.

Based off our network assessment there are two servers running Windows Server 2003 and three desktops running Windows XP. These devices are no longer supported by Microsoft and represent a significant risk to the City's network. Because they are no longer supported by Microsoft any vulnerabilities will not receive security updates. There are also 49 Windows 7 devices which will need to be upgraded to Windows 10 during the life of this agreement. Windows 7 is being phased out of support and will no longer be supported January of 2020. The windows 7 upgrade to Windows 10 was free but expired in June of 2016. C3 would have implemented a technology upgrade schedule to ensure that this free upgrade was captured. Please see exhibit C, network assessment.

 Manage and support all components of the local and wide-area networks (LAN and WAN) as well as internet connectivity for all locations and VPN connections.

C3 will manage and support all components of the local and wide-area networks (LAN and WAN) as well as internet connectivity for all locations and VPN connections. The Autotask software will alert C3 when it cannot communicate with the client's network for longer than 5 minutes. Once it is established that there is no connectivity from the internet service provider, C3 will implement a troubleshooting process for connectivity. The trouble shooting process is as follows: Step 1 Reboot router, Step 2 Test Internet Directly from router, Step 3 Call Carrier and test circuit, etc. The troubleshooting process will not stop until the issue is resolved.



Manage and support the wireless networks within all locations and those interconnecting them.

C3 will manage and support the wireless networks within all locations and those interconnecting them. C3 has a sophisticated device that connects to and tests the wireless network. This test is done monthly by C3 to maintain strong wireless connectivity and to detect changes in the work environment. With wireless technology, components are constantly being upgraded and we want to ensure that you are getting the maximum bandwidth for the services you are spending money on.

Install and configure PC and server-based software, when needed.

C3 will install and configure PC and server-based software when needed. C3 will work with the City of Stanton and the software vendors concerning upgrades/ updates that need to take place for software. Our technicians are extremely familiar with a majority of the everyday use software such as adobe, office, and outlook.

 Manage and support all network and locally-attached printers for all locations. (Printer maintenance is managed separately by an outside vendor.)

C3 will manage and support all network and locally-attached printers for all locations. Printer and copier maintenance is currently being performed by C3. In addition, C3 will manage all aspects of the printing and copier environment such as loading drivers onto computers, ensuring scanning to email and scanning to folders works properly and troubleshooting print jobs that don't print. C3 will also recommend technology solutions such as secure print, follow me printing and document management solutions.

 Act in the capacity of an IT helpdesk, responding to all user support requests for assistance and logging those requests in a ticketing system for tracking and reporting purposes.

C3 will become the IT Helpdesk for the City of Stanton, responding to all user support requests for assistance and logging those requests into our trouble ticketing system for tracking and reporting purposes. Should there be an issue, the City can either call and speak to a live representative during business hours or send an email to <a href="helpdesk@c3os.com">helpdesk@c3os.com</a> to submit their ticket. Once the email is received, the ticket system will send a confirmation email to the user with a ticket number. It will also alert the C3 staff of the new ticket. C3's average response time to a ticket from an email is less than 10 minutes.

C3 will generate a bi-weekly report from Autotask that shows response times and resolutions. This report will also give the City further insight on the types tickets being generated. These reports will also highlight any trends in trouble tickets for recurring issues in hardware, software or users. That information can then be used to implement a long-term strategy for success. Please see exhibit C, network assessment.

 Manage the network file systems to ensure that access to City data is secure and available for access to approved user groups.

C3 will manage the network file systems to ensure that access to City data is secure and available for access to approved user groups. C3 will ensure that the City's policies are enforced and will advise the City of any compliance concerns. C3 will run a periodic report that highlights each users access and provide this to the City's management team. C3 will also work with the City to ensure that any request for changes or access are approved by management or an authorized person of the City.



 Manage and support the City's Active Directory infrastructure including all components and supporting services.

C3 will manage and support the City's Active Directory infrastructure including all components and supporting services. C3 will work with the City to ensure timely creation and disabling of user accounts from HR. C3 will also manage all the devices within the domain adding and deleting devices as necessary. We have found that a lot of organizations do not keep their active directory up to date. This results in numerous issues including employees who have left the organization but still have active accounts, computers that have been retired but are still showing as active, conflicts in IP addresses, etc. One of C3's first implementation steps will be cross referencing active directory to the employee list,

Based off our network assessment report we found that there are 105 active user accounts. Thirty of these user accounts have not logged in within the last 30 days. This usually indicates employee's that are no longer with the City, however have yet to be deactivated. We also discovered that none of the user accounts have expiration dates on passwords. This is a security risk and a compliance violation for standards such as the Federal Information Security Management Act (FISMA), National Institute of Standards and Technology (NIST), The Privacy Act, PCI-DSS, and a host of others. Please see exhibit C, network assessment.

 Manage and support the City's email system and supporting messaging infrastructure, as well as smart-phone integration for mobile users.

C3 will manage and support the City's email system and supporting messaging infrastructure, as well as smart-phone integration for mobile users. C3 has extensive knowledge in both IOS and Android devices and syncing them to their email accounts. C3 is also well versed in supporting Exchange 2013 as an on premise server. Managing user's inboxes, creating and deleting email accounts, forwarding messages and many other tasks are routine for C3's IT staff.

Based off our assessment the City's Exchanged 2013 server is only 1 generation behind so it will not need to be replaced for some time. The end of life for support on the Exchange server is in 2023. C3 also has an email filtering service that adds an extra layer of spam filtering and filtering of malware for emails. Many of our clients have elected to use this software and have seen a reduction in spam of up to 90%. Please see exhibit C, network assessment.

 Manage and support the City's antivirus systems and perform virus removal and remediation when necessary.

C3 will manage and support the City's antivirus systems and perform virus removal and remediation when necessary. C3 uses an end point protection software that is a certified replacement for Anti-virus and anti-malware programs. Typical anti-virus solutions on average block and prevent 25 percent of the attacks and only work on file based malware. C3's end point protection not only works off of file based malware but also detects memory only attacks and behavior analysis. C3's protection also guarantee's if your windows based PC's or servers are attacked with a Ransom ware attack that cannot be remediated, the ransom will be paid on behalf of the client up to \$1,000.00 per PC and \$1,000,000.00 in total. See Exhibit D for details on Sentinel One information.

Based on our assessment the City is currently spending \$1553.40 for 2 years of Anti-virus protection which expires in December of 2017. With C3's solution the City will not need to renew the subscription and save this cost.



 Ensure that all disk-based and cloud-based backup systems are functioning properly and that all servers and critical data are consistently backed up on a nightlybasis.

C3 will ensure that all disk-based and cloud-based backup systems are function properly and that all server and critical data are consistently backed up on a nightly basis.

Based off our assessment the City's back up system, Barracuda, is proficient and works well. C3 is well versed in this system and has multiple clients using it. One aspect that sometimes gets ignored is actual testing of the backups. Should the need arise to restore files or an entire server, that is not the time to find out the backups haven't been working properly. C3 will perform checks to ensure that the backups work. Please see exhibit C, network assessment.

 Manage and support all security-related devices and systems, including firewalls, encryption, web content filtering, spyware prevention systems, and spam and virus filtering systems.

C3 will manage and support all security-related devices and systems, including firewalls, encryption, web content filtering, spyware prevention systems and spam and virus filtering systems. C3 is an expert in these categories and its staff have certifications from Sonicwall. C3 will keep all firmware updates applied as they become available. C3 will customize the web content filtering for the City's needs and make recommendations as needed. C3 uses multiple software as stated above for Anti-virus and Anti-malware protection as well as spam filtering.

Manage Microsoft Service Packs and SecurityPatches

C3 will manage Microsoft service packs and security patches. With our Auto-task software these service packs and security patches will be applied at night and on a regular basis so there is minimal downtime. Upon implementation of IT services agreement, C3 will install Auto-task which will give C3 a snapshot of all service packs and security patches that are not up to date. We will then run a report to show what patches and security patches have been updated.

Be responsible for ensuring the physical, network, application and data security for all IT systems.

C3 will be responsible for ensuring the physical, network, application and data security for all IT systems. Everything C3 does is based on the foundation of IT security. As a part of C3's bi-weekly report package for management, C3 will highlight all risk/attacks that has been mitigated and overall wellbeing of the City's IT systems.

 Assist Web Master in the design, implementation, management, and support the City's web site, posting new public documents to the site and performing related tasks as required.

C3 will assist the Web Master in the design, implementation, management and support of the City's web site, posting new documents to the site and performing related tasks as required. C3 works with multiple vendors for hosting websites and content. C3 will work with the webmaster and implement a schedule of task's that will be performed. Bill your IT Manager has multiple certifications for web design and will assist in any way he can to support your webmaster.



Communicate with outside 3rd-party IT vendors with respect to interconnectivity with other agencies.

C3 will communicate with outside 3<sup>rd</sup>-party IT vendors with respect to interconnectivity with other agencies. As a part of C3's holistic platform to ensure maximum uptime and reliability, C3 has formed partnerships with many of the 3<sup>rd</sup> party vendors, such as AT&T, Cox, Time warner, Telepacific, etc. C3 is very familiar with communicating with the carriers to resolve technical issues. C3 also provides data and voice services and in many cases can save the client money while improving bandwidth and reliability.

 Alternate Service: Complete design management and support of City website, posting new public document and performing related tasks as required.

C3 has implemented and designed multiple websites for various clients. C3 would meet with the supporting staff and webmaster to implement a go to market strategy on this solution. Your dedicated IT Manager, Bill Owens, has certifications in web design and project management.

 Interface with 3rd-party vendors responsible for records management (i.e. Laserfische, etc.), and financial systems (i.e. Accela/ Springbrook, HdL Prime, etc.) and manage related software interconnectivity and application issues.

C3 will interface with 3<sup>rd</sup>-party vendors responsible for records management (i.e. Laserfische, etc.) and financial systems (i.e. Accela/Springbrook, HDL Prime, etc.) and manage related software interconnectivity and application issues. C3 regularly interfaces with 3<sup>rd</sup> party software vendors on behalf of our clients to resolve application issues.

 Communicate with outside service providers to coordinate the City's use of their services (e.g. data circuit providers, DNS and other hosting companies, etc.).

C3 will communicate with outside service providers to coordinate the City's use of their services (e.g. data circuit providers, DNS and other hosting companies, etc.). C3 is very familiar with 3<sup>rd</sup> party service providers such as Godaddy, Google, and Amazon, etc. C3 will ensure these services stay up to date and will work with the City to plan any required changes for future projects. C3 regularly helps its clients negotiate terms and pricing for these items as we have many relationships. This is a value-added service that C3 implements for its clients.

 Conduct complete and thorough research, as needed, of service solutions and/or technology needs for future improvement essential to the City.

C3 will conduct complete and thorough research, as needed, of service solutions and/or technology needs for future improvement essential to the City. As a part of the C3 IT services agreement, C3 will outline all of your current agreements and hardware for IT. This will allow future planning of hardware and IT services required. C3 is also constantly attending seminars and roadshows to see the latest and greatest technologies available. In C3's bi-weekly reports C3 will make recommendations based on growth and improvements essential to the City.



Be responsible for the timely application of PC, server and application patches, service packs, and other
updates as necessary to keep PCs, servers and applications up to date.

C3 will be responsible for the timely application of PC, server and application patches, service packs, and other updates as necessary to keep PCs, servers and applications up to date. C3's Autotask software applies updates automatically on a nightly basis. C3 will also be able to generate a report of applications that were updated.

Manage and support the City's remote access systems, which provide City users with secure remote
access to specified IT systems.

C3 will manage and support the City's remote access systems, which provide City users with secure remote access to specified IT systems. C3 is intimately familiar with configuring VPNs for users to allow remote access. For users who require remote access, C3 will configure and test their access from their locations by remoting into their computer and helping them set up the connection.

 Perform routine upgrades to existing hardware and software as necessary to remain up to date with respect to the latest technology releases.

C3 will perform routine upgrades to existing hardware and software as necessary to remain up to date with respect to the latest technology releases. C3 will also implement a hardware rotation strategy in line with the City's budget to ensure up to date technology. Based on our network assessment there are a number of items and projects that C3 will discuss with the City to ensure that the City is up to date.

Some of these items include:

Two Windows Server 2003 devices that are no longer supported by Microsoft Three Windows XP devices that are no longer supported by Microsoft Forty-nine Windows 7 PC's that need to be upgraded to Windows 10 Please see exhibit C, network assessment.

 Manage software licenses, keeping a written and electronic inventory of all licenses purchased by the City as well as a record of where those licenses are used.

C3 will manage software licenses, keeping a written and electronic inventory of all licenses purchased by the City as well as a record of where those licenses are used. Auto-task will maintain a detailed inventory of all applications installed on every computer. See the screen shot below as an example.



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Actions: 🖸 😘		
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Software		A Version
7-Zip 16.04 (x64)		16.04
Adobe Acrobat DC		17.012.20095
Adobe Acrobat Reader DC		17.012.20095
Adobe Creative Cloud		4.0.1.188
Advanced IP Scanner 2.4		2.4,3021
Amazon Kindie		1.20.1.47037
Brother MFL-Pro Suite MFC-7860DW		1.1.3.0
CentraStage		4.4.1987.1987
Cisco WebEx Meetings		
Citrix Online Launcher		1.0.449
al Previous 21 2 3 4 5 6 Next &		•

 Notify the City if new licenses are necessary as the City's requirements change or as are necessary to remain in full compliance with all software license agreements.

C3 will notify the City if new licenses are necessary as the City's requirements change or as are necessary to remain in full compliance with all software license agreements. C3 will regularly check inventory of licenses with vendors to ensure that licenses are up to date with the correct quantity and type.

Manage all IT-related support contracts and notify the City of upcoming contract expirations, so that the
City can choose to renew them if desired without a lapse of coverage.

C3 will manage all IT-related support contracts and notify the City of upcoming contract expirations, so that the City can choose to renew them if desired without a lapse of coverage. As a C3 value add we will be included on the vendor contact list to ensure that if a license is up for renewal we can plan and budget for the upgrade. C3 will also help negotiate contract terms and cost to ensure that the City is being offered the best value.

· Maintain up to date documentation of the City's IT systems (including password access to all systems).

C3 will maintain up to date documentation of the City's IT systems (including password access to all systems). C3 uses an application to manage all the documentation of IT systems including credentials, IP addresses, and administrator access, etc. This is a secure cloud based application that the City's management team will have access to real time for up to date information.



Maintain up to date IT asset inventory.

C3 will maintain up to date IT asset inventory. C3 will use Auto-task to keep an inventory of all IT hardware. C3 will also periodically run a report that will show all hardware that has been connected to the network to look for rogue devices that have been added by users.

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Setup new PCs and perform routine moves and changes, as needed.

C3 will setup new PCs and perform routine moves and changes, as needed. Based on C3's all-inclusive program, all onsite visits to help the City will be included at no cost. These moves and changes will be outlined during our normal business review meetings to ensure all staff and members are aware of changes.

Conduct user training as needed.

C3 will conduct user training as needed. C3 believes that training is key for successful implementation and user efficiency. Because of this C3 prides itself on training and ensuring that users are well trained. This includes in person training, webinar based training, and period staff trainings for larger implementations of software.

 Set up new servers as needed, as the City outgrows its existing capacity or as might be needed to keep server hardware up to date.

C3 will set up new servers as needed, as the City outgrows its existing capacity or as might be needed to keep server hardware up to date. C3 will also monitor usage and capacity of its current systems and recommend hardware updates as required to maintain an efficient system. This will also prevent the City from outgrowing their current environment.

Coordinate IT purchasing by identifying needs; making recommendations to the City; providing competitive
quotations for required equipment and licenses; and upon approval of the City placing all orders and
tracking receipt of equipment.

C3 will coordinate IT purchasing by identifying needs; making recommendations to the City; providing competitive quotations for required equipment and licenses; and upon approval of the City placing all orders and tracking receipt of equipment. C3 performs these tasks on a regular basis for its clients with the objective of right sizing the hardware and software for their environment. C3 will receive all the equipment in its warehouse and thoroughly test and set up prior to delivering to the City.



 Act as the City representative, as required, when interacting with other agencies and services firms on matters affecting IT.

Kurt Williams as your virtual CIO will act as the City representative, as required, when interacting with other agencies and services firms on matters affecting IT. In this role he will collaborate with and advise the City management on topics such as formulating strategic IT goals, help with planning the IT budget, review business processes as it relates to IT and facilitate technology changes. In addition, Kurt can work with the City to plan a technology roadmap and identify opportunities to use innovative technology tools that will benefit the City and its residents.

C3 is well positioned to provide the scope of services listed above. C3 currently provides these services to its current clients. The software tools C3 uses allows C3 to automate many of the required scope of services.



#### **B.** Support Services

Please describe in detail the following:

Help Desk function

Help Desk Function - C3's Help Desk functions in the following manner:

- 1) We encourage our clients to send an email to <a href="https://helpdesk@c3os.com">helpdesk@c3os.com</a> describing the issue they are having. This creates an entry in our ticket system and automatically alerts the IT staff as well as sends a confirmation email to the user with a ticket number. This allows us to document everything to resolution and gives us the ability to produce more accurate reports. If the user's email is not functioning, they can call our office and a Customer Service Representative will direct the call to the helpdesk.
- 2) Once we are aware of a problem, the IT helpdesk technician will attempt to contact the user by phone, unless they are already on the phone, and setup a remote session.
- Depending on the nature and severity of the problem, the IT help desk technician will use the escalation procedure outlined below.
- 4) If it is determined the problem cannot be solved remotely, a technician will be dispatched to the location as quickly as possible.
- Once the issue is resolved to the satisfaction of the client, the technician will update the ticket and close it.
  - Steps for resolving problem escalation

Once the Help Desk Technician determines the problem needs to be escalated, they will follow the procedure outlined below.

- 1. Support Request is Received
- 2. Trouble Ticket is Created
- 3. Issue is Identified and documented in Help Desk system
- 4. Issue is qualified to determine if it can be resolved through Level 1 Support Level 1 support is generally defined as:

Filters Help Desk calls and provides basic support and troubleshooting, such as password resets, printer configurations, break/fix instructions, ticket routing and escalation to Level 2 and Level 3 support. May also escalate to IT applications support or call for outside vendor maintenance (Level 4), as needed. A Level 1 tech gathers and analyzes information about the user's issue and determines the best way to resolve their problem. Level 1 may also provide support for identified Level 2 and Level 3 issues where configuration solutions have already been documented.

#### If issue can be resolved through Level 1 Support:

- 5. Level 1 Resolution issue is worked to successful resolution
- 6. Quality Control -Issue is verified to be resolved to Client's satisfaction
- Trouble Ticket is closed, after complete problem resolution details have been updated in Help Desk system

#### If issue cannot be resolved through Level 1 Support:

- 6. Issue is escalated to Level 2 Support
- 7. Issue is qualified to determine if it can be resolved by Level 2 Support Level 2 support is generally defined as:

Level 2 generally handles break/fix, configuration issues, troubleshooting, software installations, hardware repair (including in-house repair or coordinating depot services). They handle escalated issues that Level 1 support is not equipped to handle. Level 2 will sometimes escalate to Level 3, depending on



the issue and the way the Help Desk operates. Depending on the situation, a level 2 tech may be authorized to research and implement fixes for new issues and only escalate to Level 3, if it is out of their skill set or ability to solve.

#### If issue can be resolved through Level 2 Support:

- 8. Level 2 Resolution issue is worked to successful resolution
- 9. Quality Control –Issue is verified to be resolved to Client's satisfaction
- 10. Trouble Ticket is closed, after complete problem resolution details have been updated in Help Desk system

#### If issue cannot be resolved through Level 2 Support:

- 9. Issue is escalated to Level 3 Support
- 10. Issue is qualified to determine if it can be resolved through Level 3 Support
- 11. Level 3 support is generally defined as:

Troubleshooting, configuration, database administration, and repair for server, network, infrastructure, Data Center, email, file shares, and other infrastructure issues. Besides always having the ability to deploy solutions to new problems, a Level 3 tech usually has the most expertise in a company and is the go-to person for solving difficult issues.

#### If issue can be resolved through Level 3 Support:

- 12. Level 3 Resolution issue is worked to successful resolution
- 13. Quality Control -Issue is verified to be resolved to Client's satisfaction
- Trouble Ticket is closed, after complete problem resolution details have been updated in Help Desk system

#### If issue cannot be resolved through Level 3 Support:

- 12. Issue is escalated to Onsite Support
- 13. Issue is qualified to determine if it can be resolved through Onsite Support

#### If issue can be resolved through Onsite Support:

- 15. Onsite Resolution issue is worked to successful resolution
- Quality Control –Issue is verified to be resolved to Client's satisfaction
- Trouble Ticket is closed, after complete problem resolution details have been updated in Help Desk system

#### If issue cannot be resolved through Onsite Support:

17. I.T. Manager Decision Point – request is updated with complete details of all activity performed. At this point, C3 can go to high level support with a vendor, such as Microsoft, HP or any number of vendors who would be able to provide assistance that relates directly to the problem at hand.



#### Final authority regarding conflicts

Should there be any conflicts on the best way to proceed, the CIO (Kurt Williams) at C3 will make the final recommendation on the course of action from C3. The City will ultimately have the final say once all of the facts and evidence are presented. If the resolution requires an interruption in service longer than a pre-determined period or requires a purchase of hardware or software, the CIO at C3 will coordinate with the authorized person from the City and receive their approval before proceeding.

#### Response time and goals for resolving problems

The following table shows the targets of response and resolution times for each priority level:

C3's response times are typically under 30 minutes on 95% of tickets.

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Service not available (all users and functions unavailable).	1	Within 1 hour	ASAP – Best Effort	2 hours
Significant degradation of service (large number of users or business critical functions affected)	2	Within 4 hours	ASAP Best Effort	8 hours
Limited degradation of service (limited number of users or functions affected, business process can continue).	3	Within 24 hours	ASAP – Best Effort	48 hours
Small service degradation (business process can continue, one user affected).	4	within 24 hours	ASAP – Best Effort	48 hours

#### C. Availability

Provide the Proposer's business hours and availability to the City. Also describe how the Proposer will respond to remote and emergency services that may be needed outside of these time periods in order to meet the requirements set forth in the Scope of Services.

C3's normal business hours are Monday thru Friday, 7:00 am till 6:00 pm. After hours and holiday IT support is provided by forwarding the IT Help Desk line to the on-call IT support technician. You will always receive a live person on the phone during these times of operation. Depending on the nature and scope of the emergency, C3's IT support has an emergency call list where other IT resources can be called into action as required.



#### **Cost Proposal**

The City of Stanton will be accepting proposals that are based on either a FIXED FEE or HOURLY RATE; either option must include a thorough breakdown of all fees and rates for services for the first three years of the potential contract. The cost proposal shall cover all the services listed in the "Scope of Services" section. This section should disclose all charges to be assessed to the City for the services. The Proposer is welcome to submit a cost proposal based on either schedule.

- A. The submission of an HOURLY RATE service contract would include regular on-site staff, system maintenance, help-desk services, emergency services and all other tasks outlined in the Scope of Services above for the number of hours of support currently received.
- B. The submission of a FIXED FEE service contract would include all-inclusive service and maintenance utilizing remote or on-site staff or a combination of the two, with the understanding that major projects will be negotiated on an as needed or special hourly rate basis.

Vendors may also submit other alternative packages that they feel would meet the needs of the City as an included alternate bid.

The City is requesting that the vendor submit a FIXED FEE or HOURLY RATE service contract (with a "not-to-exceed" amount) for all items listed in the Scope of Services section for three (3) 12-month periods effective October 1, 2017.

C3 Technology Services has elected to propose an all-inclusive, fixed fee pricing format. The pricing is based on the total number of computers and servers for unlimited technical support. There may be an annual escalator of 10% depending on varying factors that include rising costs of labor and licensing fees incurred by C3. Over the last 3 years C3 has elected not to raise its cost based on these factors.

Price Per PC: \$30 Price per Server: \$75

Price per Firewall: Included Price per Switch: Included

Price per Copier/Printer: Included

Upon award of the contract, a physical inventory of devices will be conducted to obtain an accurate count. However, based on the Network Assessment and information provided by the City, the count is as follows:

#### **Year 1 of Contract Monthly Cost**

Desktop PCs	52	\$1,560.00
Laptops .	2	\$60.00
Physical Servers	6	\$450.00
Virtual Servers	6	\$450.00
Total		\$2,520.00



Year 2 of Estimated Co	ontract Monthly Cost	
Desktop PCs	52	\$1,560.00
Laptops	2	\$60.00
Physical Servers	6	\$450.00
Virtual Servers	6	\$450.00
Total		\$2,520.00
Not to exceed		\$2,772.00
Year 3 of Estimated Co		
Desktop PCs	52	\$1,560.00
Laptops	2	\$60.00
Physical Servers	6	\$450.00
Virtual Servers	6	<b>\$450.00</b>
Total		\$2,520.00
Not to exceed		\$3.049.20

These cost are a fixed cost and will include all of the services listed in the RFP. These cost do not account for project work, such as purchasing of new hard ware or items outside the scope.



#### **EXHIBIT B**

#### **INSURANCE REQUIREMENTS**

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this Agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

- 1. **Commercial General Liability Insurance** using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the <u>exact</u> equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$2,000,000 per occurrence.
- 2. **Business Auto Coverage** on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less that \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.
- 3. **Workers Compensation** on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.
- 4. **Professional Liability or Errors and Omissions** Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Bests rating of A or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

- 1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all contractors, and subcontractors to do likewise.
- 2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
- 3. All insurance coverage and limits provided by Contractor and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
- 4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
- 5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
- 6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
- 7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any

insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.

- 8. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.
- 9. It is acknowledged by the parties of this Agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.
- 10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
- 11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this Agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
- 12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increased benefit to City.
- 13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

- 14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
- 15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this Agreement. This obligation applies whether or not the Agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
- 16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
- 17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this Agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
- 18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
- 19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.
- 20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
- 21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

## CITY OF STANTON

## REPORT TO THE CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT:

INTRODUCTION OF AN ORDINANCE ADDING CHAPTER 16.55 IN DIVISION 1 OF TITLE 16 TO THE MUNICIPAL CODE, TO PROVIDE AN EXPEDITED PERMITTING PROCESS FOR ELECTRICAL VEHICLE

**CHARGING STATIONS** 

#### **REPORT IN BRIEF:**

Introduce the Ordinance adding Chapter 16.55 to the Stanton Municipal Code requiring an expedited permitting process be established for electrical vehicle charging stations. The purpose of the ordinance is to comply with statute requirements contained in Assembly Bill (AB) 1236.

#### RECOMMENDED ACTION:

- 1. City Council declare that the ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15061(b)(3) (the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where is can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 2. Introduce Ordinance No. 1070, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 16.55 OF DIVISION I OF TITLE 16 TO THE CITY OF STANTON MUNICIPAL CODE TO PROVIDE AN EXPEDITED STREAMLINED PERMITTING PROCESS FOR ELECTRICAL VEHICAL CHARGING STATIONS" and

3. Set said ordinance for adoption at the regular City Council meeting of September 26, 2017.

#### **BACKGROUND:**

In 2015, the State of California adopted Assembly Bill 1236 (2015, Chiu, Codified as Government Code Section 65850.7), which requires local jurisdictions with a population less than 200,000 residents to adopt an ordinance to create an expedited, streamlined



permitting process for electric vehicle charging stations on or before September 30, 2017.

An electric vehicle charging station is any level of electric vehicle supply equipment station, which delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle. AB 1236 may refer to the recommendations in the most current version of the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" published by the Governor's Office of Planning and Research.

#### **ANALYSIS/JUSTIFICATION:**

Assembly Bill 1236, which amended Government Code Section 65850.7 to require jurisdictions with a population less than 200,000 residents to establish procedures for expedited, streamlined processes for permitting of electric vehicle charging stations. The amendments to Section 65850.7 include the requirement for a jurisdiction to adopt an ordinance for the expedited, streamlined process on or before September 30, 2017. The ordinance shall include the requirement that a jurisdiction adopt a checklist of requirements with which a permit application for an electric vehicle charging station will be eligible for expedited review.

This process includes the establishment of a checklist containing objective requirements for the installation of an electric vehicle charging station and a process for electronic submittal of permit applications. The content of the checklist requires the permit applicant to check the features of the existing electrical service such as rating in amperes, system voltage, connected or calculated load, spare capacity in amperes, voltage and ampere rating of the electric vehicle supply equipment, circuit rating of the electric vehicle supply equipment, if ventilation is/or is not required, and clearances of the charging equipment to comply with all applicable building and fire safety laws. The checklist also assists the applicant in confirming that the location of the electric vehicle supply equipment will comply with any vehicle clearance requirements in the City's Zoning Ordinance. Section 65850.7 requires that the City's checklist may be based on the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" of the Governor's Office of Planning and Research.

Assembly Bill 1236 (2015) also clarifies that a jurisdiction shall not condition approval of a permit or an electric vehicle charging station based on the approval of an association as defined in California Civil Code, Section 4080.

Staff recommends that City Council introduce for First Reading the attached ordinance, given Government Code Section 65850.7 requirement that local agencies adopt such an ordinance to create an expedited, streamlined permitting process for electric vehicle charging stations on or before September 30, 2017. Most of the procedures, such as electronic submittal of plans are currently in place and comply with the requirements of the Assembly Bill and staff is assuring that successful implementation of an expedited,

streamlined process will be available to permit applicants by September 30, 2017.

This Ordinance does not commit the City to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Quality Act (CEQA).

#### **FISCAL IMPACT:**

There is no anticipated fiscal impact as the costs to implement the expedited permit process will be recovered through the existing building permit fees.

#### **ENVIRONMENTAL IMPACT:**

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15061(b)(3).

#### **LEGAL REVIEW:**

None.

#### **PUBLIC NOTIFICATION:**

Public notice for this item was made through the regular agenda process.

#### STRATEGIC PLAN OBJECTIVE ADDRESSED:

5 - Provide a high quality of life.

Prepared by:

Kelly Hart

Community & Economic

**Development Director** 

Approved by:

James A. Box

City Manager

Attachment:

Ordinance No. 1070

#### **ORDINANCE NO. 1070**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 16.55 TO THE CITY OF STANTON MUNICIPAL CODE TO PROVIDE AN EXPEDITED STREAMLINED PERMITTING PROCESS FOR ELECTRICAL VEHICLE CHARGING STATIONS

WHEREAS, the State of California and the City of Stanton has consistently promoted and encouraged the use of fuel-efficient electric vehicles; and

WHEREAS, the State of California recent adopted Assembly Bill 1236, which requires local agencies to adopt an ordinance that creates an expedited and streamlined permitting process for electric vehicle charging systems; and

**WHEREAS**, creation of an expedited, streamlined permitting process for electric vehicle charging stations would facilitate convenient charging of electric vehicles and help reduce the City's reliance on environmentally damaging fossil fuels.

## NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES ORDAIN AS FOLLOWS:

**SECTION 1.** CEQA. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**SECTION 2.** Section 19.55.010 is hereby added to Division I of Title 16 of the Stanton Municipal Code to read as follows:

PURPOSE. The purpose of this Chapter is to promote and encourage the use of electric vehicles by creating an expedited, streamlined permitting process for electric vehicle charging stations while promoting public health and safety and preventing specific adverse impacts in the installation and use of such charging stations. This Chapter is also purposed to comply with California Government Code Section 65850.7.

**SECTION 3.** Section 19.55.020 is hereby added to Division I of Title 16 of the Stanton Municipal Code to read as follows:

DEFINITIONS. For the purposes of this Chapter:

(a) "Electric vehicle charging station" or "charging station" means any level of electric vehicle supply equipment station that is designed and built in compliance with Article 625 of the California Electrical Code, as it reads on the effective date of this Chapter, and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.

- (b) "Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.
  - (c) "Electronic submittal" means the utilization of one or more of the following:
    - a. Electronic mail or email.
    - b. The internet.
    - c. Facsimile.

**SECTION 4**. Section 19.55.030 is hereby added to Division I of Title 16 of the Stanton Municipal Code to read as follows:

EXPEDITED PERMITTING PROCESS. Consistent with Government Code Section 65850.7, the Building Official shall implement an expedited, streamlined permitting process for electric vehicle charging stations, and adopt a checklist of all requirements with which electric vehicle charging stations shall comply with in order to be eligible for expedited review. The expedited, streamlined permitting process and checklist may refer to the recommendations contained in the most current version of the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" as published by the Governor's Office of Planning and Research. The City's adopted checklist shall be published on the City's website.

**SECTION 5.** Section 19.55.040 is hereby added to Division I of Title 16 of the Stanton Municipal Code to read as follows:

#### PERMIT APPLICATION PROCESSING.

- (a) Prior to submitting an application for processing, the applicant shall verify that the installation of an electric vehicle charging station will not have specific, adverse impact to public health and safety and building occupants. Verification by the applicant includes but is not limited to: electrical system capacity and loads; electrical system wiring, bonding and overcurrent protection; building infrastructure affected by charging station equipment and vehicle parking.
- (b) A permit application that satisfies the information requirements in the City's adopted checklist shall be deemed complete and be promptly processed. Upon confirmation by the Building Official that the permit application and supporting documents meets the requirements of the City adopted checklist, and is consistent with all applicable laws and health and safety standards, the Building Official shall, consistent with Government Code Section 65850.7, approve the application and issue all necessary permits. Such approval does not authorize an applicant to energize or utilize the electric vehicle charging station until approval is granted by the City. If the Building Official determines that the permit application is incomplete, he or she shall issue a written correction notice to the applicant, detailing all deficiencies in the application and any additional information required to be eligible for expedited permit issuance.
  - (c) Consistent with Government Code Section 65850.7, the Building Official shall

allow for electronic submittal of permit applications covered by this Ordinance and associated supporting documentations. In accepting such permit applications, the Building Official shall also accept electronic signatures on all forms, applications, and other documentation in lieu of a wet signature by any applicant.

**SECTION 5.** Section 19.55.050 is hereby added to Division I of Title 16 of the Stanton Municipal Code to read as follows:

#### TECHNICAL REVIEW.

- (a) It is the intent of this Ordinance to encourage the installation of electric vehicle charging stations by removing obstacles to permitting for charging stations so long as the action does not supersede the Building Official's authority to address higher priority life-safety situations. If the Building Official makes a finding based on substantial evidence that the electric vehicle charging station could have a specific adverse impact upon the public health or safety, as defined in this Chapter, the City may require the applicant to apply for a use permit.
- (b) In the technical review of a charging station, consistent with Government Code Section 65850.7, the Building Official shall not condition the approval for any electric vehicle charging station permit on the approval of such a system by an association, as that term is defined by Civil Code Section 4080.
- **SECTION 6.** Section 19.55.060 is hereby added to Division I of Title 16 of the Stanton Municipal Code to read as follows:

#### ELECTRIC VEHICLE CHARGING STATION INSTALLATION REQUIREMENTS.

- (a) Electric vehicle charging station equipment shall meet the requirements of the California Electrical Code, the Society of Automotive Engineers, the National Electrical Manufacturers Association, and accredited testing laboratories such as Underwriters Laboratories, and rules of the Public Utilities Commission or a Municipal Electric Utility Company regarding safety and reliability.
- (b) Installation of electric vehicle charging stations and associated wiring, bonding, disconnecting means and overcurrent protective devices shall meet the requirements of Article 625 and all applicable provisions of the California Electrical Code.
- (c) Installation of electric vehicle charging stations shall be incorporated into the load calculations of all new or existing electrical services and shall meet the requirements of the California Electrical Code. Electric vehicle charging equipment shall be considered a continuous load.
- (d) Anchorage of either floor-mounted or wall-mounted electric vehicle charging stations shall meet the requirements of the California Building or Residential Code as applicable per occupancy, and the provisions of the manufacturer's installation instructions. Mounting of charging stations shall not adversely affect building elements.

**SECTION 7.** Any provision of the City of Stanton Municipal Code or appendices thereto, inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, are hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.

**SECTION 8.** If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

**SECTION 9.** The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of the adoption and shall post a Certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

**SECTION 10.** The documents and materials associated with this Ordinance that constitute the record of proceedings on which these findings are based are located at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of the record of proceedings.

SECTION 11. This ordinance shall be effective thirty days after its adoption.

PASSED, APPROVED, AND ADOPTED this 26th day of September, 2017.

CAROL WARREN, MAYOR
ATTEST:
PATRICIA A. VAZQUEZ, CITY CLERK
APPROVED AS TO FORM

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF ( COUNTY OF CITY OF ST	,	
that the fore Council of the duly adopted	egoing Ordinance No. 1070 ne City of Stanton, California	of the City of Stanton, California, do hereby certify was introduced at a regular meeting of the City, held on the 12 <sup>th</sup> day of September, 2017, and was e City Council held on the 26 <sup>th</sup> day of September, t:
AYES:	COUNCILMEMBERS:	
NOES:	COUNCILMEMBERS:	
ABSENT:	COUNCILMEMBERS:	
ABSTAIN:	COUNCILMEMBERS:	<u> </u>
PATRICIA A	A. VAZQUEZ, CITY CLERK	-

## CITY OF STANTON

## REPORT TO THE CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT: 2017 ANNUAL LEAGUE OF CALIFORNIA CITIES CONFERENCE

RESOLUTIONS AND APPOINTMENT OF VOTING DELEGATE

#### REPORT IN BRIEF:

The League of California Cities Annual Conference is scheduled for September 13-15, 2017 in Sacramento. The League's Annual Business Meeting will be held on September 15, 2017. At this meeting, the League membership considers and takes action on resolutions that establish League policy. In order to vote at the Annual Business Meeting, the City Council must designate a voting delegate and review the League of California Cities resolution packet to determine the City's position on each resolution so that the voting delegate can represent the City's position.

#### Resolution No. 1:

Implement Strategies to Reduce Negative Impacts of Recent Changes to Criminal Laws (Information Resolution Packet attached).

#### Resolution No. 2:

Local Control for Emergency Medical Response (Information Resolution Packet attached).

#### RECOMMENDED ACTION:

- 1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
- 2. Designate City Manager James A. Box as the City's voting delegate at the 2017 League of California Cities Annual Conference; and
- 3. Provide input/direction on the 2017 Annual League of California Cities Conference Resolution No. 1 and Resolution No. 2 to the City's voting delegate.

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None.

### **ENVIRONMENTAL IMPACT:**

Not applicable.

## **PUBLIC NOTIFICATION:**

Through the normal agenda process.

Prepared by:

Patricia A. Valquez, City Clerk

Approved by:

James A. Box, City Manager

Attachment A: Annual Conference Resolutions Packet



# Annual Conference Resolutions Packet

2017 Annual Conference Resolutions



Sacramento, California September 13 – 15, 2017

#### INFORMATION AND PROCEDURES

**RESOLUTIONS CONTAINED IN THIS PACKET**: The League bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, two resolutions have been introduced for consideration by the Annual Conference and referred to the League policy committees.

<u>POLICY COMMITTEES</u>: One policy committee will meet at the Annual Conference to consider and take action on the resolutions referred to it. The committee is Public Safety. The committee will meet from 9:00 – 11:00 a.m. on Wednesday, September 13, at the Hyatt Regency. The sponsors of the resolutions have been notified of the time and location of the meeting.

GENERAL RESOLUTIONS COMMITTEE: This committee will meet at 1:00 p.m. on Thursday, September 14, at the Hyatt Regency in Sacramento, to consider the report of the policy committee regarding the resolutions. This committee includes one representative from each of the League's regional divisions, functional departments and standing policy committees, as well as other individuals appointed by the League president. Please check in at the registration desk for room location.

ANNUAL LUNCHEON/BUSINESS MEETING/GENERAL ASSEMBLY: This meeting will be held at 12:30 p.m. on Friday, September 15, at the Sacramento Convention Center.

<u>PETITIONED RESOLUTIONS</u>: For those issues that develop after the normal 60-day deadline, a resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (48 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Annual Business Meeting of the General Assembly. This year, that deadline is 12:30 p.m., Thursday, September 14. Resolutions can be viewed on the League's Web site: <a href="https://www.cacities.org/resolutions">www.cacities.org/resolutions</a>.

Any questions concerning the resolutions procedures may be directed to Meg Desmond at the League office: <a href="mailto:mdesmond@cacities.org">mdesmond@cacities.org</a> or (916) 658-8224

#### GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS

Policy development is a vital and ongoing process within the League. The principal means for deciding policy on the important issues facing cities is through the League's seven standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop League policy. Resolutions should adhere to the following criteria.

#### **Guidelines for Annual Conference Resolutions**

- 1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.
- 2. The issue is not of a purely local or regional concern.
- 3. The recommended policy should not simply restate existing League policy.
- 4. The resolution should be directed at achieving one of the following objectives:
  - (a) Focus public or media attention on an issue of major importance to cities.
  - (b) Establish a new direction for League policy by establishing general principles around which more detailed policies may be developed by policy committees and the board of directors.
  - (c) Consider important issues not adequately addressed by the policy committees and board of directors.
  - (d) Amend the League bylaws (requires 2/3 vote at General Assembly).

## **LOCATION OF MEETINGS**

### **Policy Committee Meetings**

Wednesday, September 13
Hyatt Regency Sacramento
1209 L Street, Sacramento
9:00 – 11:00 a.m.: Public Safety

## **General Resolutions Committee**

Thursday, September 14, 1:00 p.m. Hyatt Regency Sacramento 1209 L Street, Sacramento

## Annual Business Meeting and General Assembly Luncheon

Friday, September 15, 12:30 p.m. Sacramento Convention Center 1400 J Street, Sacramento

## KEY TO ACTIONS TAKEN ON RESOLUTIONS

Resolutions have been grouped by policy committees to which they have been assigned.

Numbe	r Key Word Index	Revie	wing Body	Action	
		1	2	3	
		1 - Policy Committee Recommendation			
	1-			Committee	
	2 - Ge	eneral Reso	olutions Co	mmittee	
	3 - Ge	3 - General Assembly			
	PUBLIC SAFETY POLICY COMP	MITTEE			
		1	2	3	
1	Implement Strategies to Reduce Negative Impacts of				
	Recent Changes to Criminal Laws				
	Local Control for Emergency Medical Response				

Information pertaining to the Annual Conference Resolutions will also be posted on each committee's page on the League website: <a href="www.cacities.org">www.cacities.org</a>. The entire Resolutions Packet will be posted at: <a href="www.cacities.org/resolutions">www.cacities.org/resolutions</a>.

## KEY TO ACTIONS TAKEN ON RESOLUTIONS (Continued)

Resolutions have been grouped by policy committees to which they have been assigned.

KEY TO REVIEWING BODIES	KEY	TO ACTIONS TAKEN
1. Policy Committee	Α	Approve
2. General Resolutions Committee	D	Disapprove
3. General Assembly	N	No Action
ACTION FOOTNOTES		Refer to appropriate policy committee for study
		Amend+
* Subject matter covered in another resolution	Aa	Approve as amended+
** Existing League policy	Aaa	Approve with additional amendment(s)+
*** Local authority presently exists	Ra	Refer as amended to appropriate policy committee for study+
	Raa	Additional amendments and refer+
	Da	Amend (for clarity or brevity) and Disapprove+
	Na	Amend (for clarity or brevity) and take No Action+
	W	Withdrawn by Sponsor

Procedural Note:
The League of California Cities resolution process at the Annual Conference is guided by the League Bylaws. A helpful explanation of this process can be found on the League's website by clicking on this link: Resolution Process.

### 2017 ANNUAL CONFERENCE RESOLUTIONS

# RESOLUTION REFERRED TO PUBLIC SAFETY POLICY COMMITTEE

1. A RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES CALLING UPON THE GOVERNOR AND LEGISLATURE TO ENTER INTO DISCUSSION WITH LEAGUE AND OTHER PUBLIC SAFETY STAKEHOLDERS TO IDENTIFY AND IMPLEMENT STRATEGIES THAT WILL REDUCE THE UNINTENDED NEGATIVE IMPACTS OF EXISTING CRIMINAL LAW

Source: City of Whittier

Concurrence of five or more cities/city officials: Cities: La Mirada; Lakewood; Monrovia; Pico

Rivera; Rolling Hills; Santa Fe Springs; and South Gate

Referred to: Public Safety Policy Committee

Recommendation to General Resolutions Committee:

WHEREAS, during the past several years, State legislative changes have made fundamental alterations to the fabric of California's criminal justice system. Many of those changes have been needed and necessary, as not all crimes should be punished with jail sentences; and

WHEREAS, California cities, counties, and the State, however, are facing increased crime which endangers the health and safety of police officers, residents, business owners, and property due to some of these legislative changes which created a situation where violent and career criminals are serving little to no prison time; and

WHEREAS, negative impacts from State legislative changes have been far reaching and crime rates and the number of victims are skyrocketing throughout California. The negative impacts of these laws were unintended when voters and legislators approved the laws, which were instead intended to help lower the prison population in California prisons and appropriately rehabilitate non-violent offenders; and

WHEREAS, incentives for offenders to voluntarily enroll in substance abuse programs have diminished, which has had the effect of eroding the safety of our communities; and

WHEREAS, AB 109 transferred nearly 45,000 felons from the State prison system to local jail facilities, which were not designed to house criminals on a long-term basis and were unprepared for such an increase in incarcerations, resulting in lower-level criminals being released early, directly impacting rising property crime rates throughout the State; and

WHEREAS, many probationers who have severe mental illness are released into communities where they continue to commit crimes that adversely impact the safety of community members and drain the resources of probation departments and police departments throughout the state; and

WHEREAS, Proposition 47, The Safe Neighborhoods and Schools Act, downgraded a number of serious crimes from felonies to misdemeanors—drug possession, repeated shoplifting, forging checks, gun theft, and possession of date-rape drugs; and

WHEREAS, Proposition 57 categorizes rape by intoxication, rape of an unconscious person, human trafficking involving sex with minors, drive-by shooting, assault with a deadly weapon, domestic violence, hate crime causing physical injury, and corporal injury to a child as "non-violent" felonies and offenders convicted of violating such laws are able to avoid appropriate prison sentences; and

WHEREAS, under Proposition 57, criminals who commit multiple crimes against multiple victims will be eligible for release at the same time as offenders who only committed a single crime against a single victim and allows repeat criminals to be eligible for release after the same period of incarceration as first time offenders; and

WHEREAS, cities must join together to voice their concerns for these legislative changes that have created an adverse impact on the safety of residents and businesses in local communities.

NOW, THEFORE, BE IT RESOLVED by the General Assembly of the League of California Cities, assembled in Sacramento on September 15, 2017, to:

- 1. Direct League staff to consider creating a task force with other organizations and jointly commission a report on the unintended negative impacts of recent and future criminal law based on appropriate documentation by local agencies to identify necessary changes, working with key stakeholders to promote support for resulting advocacy efforts.
- 2. Promote an amendment of appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates to include their total criminal and mental health history instead of only their last criminal conviction.
- 3. Continue to advocate to place into law that for the purposes of Section 32 of Article I of the California Constitution, a violent offense includes any of the following:
  - Murder or voluntary manslaughter.
  - Mayhem.
  - Rape.
  - Sodomy by force, violence, duress, menace, or threat of great bodily harm.
  - Oral copulation by force, violence, duress, menace, or threat of great bodily harm.
  - Lewd acts on a child under the age of 14 years.
  - Any felony punishable by death or imprisonment in the state prison for life.
  - Any other felony in which the defendant inflicts great or serious bodily injury on any person, other than an accomplice, that has been charged and proven, or any felony in which the defendant uses a firearm which use has been charged and proven.
  - Attempted murder.
  - Assault with intent to commit rape or robbery.

- Assault with a deadly weapon or instrument on a peace officer.
- Assault by a life prisoner on a non-inmate.
- Assault with a deadly weapon by an inmate.
- Arson
- Exploding a destructive device or any explosive with intent to injure.
- Exploding a destructive device or any explosive causing great bodily injury.
- Exploding a destructive device or any explosive with intent to murder.
- Robbery.
- Kidnapping.
- Taking of a hostage by an inmate of a state prison.
- Attempt to commit a felony punishable by death or imprisonment in the state prison for life.
- Any felony in which the defendant personally used a dangerous or deadly weapon.
- Escape from a state prison by use of force or violence.
- Assault with a deadly weapon.
- Extortion as defined in Penal Code section 518, or threats to victims or witnesses as defined in Penal Code section 136.1, which would constitute a felony violation of Penal Code section 186.22.
- Carjacking.
- Discharge of a firearm at an inhabited dwelling, vehicle, or aircraft.
- Throwing acid or flammable substances with intent to injure.
- Continuous sexual abuse of a child.
- 4. Request the State to improve the Smart Justice platform to provide an effective statewide data sharing to allow state and local law enforcement agencies to rapidly and efficiently share offender information to assist in tracking and monitoring the activities of AB 109 and other offenders.
- 5. Encourage the collection and organization of real world data from cities and counties on the universe of post-release community supervision (PRCS) offenders.
- 6. Encourage cities throughout California to join in these advocacy efforts to mitigate the unintended negative impacts of recent policy changes to the criminal justice system.
- 7. Call for the Governor and the Legislature to work with the League and others stakeholders to consider and implement such criminal justice system reforms.

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# **Background Information on Resolution No. 1**

Source: City of Whittier

### Background:

During the past several years, State legislative changes have made fundamental alterations to the fabric of California's criminal justice system. Some changes have been needed, as not all crimes should be punished with jail sentences. These changes included AB 109 as well as Propositions 47 and 57.

Approved in 2011, AB 109 was approved, transferring nearly 45,000 felons from the State prison system to local jail systems, resulting in lower-level criminals being released early. Then, Proposition 47, so called The Safe Neighborhoods and Schools Act, was approved by California voters in 2014. It reclassified and downgraded a number of serious crimes from felonies to misdemeanors. Similarly, Proposition 57, called The Public Safety and Rehabilitation Act, was approved by voters in 2016 and allows the State to provide for the release of up to 30,000 criminals convicted of "non-violent" felonies, including rape by intoxication, driveby shooting, human trafficking involving sex act with minors, assault with a deadly weapon, to name a few. Additionally, under Prop 57 repeat criminals are eligible for release after the same period of incarceration as first time offenders.

Now, California cities and counties are facing increasing crime rates which are being connected to these legislative actions which created a situation where violent and career criminals are serving little to no prison time while low-level offenders commit multiple crimes with limited consequences. This increasing level of crime endangers the health and safety of our residents, police officers, and property. Negative impacts from these State legislative changes have been far reaching, and crime rates and the number of victims are increasing throughout California. The negative impacts of these laws were unintended when voters and legislators approved the laws, which were instead intended to help lower the prison population in California prisons and appropriately rehabilitate non-violent offenders.

As an example, the Public Policy Institute of California reports since 2015:

- · California has experienced an uptick in overall crime
- Property crime is up 145%, violent crime up 54%
- One in four Californians view violence and street crime in their community as a substantial problem
- Arrests dropped 31% for property crimes and 68% for drug offenses (due to Prop. 47)
- The report concludes auto theft increase is a direct result of AB109

To make matters even worse, during the past two years we've seen officers shot, wounded and killed in communities throughout California including Whittier, Downey, Lancaster, Palm Springs, San Diego, Stanislaus County, and Modoc County. Further, the number of U.S. police officers killed in the line of duty hit a five-year high in 2016. The National Law Enforcement Officers Memorial Fund's preliminary report shows that this year's 135 fatalities were a 10% increase over the 123 officers who died in the line of duty last year.

When taken together the increases in crime in our communities and reductions in arrests for many crimes plus violent attacks against police officers underscores the need for a call to action amongst California's state and local leaders. This conference resolution is an important first step and seeks to initiate both a dialogue as well as actions to begin reforming California's criminal justice system by requesting that League staff analyze the negative impacts of recent criminal law, identify necessary changes, and work with stakeholders to promote support for such advocacy efforts. The resolution also calls on the Governor, Legislature, cities, and other stakeholders to work together toward reforms.

The resolution contains three specific reforms:

### 1. Address Issues with AB 109

The conference resolution promotes the amendment of appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates to include their total criminal and mental health history instead of only their last criminal conviction.

# 2. Revise the Definition of Violent Crime

The resolution calls for the League to advocate to place into law for the purposes of Section 32 of Article I of the California Constitution, a violent offense includes any of the following crimes:

- Murder or voluntary manslaughter
- Mayhem
- Rape
- Sodomy by force, violence, duress, menace, or threat of great bodily harm
- Oral copulation by force, violence, duress, menace, or threat of great bodily harm
- Lewd acts on a child under the age of 14 years
- Any felony punishable by death or imprisonment in the state prison for life
- Any other felony in which the defendant inflicts great or serious bodily injury on any person, other than an accomplice, that has been charged and proven, or any felony in which the defendant uses a firearm which use has been charged and proven
- Attempted murder
- Assault with intent to commit rape or robbery
- Assault with a deadly weapon or instrument on a peace officer
- Assault by a life prisoner on a non-inmate
- Assault with a deadly weapon by an inmate
- Arson
- Exploding a destructive device or any explosive with intent to injure
- Exploding a destructive device or any explosive causing great bodily injury
- Exploding a destructive device or any explosive with intent to murder
- Robbery
- Kidnapping
- Taking of a hostage by an inmate of a state prison

- Attempt to commit a felony punishable by death or imprisonment in the state prison for life
- Any felony in which the defendant personally used a dangerous or deadly weapon
- Escape from a state prison by use of force or violence
- Assault with a deadly weapon
- Extortion as defined in Penal Code section 518, or threats to victims or witnesses as defined in Penal Code section 136.1, which would constitute a felony violation of Penal Code section 186.22
- Carjacking
- Discharge of a firearm at an inhabited dwelling, vehicle, or aircraft.
- Throwing acid or flammable substances with intent to injure.
- Continuous sexual abuse of a child.

# 3. Data Sharing

The resolution requests the State to improve the Smart Justice platform to provide an effective statewide data sharing to allow state and local law enforcement agencies to rapidly and efficiently share offender information to assist in tracking and monitoring the activities of AB 109 and other offenders.

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# League of California Cities Staff Analysis on Resolution No. 1

Staff:

Tim Cromartie
Public Safety

#### Summary:

Committee:

This Resolution seeks to address increases in crime in the wake of AB 109 (2011), Proposition 47 (2014), which reclassified a host of felony offenses as misdemeanors, and Proposition 57 (2016), which revised the rules of parole for what are designated "non-violent" offenders under the California Penal Code, but in fact comprise a number of criminal acts that are violent in nature, or may be committed to facilitate a violent outcome (for example, discharging a firearm from a motor vehicle).

This Resolution would direct staff to seek legislation expanding the term "violent felony" as defined in the California Penal Code; to tighten the criteria for the release of non-violent, non-serious, non-sex offender inmates; to mandate consideration of an inmate's entire criminal history as part of the deliberations involving whether to grant in individual parole; and to consider creation of a task force that would be charged with issuing a report recommending further changes in law, and supported by documentation collected by local agencies and other key stakeholders.

## Background:

Since 2011, changes in state law, starting with AB 109, altered the fabric of California's criminal justice system. In 2011, AB 109 began to shift nearly 45,000 felons from the state prison system to local county jails. Prior to AB 109, many of California's more heavily populated counties already had jail systems that were operating under court-ordered or self-imposed population caps. As a result, AB 109 implementation triggered changes in that county jails experienced over time an influx of a rougher class of offender, and many lower level petty criminals committing new offenses were simply booked and released, serving no jail time at all.

Proposition 47 followed in 2014, reclassifying a host of felony offenses as misdemeanors and increasing the threshold amount for a felony charge of grand theft from \$450.00 to \$900.00. The effect of this change was to significantly stimulate the volume of petty theft, shoplifting, auto theft, and organized retail theft (shoplifting involving multiple persons with cell phones, designated getaway drivers, and a pre-determined escape route often involving a short trip to a major highway). Proposition 57, approved by voters in 2016, facilitates the potential early release of a large number of "non-violent" offenders by providing that inmates are eligible for parole once they have served 100% of their base sentence, without regard to any time served as a result of any sentencing enhancements. The universe of "non-violent" offenders could include individuals who have committed the following offenses: rape by intoxication, attempted drive-by shooting, assault with a deadly weapon, throwing acid with the intent to disfigure, to name but a few offenses. Since current law defines a "non-violent offender" based on the individual's most recent commitment offense, even if the individual is a repeat offender, the State Parole Board must still consider that person's parole application.

This state of affairs includes factors such as a higher proportion of offenders at large on our city streets, many of whom have had little in the way of rehabilitation programming while incarcerated, some with drug habits, who are more violent now that when initially incarcerated. Unless they engage in major illegal activity (murder, rape, arson, armed robbery), the available sanctions for any violations they commit, such as flash incarceration, i.e. temporary incarceration for 48-72 hours in a city or county jail, scarcely provide a meaningful deterrent to further criminal activity.

Communities in California are now facing increasing crime rates which can be linked to these recent legislative changes, which probation officers and local law enforcement are struggling to monitor and contain a situation in which a dramatically increase universe of offenders are at large in our communities.

The Public Policy Institute of California reports that since 2015:

- California has experienced an increase in overall crime
- Property crime is up 145%
- Violent crime is up 54%
- One in four Californians view violence and street crime in their community as a substantial problem
- Arrests dropped 31% for property crimes and 68% for drug offenses (due to Prop. 47)
- The report concludes auto theft increase is a direct result of AB 109

# Support:

Cities of La Mirada, Lakewood, Monrovia, Pico Rivera, Rolling Hills, Santa Fe Springs, and South Gate

# Opposition:

None received.

# Fiscal Impact:

The collective and cumulative effect of the current criminal justice policies has led to increased pressure on county general funds for increased resources for probation supervision and incarceration in county jails, as well as identical pressure on municipal general funds related to increased law enforcement activity and in some areas, increased emergency medical services calls. Should the objectives outlined by the resolution be achieved, those pressures will be alleviated to a significant but undetermined amount.

# Comment:

This measure is a response to a trend of rapidly mounting frustration among cities beset by calls for more law enforcement resources as a result of ongoing, sustained criminal activity. There is a growing sense among law enforcement professionals and local elected officials that current policies which have reduced criminal penalties, reclassified felonies as misdemeanors and facilitated what amounts to early release of many offenders who are not truly non-violent, will in time result in a high-profile tragedy involving significant loss of life.

# **Existing League Policy:**

In regard to incarceration policy, the League supports stiffer penalties for violent offenders. In 2014, the League joined the California Police Chiefs in opposing Proposition 47, which reduces sentencing penalties for specified non-serious and non-violent drug and property crimes. It directed that the following offenses would be treated as misdemeanors, in most instances irrespective of the circumstances:

- · Commercial Burglary
- Forgery
- Passing Bad Checks
- · Grand Theft
- Receipt of Stolen Property
- Petty Theft with a Prior Offense
- Drug Possession

In 2013, the League Board of Directors approved a resolution pertaining to AB 109 (2011), which implemented Public Safety Realignment and brought significant changes to the state's incarceration policy. Specifically, it provided that specified categories of felony offenders previously sentenced to state prison, would prospectively be sentenced to terms in county jails.

The League's Resolution had two significant components relevant to this resolution:

1) It urged the Governor's office to adjust the implementation of Public Safety Realignment so that the criteria examined to evaluate the appropriateness of release of non-violent, non-serious, non-sex offender inmates would include their total criminal and mental

- history, instead of merely the most recent criminal conviction for which they are currently committed; and
- 2) It urged the Governor's office to expedite the development of an effective statewide data sharing mechanism allowing state and local law enforcement agencies too rapidly and efficiently share offender information to assist in tracking and monitoring the activities of AB 109 and other offenders.

Finally, the League in 2016 opposed Proposition 57, which altered rules for parole eligibility for non-violent felons, potentially facilitating parole before an individual has served any time toward a sentencing enhancement, and ushered in new rules for good time behavior seeking to incentivize inmates to undergo rehabilitation programming of an educational/vocational nature.

# RESOLUTION REFERRED TO PUBLIC SAFETY POLICY COMMITTEE

2. A RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES SUPPORTING LEGISLATION AMENDING GOVERNMENT CODE SECTION 38611 TO CLARIFY THE DEFINITION OF LOCAL CONTROL PROVIDING BROAD STATUTORY AUTHORITY FOR LOCAL OFFICIALS TO DETERMINE EMERGENCY SERVICE LEVELS AND DIRECT EMERGENCY MEDICAL RESPONSE WITHIN THEIR JURISDICTIONS

Source: City of Tracy

Concurrence of five or more cities/city officials: Cities: Lathrop, Lodi, Manteca, Stockton, and

Consumnes Fire Department (Cities of Elk Grove and Galt)

Referred to: Public Safety Policy Committee

Recommendation to General Resolutions Committee:

WHEREAS, Government Code Section 38611 was last amended in 1957 and does not contain language clarifying the broad scope of emergency services as provided by present day fire departments; and

WHEREAS, Government Code Section 38611 requires further definition for general law and charter cities in determining service levels for the delivery of emergency services commensurate with the resources provided by the local government body; and

WHEREAS, pursuant to Section 7 of Article XI of the California Constitution, municipal governments are vested with police power which imposes on the responsibility to protect public safety and public health and municipal governments must provide or contract for fire and/or emergency medical services; and

WHEREAS, the local provision of fire protection services, rescue services, emergency medical services, hazardous material emergency response services, ambulance services, and other services relating to the protection of lives and property is critical to the public peace, health, and safety of the state; and

WHEREAS, local fire and/or emergency medical services are financed by local taxpayers and the availability and use of such services is determined by the local governing body of the jurisdiction to which services are directly provided; and

WHEREAS, amending Government Code Section 38611 would provide the chief of a fire department specific authority to protect public safety and public health within the jurisdictional boundaries of the fire department.

**RESOLVED**, that the League of California Cities General Assembly, assembled at the League Annual Conference on September 15, 2017 in Sacramento, calls for the Governor and the Legislature to work with the League and other stakeholders to amend Government Code Section 38611 clarifying the definition of local control, providing broad statutory authority for local officials to determine emergency service levels and direct emergency medical response within their jurisdictions.

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# Background Information on Resolution No. 2

Source: City of Tracy

# Background:

In 1980, the State Legislature enacted the Emergency Medical Services (EMS) Act in response to the development of paramedic services and a concern that there was a lack of medical oversight and coordination of emergency medical services. The EMS Act contains 100 different provisions in nine separate chapters of the California Health and Safety Code. The EMS Act created a two-tiered system that established a State EMS Agency to coordinate state-wide EMS activities and to develop state-wide minimum EMS policies and a local tier (Local EMS Agency) to plan, implement and evaluate an EMS System. The statute also includes language that establishes "The medical direction and management of an emergency medical services system shall be under the medical control of the medical director of the local EMS Agency." In each county, the local EMS Agency sets local EMS policy, administers and provides medical oversight for cities and special fire districts to deliver EMS services within the county.

In the late 1970's, as the EMS Act was being developed, the League of California Cities weighed heavily concerning the impact of the proposed EMS Act on cities. The League of California Cities argued against depriving a city of local control over EMS service levels. The League of California Cities wrote, "We believe (local control) is important because city taxpayers financially support (EMS) programs and city management is responsible for their efficient utilization. The city council is responsible for the level of service and the cost of the program, wholly unrelated to the medical questions." Based on that argument, additional language was included in the EMS policy that allowed local agencies that were providing EMS service to continue (and even obligated) them to continue to provide EMS services at the same levels as prior to 1980. This addition to the EMS Act (Section 1797.201 – became known as "201

Rights") has been very controversial and has led to several lawsuits between cities/special districts and local EMS Agencies.

The City of Tracy in San Joaquin County has become the epicenter on the issue of local control as it relates to who has the authority to determine which resources will respond to medical emergencies. Several incidents have been noted where poor patient outcomes were the result of a failed county policy (SJCEMS Agency Policy 3202) that restricts local fire departments from responding to "low-level" emergencies. The EMS policy decisions within San Joaquin County have potential implications on every local community within the state of California and increasingly threaten local control.

Proposed Amendment

The proposed amendment to Government Code Section 38611 would clarify local control and allow the local governing bodies to determine which services are directly provided within their respective jurisdictions. The existing law is extremely limited in scope having been last amended in 1957, at a time when fire departments did not routinely provide many of the specialized services of today. Changes in services provided include but are not limited to hazardous materials response, specialized rescue, and emergency medical services. The amendment aims to support the long-standing tradition in California of local control over the types, levels, and availability of these services.

////////

# League of California Cities Staff Analysis on Resolution No. 2

Staff:

Tim Cromartie
Public Safety

Summary:

Committee:

This resolution calls for the Governor and the Legislature to work with the League and other stakeholders to amend Government Code Section 38611 clarifying the definition of local control, providing broad statutory authority for local officials to determine emergency service levels and direct emergency medical response within their jurisdictions.

**Background:** 

In 1980, the State Legislature enacted the Emergency Medical Services (EMS) Act in response to the development of paramedic services and a concern that there was a lack of medical oversight and coordination of emergency medical services. The EMS Act contains 100 different provisions in nine separate chapters of the California Health and Safety Code. The EMS Act created a two-tiered system that established a State EMS Agency to coordinate state-wide EMS activities and to develop state-wide minimum EMS policies and a local tier (Local EMS Agency) to plan, implement and evaluate an EMS System.

The statute also includes language that establishes "The medical direction and management of an emergency medical services system shall be under the medical control of the medical director

of the local EMS Agency." In each county, the local EMS Agency sets local EMS policy, administers and provides medical oversight for cities and special fire districts to deliver EMS services within the county.

In the late 1970's, as the EMS Act was being developed, the League of California Cities weighed heavily concerning the impact of the proposed EMS Act on cities. The League argued against depriving a city of local control over EMS service levels. The League wrote, "We believe (local control) is important because city taxpayers financially support (EMS) programs and city management is responsible for their efficient utilization. The city council is responsible for the level of service and the cost of the program, wholly unrelated to the medical questions." Based on that argument, additional language was included in the EMS policy that allowed local agencies that were providing EMS service to continue (and even obligated) them to continue to provide EMS services at the same levels as prior to 1980. This addition to the EMS Act (Section 1797.201 – became known as "201 Rights") has been very controversial and has led to several lawsuits between cities/special districts and local EMS Agencies.

The City of Tracy in San Joaquin County has become one of the epicenters on the issue of local control as it relates to who has the authority to determine which resources will respond to medical emergencies. Several incidents have been noted where poor patient outcomes have been attributed by some observers to a county policy (SJCEMS Agency Policy 3202) that restricts local fire departments from responding to "low-level" emergencies. The EMS policy decisions within San Joaquin County have potential implications on every local community within the state of California and increasingly threaten local control.

# Support:

Cities of Lathrop, Lodi, Manteca, City of Stockton, and Consumnes Fire Department (Cities of Elk Grove and Galt)

# Opposition:

None received.

# **Fiscal Impact:**

This resolution, if its directive can be achieved, will have no direct fiscal impact on cities. It will however, provide an atmosphere in which cities that have invested significant resources in building up and maintaining an independent EMS capability can have confidence that it will be deployed as intended.

# Comment:

While this resolution calls for very specific action to clarify the rules governing emergency medical services, ideally it would be more generally worded to allow greater flexibility in pursuing legislative and other solutions to a problem that has existed for decades, spawning both legislation and multiple incidents of litigation.

However, it accurately expresses the legitimate frustration of cities in their efforts to provide emergency medical services (EMS) while abiding by the directives of their local emergency medical services authorities (LEMSA's), which are county entities. Counties have broad

discretion under existing case law in how they administer EMS under the doctrine of medical control. To the degree there is dissatisfaction on the part of cities within a given county or counties, the following should be noted:

- 1) A task force convened by the California Emergency Medical Services Authority, the state entity with jurisdiction over this subject matter, made significant headway in crafting regulations governing the provision of ground emergency medical transport -- until disputes over local control and the criteria under which a local (municipal) agency could lay claim to the exclusive right to provide EMS in a specific operating area led to a lawsuit being filed by the California Fire Chiefs Association. That suit effectively suspended the work of the Task Force.
- 2) Over the past two decades, multiple attempts at legislation to resolve this issue have been tried, most without success. It was in part the multiple attempts at legislation that triggered the formation of the above-referenced task force.

## **Existing League Policy:**

The League supports the fire service mission of saving lives and protecting property through fire prevention, disaster preparedness, hazardous-materials mitigation, specialized rescue, etc. as well as cities' authority and discretion to provide all emergency services to their communities.

The League supports and strives to ensure local control of emergency medical services by authorizing cities and fire districts to prescribe and monitor the manner and scope of pre-hospital emergency medical services, including transport through ambulance services, all provided within local boundaries for the purpose of improving the level of pre-hospital emergency medical service.

The League supports legislation to provide the framework for a solution to longstanding conflict between cities, counties, the fire service and LEMSA's particularly by local advisory committees to review and approve the EMS plan and to serve as an appeals body. Conflicts over EMS governance may be resolved if stakeholders are able to participate in EMS system design and evaluation and if complainants are given a fair and open hearing.

The League opposes legislation, regulations and standards that impose minimum staffing and response time standards for city fire and EMS services since such determinations should reflect the conditions and priorities of individual cities.

The League supports Emergency 911 systems to ensure cities and counties are represented on decisions affecting emergency response.

# LETTERS OF CONCURRENCE

Resolution No. 1

Implement Strategies to Reduce Negative Impacts of Recent Changes to Criminal Laws

13700 La Mirada Boulevard La Mirada, California 90638

P.O. Box 828 La Mirada, California 90637-0828

Phone: (562) 943-0131 Fax: (562) 943-1464 www.cityoflamirada.org

LETTER OF SUPPORT

General Resolutions Committee League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814

SUBJECT:

July 11, 2017

2017 CONFERENCE RESOLUTION STRATEGIES TO IMPROVE NEGATIVE

IMPACTS OF CRIMINAL LAW

Dear Committee:

The City of La Mirada supports the League of California Cities Annual Conference Resolution proposed by the City of Whittier calling on the Governor and Legislature to enter into discussion with the League and other public safety stakeholders to identify and implement strategies that will improve the unintended negative impacts of existing criminal law.

The City of La Mirada has seen increases in property crime that may have resulted from a combination of legislative actions and voter-approved initiatives. Specifically, since 2014 the City of La Mirada has seen property crime increase by 41 percent. The proposed resolution seeks to correct these negative impacts from existing criminal law and considers proactive measures that could reduce such impacts.

The resolution directs League staff to consider creating a task force with other organizations and jointly commission a report on the unintended negative impacts of recent criminal law to identify necessary changes.

The resolution also promotes an amendment of appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates to include one's total criminal and mental health history instead of only the most recent criminal conviction. It encourages continued advocacy to make "violent offenses" include crimes that meet the plain language definition of "violent".

The resolution further asks the State to improve the Smart Justice platform to allow state and local law enforcement agencies to rapidly share information to track offenders, and encourages data collection on post-release community supervision offenders.

The passage of this resolution would provide a range of important reforms to enhance public safety in our community. For these reasons, the City of La Mirada strongly supports this resolution to strategically address criminal justice reforms.

Sincerely,

CITY OF LA MIRADA

Ed Eng Mayor

Ed Eng

Mayor

Ron Piazza Conneil Member



Todd Rogers Council Member

July 10, 2017

General Resolutions Committee League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814 Diane DuBois Mayor

RE:

2017 Conference Resolution – Notice of Support Strategies to Improve Negative Impacts of Criminal Law

Dear Committee:

The City of Lakewood supports the League of California Cities Annual Conference Resolution calling on the Governor and Legislature to enter into discussion with the League and other public safety stakeholders to identify and implement strategies that will improve the unintended negative impacts of existing criminal law.

Like other cities, Lakewood has seen increases in property crime that may have resulted from a combination of legislative actions and voter-approved initiatives. The proposed annual conference resolution seeks to turn around these negative impacts from existing criminal law and considers proactive measures that could reduce such impacts. These include:

- Request League staff to consider creating a task force with other organizations and jointly commission a report on the unintended negative impacts of recent criminal law to identify necessary changes and work with key stakeholders to promote support for resulting advocacy efforts.
- Promote an amendment of appropriate sections of AB 109 to change the criteria justifying
  the release of non-violent, non-serious, non-sex offender inmates to include their total
  criminal and mental health history instead of only their last criminal conviction. It encourages
  continued advocacy to make "violent offenses" include crimes that meet the plain language
  definition of "violent."
- Request that the State improve the "Smart Justice" platform to allow state and local law enforcement agencies to rapidly share information to track offenders and encourage data collection on post-release community supervision offenders.

The passage of this resolution would provide a range of important reforms that would enhance public safety in our community. For these reasons, the City of Lakewood strongly supports this resolution to strategically address criminal justice reforms.

Sincerely,

Aire Aubois Diane DuBois

Mayor

Lakewood

# City of MONRO



July 11, 2017

President JoAnne Mounce The League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814

RE: Letter of Support for the Resolution Brought Forward by the City of Whittier Regarding the Unintended Negative Consequences of Recent Legislative Changes to California's Criminal Justice System

Dear Ms. Mounce:

The City of Monroyia strongly supports the Resolution brought forth by the City of Whittier, which asks the League of California Cities (League) to initiate and facilitate further discussion between the Governor, the State Legislature, and other key public safety stakeholders regarding the legislative changes that have been made to California's criminal justice system during the past few years.

Taken together, Assembly Bill 109, Proposition 47, and Proposition 57 have reshaped how we approach public safety issues in our State. And certainly, the identified measures have resulted in measurable and positive impacts to California's criminal justice system, such as a decrease in the State prison system population. However, the cumulative effect of these legislative actions have had several significant unintended consequences, which have resulted in California cities now needing to address increasingly complex public safety challenges.

For example, in the City of Monrovia, violent and property crimes increased by 19% when comparing 2016 crime levels against 2015 rates. On-the-street information being provided by our Police Officers seems to correlate that the increasing levels of crime are connected with the legislative changes that have been enacted in California during the past several years. Additionally, the public safety issues we are experiencing in Monrovia are not occurring in a vacuum, as other neighboring jurisdictions are reporting similar concerns that impact our region as a whole.

Given these factors, we believe that California's overall criminal justice system needs to be carefully reexamined for potential methods to mitigate these emerging public safety issues. The City of Whittier's Resolution represents a positive first step, which includes the formation of a task force to examine possible criminal justice system modifications in greater detail. We believe that such a step would be a move in the right direction for California.

For these reasons, the City of Monrovia strongly supports the Resolution brought forth by the City of Whittier. Of course, please feel free to contact me if I can provide any additional information. I can be reached at (626) 932-5501, or via email at ochi@ci.monrovia.ca.us.

Best regards

Oliver Chi City Manager



René Bobadilla, P.E. City Manager

# City of Pico Rivera OFFICE OF THE CITY MANAGER

6615 Passons Boulevard · Pico Rivera, California 90660

(562) 801-4379

Web: www.pico-rivera.org · e-mail: rbobadilla@pico-rivera.org

City Council Bob J. Archuleta

Gustavo V. Camacho Mayor Pro Tem

David W. Armenta Councilmember

> Gregory Salcido Councilmember

> Brent A.Tercero Councilmember

July 12, 2017

General Resolutions Committee League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814

RE:

2017 Conference Resolution

Strategies to Improve Negative Impacts of Criminal Law

**Notice of Support** 

### Dear Committee:

The City of Pico Rivera supports the League of California Cities Annual Conference Resolution calling on the Governor and Legislature to enter into discussion with the League and other public safety stakeholders to identify and implement strategies that will improve the unintended negative impacts of existing criminal law.

The City of Pico Rivera has seen increases in property crime that may have resulted from a combination of legislative actions and voter-approved initiatives. Following are some specific impacts provided by the Pico Rivera Sheriff's Department:

# Part I crimes

Robbery is up 10.26% in 2017 compared to 2016 Larceny Theft is up 4.09% in 2017 compared to 2016

### Part II crimes

Weapon Law is up 9.68% in 2017 compared to 2016

Felony Transport & or Sales of controlled substance (except Marijuana) is up 44.44% compared to 2016

Misdemeanor Possession of a Controlled Substance (excluding Marijuana) is up 56.06% compared to 2016

Under the influence of Narcotic is up 28.57% in 2017 compared to 2016

The proposed annual conference resolution seeks to turn around these negative impacts from existing criminal law and considers proactive measures that could reduce such impacts.

General Resolutions Committee

2017 Conference Resolution - Strategies to Improve Negative Impacts of Criminal Law

Notice of Support July 12, 2017

Page 2

The resolution directs League staff to consider creating a task force with other organizations and jointly commission a report on the unintended negative impacts of recent criminal law to identify necessary changes, working with key stakeholders to promote support for resulting advocacy efforts.

The resolution also promotes an amendment of appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates to include their total criminal and mental health history instead of only their last criminal conviction. It encourages continued advocacy to make "violent offenses" include crimes that meet the plain language definition of "violent".

The resolution further asks the State to improve the Smart Justice platform to allow state and local law enforcement agencies to rapidly share information to track offenders, and encourages data collection on post-release community supervision offenders.

The passage of this resolution would provide a range of important reforms that would enhance public safety in our community. For these reasons, the City of Pico Rivera strongly supports this resolution to strategically address criminal justice reforms.

Best regards,

René Bobadilla, P.E.

City Manager

City of Pico Rivera



# City of Rolling Hills INCORPORATED JANUARY 24 1957

NO. 2 PORTUGUESE BEND ROAD **ROLLING HILLS, CALIF. 90274** (310) 377-1521 FAX: (310) 377-7288

July 12, 2017

General Resolutions Committee League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814

RE: 2017 Conference Resolution

Strategies to Improve Negative Impacts of Criminal Law

Notice of Support

Dear Members of the General Resolutions Committee:

As a member of the Rolling Hills City Council, I support the League of California Cities Annual Conference Resolution calling on the Governor and Legislature to enter into discussion with the League and with other public safety stakeholders to identify and implement strategies that will relieve the unintended negative impacts of existing criminal law.

The City of Rolling Hills has seen increases in burglaries, mail/package theft and other property related crime that may have resulted from a combination of legislative actions and voter-approved initiatives. The City has also seen a significant jump in identity theft. The proposed annual conference resolution seeks to turn around these negative impacts from existing criminal law and considers proactive measures that could reduce such impacts.

The resolution directs League staff to consider creating a task force with other organizations and jointly commission a report on the unintended negative impacts of recent criminal law to identify necessary changes, working with key stakeholders to promote support for resulting advocacy efforts.

The resolution also promotes an amendment of appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates to include their total criminal and mental health history instead of only their last criminal conviction. It encourages continued advocacy to make "violent offenses" include crimes that meet the plain language definition of "violent".

General Resolutions Committee

July 12, 2017

Re: 2017 Conference Resolution Strategies to Improve Negative Impacts of Criminal Law - Notice of Support

Page 2

The resolution further asks the State to improve the Smart Justice platform to allow state and local law enforcement agencies to rapidly share information to track offenders, and encourages data collection on post-release community supervision offenders.

The passage of this resolution would provide a range of important reforms that would enhance public safety in our community. For these reasons, I strongly support this resolution to strategically address criminal justice reforms.

Sincerely,

Bea Dieringer

Councilmember City of Rolling Hills

RC:BD:hl

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11710 Telegraph Road · CA · 90670-3679 · (562) 868-0511 · Fax (562) 868-7112 · www.santafesprings.org was a succession of the succes

July 11, 2017

General Resolutions Committee League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814

RE: 2017 Conference Resolution

Strategies to Improve Negative Impacts of Criminal Law

**Notice of Support** 

### Dear Committee:

The City of Santa Fe Springs supports the League of California Cities Annual Conference Resolution calling on the Governor and Legislature to enter into discussion with the League and other public safety stakeholders to identify and implement strategies that will improve the unintended negative impacts of existing criminal law.

The City of Santa Fe Springs has seen increases in property crime that may have resulted from a combination of legislative actions and voter-approved initiatives. In addition, the City of Santa Fe Springs contracts with the Whittier Police Department for Law Enforcement Services. In February, Whittier Police Department Officer Keith Boyer was gunned down by a AB 109 offender in a heinous act of indiscrimate violence. We feel strongly that AB 109 and the loosening of oversight and control over recidivist offenders was atleast partially responsible in Officer Boyer's death. We believe that the proposed annual conference resolution seeks to turn around these negative impacts from existing criminal law and considers proactive measures that could reduce such impacts.

The resolution directs League staff to consider creating a task force with other organizations and jointly commission a report on the unintended negative impacts of recent criminal law to identify necessary changes, working with key stakeholders to promote support for resulting advocacy efforts.

The resolution also promotes an amendment of appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates to include their total criminal and mental health history instead of only their last criminal conviction. It encourages continued advocacy to make "violent offenses" include crimes that meet the plain language definition of "violent".

The resolution further asks the State to improve the Smart Justice platform to allow state and local law enforcement agencies to rapidly share information to track offenders, and encourages data collection on post-release community supervision offenders.

> William K. Rounds, Mayor • Jay Sarno, Mayor Pro Tem City Council Richard J. Moore • Juanita Trujillo • Joe Angel Zamora City Manager Thaddeus McCormack

July 10, 2017 Page 2 2017 Conference Resolution

The passage of this resolution would provide a range of important reforms that would enhance public safety in our community. For these reasons, the City of Santa Fe Springs strongly supports this resolution to strategically address criminal justice reforms.

Sincerely,

William K. Rounds, Mayor City of Santa Fe Springs



# City of South Gate

8650 CALIFORNIA AVENUE + SOUTH GATE, CA 90280-3075 + (323) 563-9543 WWW.CITYOFSOUTHGATE.ORG FAX (323) 569-2678

MARIA DAVILA, Mayor MARIA BELEN BERNAL, Vice Mayor DENISE DIAZ, Council Member JORGE MORALES, Council Member AL RIOS, Council Member

July 11, 2017

General Resolutions Committee League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814

RE: 2017 ANNUAL CONFERENCE RESOLUTION: STRATEGIES TO IMPROVE NEGATIVE IMPACTS OF CRIMINAL LAW-NOTICE OF SUPPORT

# Dear Committee:

As a Council Member of the City of South Gate, and a Member of the League's Public Safety Policy Committee, I am writing to express my support of the City of Whittier's 2017 Annual Conference. Resolution (Resolution.) The proposed Resolution calls on the Governor and Legislature to enter into discussion with the League and other public safety stakeholders, to identify and implement strategies that will improve the unintended negative impacts of existing criminal law.

Cities in Los Angeles County have experienced increases in property crimes that may have resulted from a combination of legislative actions and voter-approved initiatives. The proposed Resolution seeks to remedy many of the negative impacts from existing criminal law and considers proactive measures that could reduce such impacts.

The passage of this Resolution would provide a range of important League directives to address the growing public safety concerns in these communities. For these reasons, I strongly support this Resolution to strategically address criminal justice reforms.

Jorge Morales Council Member

Sincerely,

# LETTERS OF CONCURRENCE

Resolution No. 2

Local Control for Emergency Medical Response

### COSUMNES FIRE DEPARTMENT



10573 E Stockton Blvd. Elk Grove, CA 95624

> (916) 405-7100 Fax (916) 685-6622 www.yourcsd.com

July 13, 2017

The Honorable JoAnne Mounce, President League of California Cities 1400 K Street Sacramento, California 95814

RE: RESOLUTION THAT SUPPORTS LEGISLATION TO AMEND GOVERNMENT CODE SECTION 38611 TO CLARIFY THE DEFINITION OF LOCAL CONTROL

Dear President Mounce,

The Cosumnes CSD Fire Department, which encompasses the Cities of Elk Grove and Galt supports the proposed resolution that would support legislation to amend Government Code Section 38611 to clarify the definition of local control as it pertains to emergency services.

A core function of local government is the ability to determine and provide the appropriated level of emergency response resources. Allowing Local Emergency Medical Services Agencies (LEMSAs) to determine when and how local fire agencies respond to emergencies circumvents the role of Fire Chiefs and municipal and special fire district legislative bodies. It should be the role of the Fire Chief to determine the required service levels and the role of the local legislative bodies to support the Fire Chief's recommendations based on community expectations, community risk reduction strategies and available resources.

Therefore, the Cosumnes CSD Fire Department supports the proposed resolution and future legislation that would serve to ensure local government determines their emergency response service levels. If further clarification is required, please let me know.

Sincerely

Michael W. McLaughlin

Fire Chief



Office of the City Manager

390 Towne Centre Dr. - Lathrop, CA 95330 Phone (209) 941-7220 - fax (209) 941-7248 <u>www.ci.lathrop.ca.us</u>

July 14, 2017

The Honorable JoAnne Mounce, President
League of California Cites
1400 K Street
Sacramento, CA 95814
Sent to Via Email to: Meg Desmond mdesmond@cacities.org<mailto:mdesmond@cacities.org

# Re: RESOLUTION THAT SUPPORTS LEGISLATION TO AMEND GOVERNMENT CODE SECTION 38611 TO CLARIFY THE DEFINITION OF LOCAL CONTROL

Dear President Mounce,

The City of Lathrop supports the proposed resolution that would support legislation to amend Government Code Section 38611 to clarify the definition of local control as it pertains to emergency services.

A core function of local government is the ability to determine and provide the appropriated level of emergency response resources. Allowing Local Emergency Medical Services Agencies (LEMSAs) to determine when and how local fire agencies respond to emergencies circumvents the role of Fire Chiefs and municipal and special fire district legislative bodies. It should be the role of the Fire Chief to determine the required service levels and the role of the local legislative bodies to support the Fire Chief's recommendations based on community expectations, community risk reduction strategies and available resources.

Therefore, the City of Lathrop supports the proposed resolution and future legislation that would serve to ensure local government determines their emergency response service levels. If further clarification is required, please let me know.

Thank you,

Stephen J. Salvatore

City Manager

Cc: Members of the City of Lathrop City Council

Lathrop Manteca Fire Chief, Gene Neely

Tracy City Manager, Troy Brown Tracy Fire Chief, Randali Bradley

Central Valley Regional Public Affairs Manager LOCC, Stephen Qualls

CITY COUNCIL
DOUG KUEHNE, Mayor
ALAN NAKANISHI,
Mayor Pro Tempore
MARK CHANDLER
BOB JOHNSON
JOANNE MOUNCE

# CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807
www.lodi.gov cityclerk@lodi.gov

STEPHEN SCHWABAUER
City Manager

JENNIFER M. FERRAIOLO
City Clerk

JANICE D. MAGDICH
City Attorney

July 19, 2017

The Honorable JoAnne Mounce, President League of California Cities 1400 K Street, Suite 400 Sacramento, CA 95814

RE: RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES SUPPORTING LEGISLATION AMENDING GC §38611 TO CLARIFY DEFINITION OF LOCAL CONTROL PROVIDING BROAD STATUTORY AUTHORITY FOR LOCAL OFFICIALS TO DETERMINE EMERGENCY SERVICE LEVELS AND DIRECT EMERGENCY MEDICAL RESPONSE WITHIN THEIR JURISDICTIONS

The City of Lodi supports the proposed resolution to support legislation amending Government Code §38611 to clarify the definition of local control providing broad statutory authority for local officials to determine emergency service levels and direct emergency medical response within their jurisdictions.

Accordingly, we concur in the submission of the resolution for consideration by the League of California Cities General Assembly at its annual meeting on September 15, 2017.

Government Code Section 38611 does not contain language clarifying the broad scope of emergency services as provided by present day fire departments. The code requires further definition for general law and charter cities in determining service levels for the delivery of emergency services commensurate with the resources provided by the local government body. Amending Government Code Section 38611 would provide the chief of a fire department specific authority to protect public safety and public health within the jurisdictional boundaries of the fire department.

The City of Lodi is in strong support of providing statutory authority for local officials to determine emergency service levels and direct emergency medical response within their jurisdictions.

Sincerely,

Doug Kuchne

Mayor, City of Lodi

**DK/JMF** 

cc: Larry Rooney, Fire Chief, City of Lodi

Randall Bradley, City of Tracy, <u>randall.bradley@ci.tracy.ca.us</u>
Stephen Qualls, League of California Cities, <u>squalls@cacities.org</u>



# **CITY OF MANTECA - FIRE DEPARTMENT**

1154 S. UNION ROAD • MANTECA, CA 95337 (209) 456-8300 • FAX (209) 923-8936

July 13, 2017

League of California Cities 1400 K Street, Suite 400 Sacramento CA 95814

RE: A RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES SUPPORTING LEGISLATION AMENDING GOVERNMENT CODE SECTION 38611 TO CLARIFY THE DEFINITION OF LOCAL CONTROL PROVIDING BROAD STATUTORY AUTHORITY FOR LOCAL OFFICIALS TO DETERMINE EMERGENCY SERVICE LEVELS AND DIRECT EMERGENCY MEDICAL RESPONSE WITHIN THEIR JURISDICTIONS

To Whom It May Concern:

This letter confirms that the City of Manteca supports the resolution on Emergency Medical Services submitted to the League of California cities by the City of Tracy. The City of Manteca believes that local control of Emergency Services is critical to ensure that the best possible service and protection of our citizens/taxpayers is provided.

We appreciate the City of Tracy's willingness to bring this crucial issue to the forefront.

Respectfully,

Greg Showerman, Acting City Manager

Date: 13 Juy 2017

(yle Shipherd, Fire Chief

Date: 12 July 201)

ELBERT HOLMAN Vice Mayor District I



#### CITYΟF STOCKTON

DAN WRIGHT

District 2

SUSAN LOFTHUS

District 3

SUSAN LENZ District 4

CHRISTINA FUGAZI District 5

JESÚS ANDRADE

District 6

OFFICE OF THE CITY COUNCIL CITY HALL • 425 N. El Dorado Street • Stockton, CA 95202 209 / 937-8244 • Fax 209 / 937-8568

July 13, 2017

The Honorable JoAnne Mounce, President League of California Cities 1400 K Street Sacramento, CA 95814

SUBJECT: Resolution of the League of California Cities Supporting Legislation Providing Broad Statutory Authority for Local Officials to Determine **Emergency Service Levels - SUPPORT** 

Dear President Mounce,

On behalf of the City of Stockton, I wish to voice our support of the City of Tracy proposed resolution for consideration by League membership. Stockton supports this resolution for the following reasons:

- 1) The City of Stockton Legislative Program seeks the broadest authority for the City Council to make decisions locally, particularly related to the local exercise of police powers:
- 2) The City of Stockton Legislative Program advocates for efforts that impact the City's ability to enhance the well-being, quality of life, health, and safety of residents:
- 3) The City of Stockton has experienced challenges and frustrations in delivering the highest quality of emergency medical services to our residents due to provision of the Emergency Medical Services (EMS) Act.
- 4) Amendments to the EMS Act would clarify local control and allow governing bodies to determine which services are directly provided within their respective jurisdictions.

For these reasons, the City of Stockton concurs with and supports the City of Tracy proposed resolution for consideration by League membership.

**MAYOR** 

MT:cc

CC: Stockton City Councilmembers Kurt Wilson, Stockton City Manager

# **CITY OF STANTON**

# REPORT TO CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT: LOCAL VENDOR PREFERENCE DISCUSSION

# REPORT IN BRIEF:

This report is intended to provide options to consider the revision of the City's existing local vendor preference section of the Stanton Municipal Code.

### RECOMMENDED ACTION:

- 1. Declare that the project is not subject to the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 2. Receive and file report and provide staff with direction.

### **BACKGROUND:**

At the June 13, 2017 City Council Meeting, Mayor Pro Tem Shawver submitted a request for the establishment of a preference for local vendors when bidding on City projects. At the July 11, 2017 City Council meeting, City Council provided direction for staff to proceed with further research and to report staff's findings to the City Council at a future meeting.

#### ANALYSIS/JUSTIFICATION:

A number of cities provide a local vendor preference in their purchasing policy. The general purpose of this is to promote local economic development and maintain a healthy economic base as well as to encourage businesses to move into the city's jurisdiction. Stanton currently has a 1% preference for local vendors in section 2.56.075 of the Municipal Code "in lieu of sales tax loss for the purchase of materials, supplies. equipment, personal property and services." What the local vendor preference does is allow the city to favorably compare bids by vendors within the city when looking at projects where Public Works has requested bids.

For instance, if bids were requested for a significant project and a vendor in the City bid \$1,000,000, when comparing bids to other vendors, the City would consider the local vendor's bid at \$990,000. If another vendor bid \$991,000, even though the local vendor's bid was higher, the low bid would be awarded to the local vendor. The same process would be considered for smaller purchases, such as supplies and equipment, as well.

Because of the size of the projects that Public Works bids out, there are very few local vendors that currently benefit from the City's local vendor preference. In fact, in the past decade, there is only one vendor who has provided bids on public projects that could receive benefit from the local vendor preference – USS Cal Builders.

If Council wishes to move forward with revising the existing local vendor preference, there are a number of options available to them. The first option would be revising the city's existing policy to be a 2% differential "...in lieu of sales and use tax loss..." This option would stay true to the purpose of offsetting the loss of city revenue if a vendor outside the city was selected as opposed to a vendor within the city.

In addition, Best Best & Krieger provided staff with a number of California cities who have a preference that exceeds the offset of sales and use tax. They include the cities of Corona, Murrieta, Azusa and Woodland. Below is a chart for those four cities describing their local vendor preference and limitations on it.

City	%	What is covered	What is excluded	Сар
Corona	5%	Purchases of materials, supplies & equipment; maintenance & general services	Competitive bids above \$200,000	\$10,000
Murrieta	3%	Purchases of materials and supplies	Public works contracts	None
Azusa	5%	Purchases of materials and supplies	Bids for public projects or professional services	\$5,000
Woodland	5%	Purchases of materials and supplies and public bids	Public projects; professional services	None

While these cities all have a higher percentage than the offset of sales and use tax, in all instances the cities also have limitations to the policy that are greater than Stanton's current provision. The most liberal policy of the cities reviewed is the City of Woodland. In addition to the limitations identified above, the example cities also provide stronger restrictions than the Stanton Municipal Code in defining a local vendor such as ensuring they have been in business more than one year and that they have paid all applicable fees and taxes imposed by the city.

It should be pointed out that while increasing a local vendor preference beyond the 2% threshold would promote local businesses, it would also create instances where the city could be paying more on a net revenue and expenditure basis for public projects than it would without such a policy. If Council desires to revise the municipal code to increase the local vendor preference beyond 2%, staff would recommend providing additional clarifying language and limitations on what types of purchases are covered and/or to cap the total benefit that will be provided to local vendors when bidding on significant capital projects going forward.

Depending on Council's preference for proceeding and its direction to staff, staff will return to Council at a future date with the appropriate report or action item.

### FISCAL IMPACT:

None at this time.

### **ENVIRONMENTAL IMPACT:**

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15061(b)(3).

# **PUBLIC NOTIFICATION:**

Public notice for this item was made through the regular agenda process.

# STRATEGIC PLAN OBJECTIVE ADDRESSED:

2.0 - Promote a Strong Local Economy

4.0 - Ensure Fiscal Stability and Efficiency in Government

Prepared by:

Stephen M. Parker, CPA

Administrative Services Director

Approved by:

James A Box

City Manager

# CITY OF STANTON

# REPORT TO CITY COUNCIL

TO:

Honorable Mayor and Members of the City Council

DATE:

September 12, 2017

SUBJECT: BELL STREET PROPERTY PARKING LOT DISCUSSION

### REPORT IN BRIEF:

This report is intended to provide options to utilizing the Successor Agency owned parcel at 10652 Bell Street for a public parking lot.

### **RECOMMENDED ACTION:**

- 1. Declare that the project is not subject to the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
- 2. Receive and file report and provide staff with direction.

### **BACKGROUND:**

In 2016, Council directed staff to identify solutions to alleviate the parking issues in the City. Developing public parking lots was identified as a potential solution. Council directed staff to pursue developing a public parking lot on a Stanton Housing Authority owned parcel on Cerritos and Flower Aves., as well as negotiating a potential lease for an OCTA owned parcel at Cerritos Ave. and Western Ave.

The Housing Authority owned public parking lot was opened in March of 2017. Thirtyfive parking spaces are provided on the lot, and since opening, the lot has been continually utilized to capacity. The peak times for use of the lot are overnight hours. Staff has also negotiated a potential lease for the OCTA property at \$0.77 per square foot. As this would be a significant annual cost, along with the initial costs associated with improving the property, staff is researching and requesting proposals from third party parking lot management companies to partner with the City on this property.

During the August 8, 2017 City Council meeting, Mayor Warren requested staff to expand the consideration of public parking lot locations to the Stanton Successor Agency owned parcel at 10562 Bell Street, the former site of the Corporation Yard.

## **ANALYSIS/JUSTIFICATION:**

The subject property is located at 10562 Bell Street in the RH (High Density Residential) zone. The site is surrounded by residential properties ranging from single family homes to the east, high density condominium complexes to the south and west, and a single family detached small lot subdivision to the north. Along Bell Street, there are eleven condominium or apartment complexes, and two single family detached small lot subdivisions. In total, on the south side of Cerritos Ave., there are approximately 465 residential units within a third of a mile walking distance of the subject site:

- Bell Street approximately 335 residential units
- Lexington approximately 50 residential units
- Lowden Street approximately 80 residential units

The subject site is 1.3 gross acres, with a usable site area of approximately 1.1 acres. The site is currently vacant and improved. The ground surface is dirt and gravel. Surrounding fencing is owned by the adjacent properties and consists of a mix of block wall, wood fencing, and chain link fencing. At this time, there is no lighting provided on the site, and there are only two street lights on Bell Street within the general vicinity of the site. To prepare the site for use as a public parking lot, the following includes a list of necessary improvements with anticipated costs:

- Rubber parking stops \$6,500 for 130 stops
- Signage \$500 10 signs at \$50 each
- Solar powered LED parking lot lights \$3000 6 lights at \$500 each
- Total = \$10,000

Based on preliminary plans, the lot is anticipated to net 130 parking spaces.

If Council wishes to move forward with utilizing this site for public parking, action would be required to be taken to transfer the property from the Successor Agency. The Department of Finance approved the Successor Agency Long Range Property Management Plan (PMP) which designated this site for sale for the development of housing. Per state law, once the PMP is approved by the Department of Finance, it cannot be amended. In addition, the Successor Agency is not allowed to make any improvements on the site that is not consistent with the PMP. As such, no improvements may be made to the site to develop a parking lot without first transferring the property from the Successor Agency.

There are a number of potential paths available to allow for the use of this site for public parking. The first option is to temporarily transfer the property from the Successor Agency to the City with the intent of ultimately selling the property for a future development. The statute does not set a time limitation on how long the City may retain the property. Once the property is sold, the proceeds would be distributed to the taxing agencies per the Dissolution Laws. To move forward with this option, the proposal would need to be approved by the Successor Agency, Oversight Board, and Department of Finance. A Compensation Agreement would need to be executed to

codify the requirement for the distribution of proceeds.

The second option is for the City to purchase the property from the Successor Agency. Based on the approved PMP, the estimated value of the property is \$1,179,855. If the City were to move forward with the purchase, a Purchase and Sales Agreement would be drafted, which must be approved by the City, Successor Agency, Oversight Board, and the DOF. As part of the sale, a current appraisal may be required, which may modify the estimated value of the property as identified in the PMP. The funds purchase of the property would be drawn from the General Fund.

The third option is to move forward with the transfer of the property for temporary use, improve the property and utilize as a pilot parking lot. If the lot is successful after some time, Council may choose at that point to move forward with the purchase of the property.

The fourth potential option is to move forward with the sale of the property as indicated in the PMP, and negotiated with the developer to provide part of the site for public parking purposes. A potential developer has shown interest in this option, and has agreed to provide approximately 35-40 parking spaces as part of the project development. This may help provide immediate assistance on Bell Street; however, due to the limited number of spaces that would be provided, this option limits the viable use of the site for neighboring streets that are also impacted by parking. If Council were to direct staff to move forward with this option, an RFP would be drafted to include the public parking component.

Depending on which option Council directs staff to move forward with, staff will return to Council at a future date with the appropriate action items and document approval. All options must be approved by the DOF prior to moving forward with any improvements on the site to provide a public parking lot.

#### FISCAL IMPACT:

None at this time.

#### **ENVIRONMENTAL IMPACT:**

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15061(b)(3).

### **PUBLIC NOTIFICATION:**

Public notice for this item was made through the regular agenda process.

### STRATEGIC PLAN OBJECTIVE ADDRESSED:

5.1 - Implement a Parking Management Plan

Prepared by:

Community & Economic Development Director

Concurred by:

Allan Rigg Public Works Director/ City Engineer

Approved by:

James A. Box City Manager