



# AGENDA

## REGULAR MEETINGS OF THE SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY WATER UTILITY AUTHORITY AND CITY COUNCIL

MAY 24, 2012  
6:00 P.M.

Council Chambers  
11710 Telegraph Road  
Santa Fe Springs, CA 90670

William K. Rounds, Mayor  
Richard J. Moore, Mayor Pro Tem  
Luis M. González, Councilmember  
Joseph D. Serrano, Sr., Councilmember  
Juanita A. Trujillo, Councilmember

**Public Comment:** The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

**Americans with Disabilities Act:** In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

**Please Note:** Staff reports, and supplemental attachments, are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and every other Friday. Telephone (562) 868-0511.

1. **CALL TO ORDER**

2. **ROLL CALL**

Luis M. González, Director/Councilmember  
Joseph D. Serrano, Sr., Director/Councilmember  
Juanita A. Trujillo, Director/Councilmember  
Richard J. Moore, Vice Chair/Mayor Pro Tem  
William K. Rounds, Chair/Mayor

**6:00 P.M.**

**PUBLIC FINANCING AUTHORITY**

3. **CONSENT AGENDA**

*Consent Agenda items are considered routine matters which may be enacted by one motion and roll call vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority.*

**Approval of Minutes**

- A. Minutes of the April 26, 2012 Regular Public Financing Authority Meeting

**Recommendation:** That the Public Financing Authority approve the minutes as submitted.

**Monthly Report**

- B. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

**Recommendation:** That the Public Financing Authority receive and file the report.

**WATER UTILITY AUTHORITY**

4. **CONSENT AGENDA**

*Consent Agenda items are considered routine matters which may be enacted by one motion and roll call vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.*

- A. Approval of Minutes of the April 26, 2012 Regular Water Utility Authority Meeting

**Recommendation:** That the Water Utility Authority approve the minutes as submitted.

**Monthly Report**

- B. Update on the Status of Water-Related Capital Improvement Projects

**Recommendation:** That the Water Utility Authority receive and file the report.

**SUCCESSOR AGENCY**

**5. CONSENT AGENDA**

*Consent Agenda items are considered routine matters which may be enacted by one motion and roll call vote. Any item may be removed from the Consent Agenda and considered separately by the Successor Agency.*

A. Approval of Minutes of the April 26, 2012 Regular Successor Agency Meeting

**Recommendation:** That the Successor Agency approve the minutes as submitted.

**NEW BUSINESS**

**6. Extension of Section 1.03 of the Purchase and Sale Agreement between the former CDC (now Successor Agency) and Villages at Heritage Springs LLC**

Consideration of an additional extension of the deadline date set forth in Section 1.03 of the Purchase and Sale Agreement (and subsequently extended to September 30, 2012) regarding Affordable Housing Assistance

**Recommendation:** That the Successor Agency approve an extension of the deadline date originally set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance (and subsequently extended to September 30, 2012) for an additional fifteen month period, until December 31, 2013.

**7. Resolution SA-2012-006 Amending the Successor Agency's Recognized Obligation Payment Schedules (ROPS) for January through June 2012 (First ROPS) and July through December 2012 (Second ROPS) and Authorizing Successor Agency Staff to Modify the First and Second ROPS Based on Direction from the California Department of Finance**

**Recommendation:** That the Successor Agency Adopt Resolution SA-2012-006.

**CITY COUNCIL**

**8. CITY MANAGER REPORT**

**9. CONSENT AGENDA**

*Consent Agenda items are considered routine matters which may be enacted by one motion and roll call vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.*

**Approval Minutes**

A. Minutes of the April 26, 2012 Special City Council Meeting

**Recommendation:** That the City Council approve the minutes as submitted.

B. Minutes of the April 26, 2012 Regular City Council Meeting

**Recommendation:** That the City Council approve the minutes as submitted.

10. **ORDINANCE FOR PASSAGE**  
Ordinance No. 1031 – An Ordinance Amending Section 30.02 of the City Code Regarding Appointments or Removals
- Recommendation:** That the City Council waive further reading and adopt Ordinance No. 1031 which would amend section 30.02 of the City's Municipal Code pertaining to Appointments or Removals.
11. **PUBLIC HEARING**  
State of California Citizen's Option for Public Safety (COPS) Grant Program
- Recommendation:** That the City Council: (1) Open the Public Hearing for those wishing to speak on this matter; and (2) Approve the expenditure of the State of COPS funds as outlined in the plan contained herein.
12. **COUNCILMEMBER REQUESTED ITEM – ROUNDS**  
Consideration of Modifying the Solid Waste Collection Permit Granted to City Franchised Waste Haulers in Accordance with the Provisions of Chapter 50 of the Municipal Code and the Agreements Between the City and the Respective Franchised Waste Haulers
- Recommendation:** That the City Council consider the request of Mayor Rounds and give staff direction accordingly.
13. **NEW BUSINESS**  
Request for Approval of a Recyclable Materials Dealer Permit for Imperial Western Products, Inc. (Matt Parker, On Behalf of Applicant)
- Recommendation:** That the City Council approve the issuance of Recyclable Materials Dealer Permit No.25 to Imperial Western Products, Inc. for an annual renewal period set to expire on June 30, 2013, subject to the conditions of approval as contained within this report.
14. Revise and Renew an Agreement for Professional Services, State of California, Office of Environmental Health Hazard Assessment (OEHHA)
- Recommendation:** That the City Council: (1) Approve a revised and renewed Agreement for Professional Services between the State of California, Office of Environmental Health Hazard Assessment and the City; and (2) Authorize the Fire Chief to sign all necessary documents on behalf of the City.
15. Valley View Avenue Grade Separation Project – Award of Contract
- Recommendation:** That the City Council: (1) Ratify the three Addendums issued during the bidding process; (2) Accept all bids received in May 10, 2012; and (3) Award a contract to Griffith Company of Santa Fe Springs, CA, in the amount of \$23,874,852.30.



16. Slurry Sealing of Various Streets (FY 2011/12) – Authorization to Execute Contract Change Order

**Recommendation:** That the City Council authorize the City Engineer to execute a contract change order in order to include additional streets into the contract for an amount not to exceed \$165,000.

17. Gus Velasco Neighborhood Center Renovation and Modernization – Authorization to Purchase Interior and Exterior Furniture

**Recommendation:** That the City Council: (1) Authorize the Director of Purchasing Services to issue purchase orders for a total amount not to exceed \$242,000 to Interior Office Solutions to purchase and install interior furniture; and (2) Determine that, pursuant to City Code Section 34.19, a negotiated purchase of exterior furniture from Landscape Forms is in the best interests of the City and will result in a cost to the City not greater than the projected cost of a purchase after bidding; and (3) Authorize the Director of Purchasing Services to negotiate the purchase of specified exterior furniture directly from Landscape Forms for an amount not to exceed \$32,000.

18. Approval for Out-of-State Travel for Boxing Coach Francisco Gomez

**Recommendation:** That the City Council approval out-of-state travel for Boxing Coach Francisco Gomez to coach boxer George Acosta during the 2012 USA Boxing Junior Olympic Regional Championships in Reno, Nevada.

**CLOSED SESSION**

19. CONFERENCE WITH LABOR NEGOTIATORS

**Agency Designated Representatives:** City Manager, City Attorney, Labor Attorney, Director of Finance and Administrative Services, Human Resources Manager

**Employee Organization:** Santa Fe Springs City Employees' Association

20. CONFERENCE WITH LABOR NEGOTIATORS

**Agency Designated Representatives:** City Manager, City Attorney, Labor Attorney, Director of Finance and Administrative Services, Fire Chief, Human Resources Manager

**Employee Organization:** Santa Fe Springs Firefighters' Association

21. CONFERENCE WITH LABOR NEGOTIATORS

**Agency Designated Representatives:** City Manager, City Attorney, Labor Attorney

**Employee Organization:** Santa Fe Springs Executive, Management, and Confidential Employees' Association

**Please note: Item Nos. 22 –32 will commence in the 7:00 p.m. hour.**

**22. INVOCATION**

**23. PLEDGE OF ALLEGIANCE**

**INTRODUCTIONS**

**24. Representatives from the Youth Leadership Committee**

**25. Representatives from the Chamber of Commerce**

**26. ANNOUNCEMENTS**

**27. PRESENTATIONS**

Introduction of the 2012 Memorial Scholarship Recipients

**28. Presentation to Joey Davis in Recognition of Athletic Achievements**

**APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS**

**29. Committee Appointments**

**30. ORAL COMMUNICATIONS**

This is the time when comments may be made by interested persons on matters not on the agenda having to do with City business.

**31. EXECUTIVE TEAM REPORTS**

**32. ADJOURNMENT**

*I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.*

*Anita Jimenez*

Deputy City Clerk

*May 18, 2012*

Date

**CITY OF SANTA FE SPRINGS**  
**MINUTES OF THE REGULAR MEETINGS**  
**OF THE PUBLIC FINANCING AUTHORITY**  
**WATER UTILITY AUTHORITY**  
**AND CITY COUNCIL**

**APRIL 26, 2012**

**1. CALL TO ORDER**

Mayor Rounds called the meetings to order at 6:17 p.m.

**2. ROLL CALL**

Present: Directors/Councilmembers González, Serrano, Trujillo, Vice-Chair/Mayor Pro Tem Moore, and Chair/Mayor Rounds

The Deputy City Clerk announced that members of the City Council receive \$150 for attendance at each of the Public Financing Authority and Water Utility Authority meetings.

Also present: Thaddeus McCormack, City Manager; Steve Skolnik, City Attorney; Paul Ashworth, Director of Planning & Community Development; Don Jensen, Director of Public Works; Dino Torres, Director of Police Services; Carole Joseph, Director of Parks & Recreation Services; Jose Gomez, Director of Finance & Administrative Services; Alex Rodriguez, Fire Chief; Anita Jimenez, Deputy City Clerk

**PUBLIC FINANCING AUTHORITY**

**3. CONSENT AGENDA**

**Approval of Minutes**

- A. Minutes of the March 22, 2012 Regular Public Financing Authority Meeting

**Recommendation:** That the Public Financing Authority approve the minutes as submitted.

**Monthly Report**

- B. Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

**Recommendation:** That the Public Financing Authority receive and file the report.

Vice Chair Moore moved the approval of Items 3A and B; Director Serrano seconded the motion, which carried unanimously.

## WATER UTILITY AUTHORITY

### 4. CONSENT AGENDA

#### **Approval of Minutes**

- A. Minutes of the March 22, 2012 Regular Water Utility Authority Meeting

**Recommendation:** That the Water Utility Authority approve the minutes as submitted.

#### **Monthly Report**

- B. Update on the Status of Water-Related Capital Improvement Projects

**Recommendation:** That the Water Utility Authority receive and file the report.

Director Serrano moved the approval of Items 4A and B; Vice Chair Moore seconded the motion, which carried unanimously.

### **NEW BUSINESS**

5. Water Well No. 12 (13939 Borate Street) Drilling and Construction – Award of Contract

**Recommendation:** That the Water Utility Authority: (1) Accept the bids; and (2) Award a contract to Best Drilling and Pump, Inc. of Colton, CA in the amount of \$912,985.00.

Director González moved the approval of Item 5; Director Trujillo seconded the motion which carried unanimously.

6. Water Well No. 12 (13939 Borate Street) – Construction of Storm Drain Improvements – Authorization to Advertise for Construction Bids

**Recommendation:** That the Water Utility Authority: (1) Approve the Plans and Specifications; and (2) Authorize the City Engineer to advertise for construction bids.

Director Serrano moved the approval of Item 6; Director González seconded the motion which carried unanimously.

## SUCCESSOR AGENCY

### **NEW BUSINESS**

7. Resolution SA-2012-004 – Approving the Successor Agency's Administrative Budgets for Fiscal Years 2011-12 and 2012-13

**Recommendation:** That the Successor Agency Adopt Resolution SA-2012-004.

Mayor Pro Tem Moore moved the approval of Item 7; Councilmember Trujillo seconded the motion which carried unanimously.

8. Resolution SA-2012-005 – Amending the Successor Agency’s Recognized Obligation Payment Schedule (ROPS) for February 1, 2012 through June 30, 2012, and Approving the Successor Agency’s Recognized Obligation Payment Schedule (ROPS) for July 1, 2012 through December 31, 2012

**Recommendation:** That the Successor Agency Adopt Resolution SA-2012-005.

Councilmember González moved the approval of Item 8; Mayor Pro Tem Moore seconded the motion which carried unanimously.

### CITY COUNCIL

9. **CITY MANAGER REPORT**

The City Manager reported that the Santa Fe Springs Oversight Board met on April 25 and approved the Successor Agency’s ROPS and Administrative Budget.

Councilmember González thanked the group for serving on the City’s Board. He stated that the meeting was successful and the items passed by a unanimous vote. He stated that Jose Gomez and Travis Hickey deserve credit for providing the detailed information requested by the Board and for being able to answer the questions on the spot.

The City Manager stated that a Budget Study Session has been scheduled for Tuesday, May 8 at 4:30 p.m. in the Council Chambers.

Mayor Rounds thanked staff for their work in getting these items on the agendas and for providing accurate information to the Council and Board.

10. **CONSENT AGENDA**

**Approval Minutes**

- A. Minutes of the March 22, 2012 Regular City Council Meeting

**Recommendation:** That the City Council approve the minutes as submitted.

Councilmember González moved the approval of Item 10A; Councilmember Serrano seconded the motion which carried unanimously.

11. **ORDINANCE FOR INTRODUCTION/PASSAGE**

Ordinance No. 1030 – An Urgency Ordinance Enacting and Adopting Supplement 15 to the Code of Ordinances for the City of Santa Fe Springs and Declaring an Emergency

**Recommendation:** That the City Council waive further reading and introduce and adopt Ordinance No. 1030 which would update the City’s Municipal Code by incorporating all Ordinances passed by the Council since the last update.

The City Attorney read the Ordinance by title and stated that an Urgency Ordinance comes before the Council only once and requires 4 yes votes to pass.

Mayor Pro Tem Moore suggested that the Council revise section 30.02 of General Provisions to read, *"City Council may, however, ask the City Manager or City Council may direct the City Manager to investigate any alleged improprieties and take appropriate action."*

The City Attorney stated that this part of the Code is from 1964, but that staff can bring a subsequent ordinance to the Council at the next meeting to address this item.

Councilmember González stated that there are probably many items in the Code that should be reviewed to ensure that it is up to date. He recommended waiting until after the budget is approved and then forming a Council subcommittee to review the codes.

Councilmember González moved to waiver further reading and adopt Ordinance 1030; Mayor Pro Tem Moore seconded the motion which carried unanimously.

### **NEW BUSINESS**

**12. Walking Deck Improvements at the Clarke Estate (10211 Pioneer Boulevard) – Final Progress Payment**

**Recommendation:** That the City Council approve the Final Progress Payment (less 5% Retention) to IBN Construction, Inc. of Orange, CA, in the amount of \$55,852.44 for the subject project.

Councilmember Serrano moved the approval of Item 12; Councilmember Trujillo seconded the motion which carried unanimously.

**13. Approval of Artwork Concept for the El Greco Development on Burke Street**

**Recommendation:** That the City Council approve the Artwork Concept by Alex Shagin for the El Greco Development at 11650 Burke Street.

Leslie Elwood presented the artist's concept to the Council.

Councilmember Trujillo moved the approval of Item 13; Councilmember González seconded the motion which carried unanimously.

**14. Citywide Street Sweeping Services – Authorization to Advertise Request for Bids**

**Recommendation:** That the City Council authorize the Director of Public Works to advertise request for bids.

Mayor Pro Tem Moore moved the approval of Item 14; Councilmember Serrano seconded the motion which carried by the following roll call vote:

Ayes: Moore, Rounds, Serrano

Noes: González, Trujillo

**15. Gus Velasco Neighborhood Center Renovation and Modernization Project – Approval of Contract Change Order No. 7**

**Recommendation:** That the City Council: (1) Approve Contract Change Order No. 7 in the amount of \$116,122; and (2) Authorize the Director of Public Works to execute Contract Change Order No. 7.

Councilmember González moved the approval of Item 15; Councilmember Trujillo seconded the motion which carried unanimously.

**16. Informal Presentation on Heritage Seismic Imaging Study**

**Recommendation:** That the City Council receive and file the report.

Members of BreitBurn Energy described the seismic imaging project that is proposed to take place in the City. The project will last 22 days and be conducted 7 days a week. Mayor Pro Tem Moore stated that it is important to educate community prior to project, perhaps through community meetings. Breitburn will send brochures to residents a week prior, and knock on every door within 600 feet of the project. They agreed to meet with anyone the Council would like them to.

Mayor Rounds asked how claims would be handled. BreitBurn responded that damage in the past has been minimal and handled by the company.

Councilmember Serrano stated that the Council wants to be sure that residents are informed of what is going on. He asked if insurance and mitigation procedures can be included in the permit process.

The City Manager stated that Public Works is assessing those issues now.

Mayor Pro Tem Moore stated that BreitBurn should contact companies that use precision equipment, such as LeFiell.

Councilmember González asked how the process affected animals. BreitBurn likened the process to that of a garbage truck, some animals are slightly bothered, others not.

Mayor Rounds recessed the meetings at 6:58 p.m.

Mayor Rounds reconvened the meetings at 7:21 p.m.

**17. INVOCATION**

The Invocation was given by Councilmember González.

**18. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Rounds.

**INTRODUCTIONS**

**19.** No members of the Youth Leadership Committee were present.

**20.** Mayor Rounds introduced Randall Courtney of Red Shirt Printing and Daniel J. McMillan of MorganStanley SmithBarney.

**21. ANNOUNCEMENTS**

Mayor Rounds announced Councilmember Serrano's birthday. The audience joined in singing "Happy Birthday" to Councilmember Serrano.

Carole Joseph gave the Community Announcements.

The City Manager stated the "State of the County/City" was held at Town Center on April 25. Supervisor Knabe, Mayor Pro Tem Moore, and the City Manager pondered the monumental challenges facing the County and City today due to the elimination of redevelopment agencies. The City is facing a \$13 million deficit and has taken drastic steps in the form of lay-offs, staff reduction through attrition, reduction of services, and is currently negotiating reduced employee benefits. Although the City is facing tough times ahead, we are providing core services and meeting the needs of the community with fewer resources.

The City Manager has scheduled parent meetings at Lakeview Child Care Center on May 1 at 5:00 p.m. and 6:00 p.m., and at the Family Center on May 3 at 5:30 p.m. State funding has been cut for these programs, so cuts to the programs must be made. The meetings will allow for dialogue between parents and staff to consider alternatives.

Parents that wish to speak tonight may do so, however, Council cannot comment or take action on items not on the agenda.

## **APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS**

22. Committee Appointments  
None.

## **23. ORAL COMMUNICATIONS**

Mayor Rounds opened Oral Communications at 7:28 p.m.

The following people addressed the Council:

Brandy Roach  
Randy Roach  
Patty Zuniga  
Elise Esparza  
Lilia Rodriguez-Paniagua

Mayor Rounds closed Oral Communications at 7:48 p.m.

## **24. EXECUTIVE TEAM REPORTS**

Paul Ashworth announced that a new company was moving into the City and plans to build a new industrial building.

Don Jensen reported that the City of Downey has begun a project on Florence Ave which will affect the Florence Avenue bridge. Traffic will be congested, although most of the work will be done at night. They are trying to keep two lanes open; the project should be done in two weeks.

Rick Brown reported that the *Every 15 Seconds* program, which targets Juniors and Seniors, will held at St. Paul High School this year. Another CHP program, *Start Smart*, which targets new drivers, will also be conducted. The parenting piece of the Youth Intervention program continues to grow; 22 parents completed the cycle. Mr. Brown reported that parents are seeing positive changes at home.

Dino Torres announced that a drop-off program was being held in the Aquatic Center parking lot April 28 for the disposal of unwanted prescription medication.

Alex Rodriguez reported that the State now mandates that Fire Departments use a P25 Dual Radio program by January 13, which could cost up to \$170,000. The SFS Fire Dept. has already secured a grant to purchase these radios.



Mayor Pro Tem Moore reported that Greg Nordbak, City Councilmember from Whittier is asking the City to reject and unfunded mandates by the State and would like for other cities to join this effort. The City Manager stated that staff would follow up on this issue.

**25. ADJOURNMENT**

At 7:55 p.m., Mayor Rounds adjourned the meetings in memory of Charles Ramsey father of City Employee Leanne Iezza.

\_\_\_\_\_  
William K. Rounds  
Mayor

ATTEST:

\_\_\_\_\_  
Anita Jimenez, Deputy City Clerk

\_\_\_\_\_  
Date



# City of Santa Fe Springs

Public Financing Authority Meeting

May 24, 2012

## NEW BUSINESS

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

### **RECOMMENDATION**

That the City Council receive and file the report.

### **BACKGROUND**

The Santa Fe Springs Public Financing Authority is the City entity that is utilized to facilitate the issuance of public purpose debt in Santa Fe Springs. The following is a brief status report on the debt instruments currently outstanding that were issued through this financing authority.

#### Consolidated Redevelopment Project 2001 Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 4/30/12	None
Outstanding principal at 4/30/12	\$19,380,000

#### Consolidated Redevelopment Project 2002 Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 4/30/12	None
Outstanding principal at 4/30/12	\$14,230,000

#### Consolidated Redevelopment Project 2003 Taxable Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 4/30/12	None
Outstanding principal at 4/30/12	\$4,135,000

#### Water Revenue Bonds, 2003 Series A

Financing proceeds available for appropriation at 4/30/12	None
Outstanding principal at 4/30/12	\$4,270,000

#### Water Revenue Bonds, 2005 Series A

Financing proceeds available for appropriation at 4/30/12	None
Outstanding principal at 4/30/12	\$2,920,000

#### Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 4/30/12	1,538,121*
Outstanding principal at 4/30/12	\$31,047,149

Consolidated Redevelopment Project 2006-B Taxable Tax Allocation Bonds

Financing proceeds available for appropriation at 4/30/12	None
Outstanding principal at 4/30/12	\$13,530,000

Consolidated Redevelopment Project 2007-A Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 4/30/12	None
Outstanding principal at 4/30/12	\$41,205,000

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the Water Revenue Bonds.

The Community Development Commission budget included sufficient appropriations to meet the debt service obligations associated with the Tax Allocation Bonds. However, with the implementation of AB1X 26, the CDC was dissolved effective 2/1/12 and will no longer receive tax increment. It is anticipated that sufficient allocations of property taxes will be made to the City as Successor Agency to meet the debt service obligations.



Thaddeus McCormack  
City Manager/Executive Director

\* \$1,538,121 of 2006-A tax exempt bond funds had been used for property acquisitions in relation to the Valley View Grade Separation Project. These funds were reimbursed from Federal, State and County sources in May 2011. However, due to the Supreme Court decision upholding AB1X 26 it is recommended that the Commission does not spend any additional bond proceeds until clarification is reached about the impact of AB1X 26 on the use of unspent bond proceeds.

Additionally, appropriated but unspent proceeds on hand are currently not being spent pending further clarification about the future of unspent bond proceeds.

**PLEASE SEE ITEM 3A**



# City of Santa Fe Springs

Water Utility Authority Meeting

May 24, 2012

## NEW BUSINESS

### Update on the Status of Water-Related Capital Improvement Projects

#### RECOMMENDATION

That the Water Utility Authority receive and file the report.

#### BACKGROUND

This report is for informational purposes only. The following is a listing of active water projects along with their current status:

#### New Water Well Located Within Zone II (Well No. 12)

Hydrogeological Design Phase: This phase of the work is complete.

Drilling and Construction Phase: A pre-construction meeting was held to review project goals and milestones for the drilling of Water Well No. 12. The contractor has started to mobilize on the project with drilling anticipated to begin in late June 2012.

Wellhead and Pump Station Design Phase: The final design for Mechanical Equipping of Water Well No. 12 will be completed after initial drilling and hydraulic zone testing of the new well. Data obtained from zone testing will be utilized to determine final design of pump horsepower, capacity, drawdown, and yield.


Storm Drain Improvements The project is currently under advertisement with bids due on Thursday, May 31. The storm drain improvements serve as a pump to waste line that will receive all start up well water in order to minimize pressure surge, water hammer, sanding, and disturbing pipe sediment.

#### FISCAL IMPACT

The projects are fully funded through the Water Fund.

#### INFRASTRUCTURE IMPACT

A fully functioning water production well will provide a source of potable water within Zone II and the water well will enhance the reliability of the City's water system.

  
Thaddeus McCormack  
Executive Director

#### Attachment(s):

None.



**PLEASE SEE ITEM 3A**



# *City of Santa Fe Springs*

Successor Agency Meeting

May 24, 2012

## **NEW BUSINESS**

Extension of Section 1.03 of the Purchase and Sale Agreement between the former CDC (now Successor Agency) and Villages at Heritage Springs LLC

Consideration of an additional extension of the deadline date set forth in Section 1.03 of the Purchase and Sale Agreement (and subsequently extended to September 30, 2012) regarding Affordable Housing Assistance

### **RECOMMENDATION**

It is recommended that the Successor Agency take the following action:

That the Successor Agency approve an extension of the deadline date originally set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance (and subsequently extended to September 30, 2012) for an additional fifteen month period, until December 31, 2013.

### **BACKGROUND**

At its meeting of July 9, 2009, the Community Development Commission ("CDC") approved Amendment No. 3 to the Disposition and Development Agreement between the CDC and the Villages at Heritage Springs LLC ("VHS") concerning minor changes to the existing DDA and including a Purchase and Sale Agreement involving a 5.8 acre portion of the project site. A condition of this purchase and sale transaction, known as Section 1.03 of the Agreement, establishes that the developer will use one million dollars (\$1,000,000) of the down payment fund involved in this transaction (from the CDC's Low and Moderate Income Housing Fund) to provide sale price "write-down" assistance to income eligible Low/Mod buyers. The Agreement states that, "In no event shall the close of escrow for the affordable housing purchasers exceed April 30, 2011."

Since 2009, when the Purchase and Sale Agreement was executed, national economic conditions and project-specific financial circumstances caused both the original and extended deadline dates to be unattainable. These unfortunate conditions have recently changed and construction of the housing units intended for write-down assistance has begun, but they are not expected to be completed by the (extended) September 30, 2012 deadline. The requested extension to December 31, 2013 will provided more than adequate time to complete construction of the intended affordable housing units and provide sufficient escrow time for the Low/Mod buyers.



## *City of Santa Fe Springs*

Successor Agency Meeting

May 24, 2012

Despite the economy-induced delay, both the Successor Agency and VHS remain committed to providing affordable housing assistance per the terms of Section 1.03. Accordingly, it is recommended that the deadline set forth in Section 1.03 be extended again by fifteen (15) months, to December 31, 2013, during which time staff anticipates assisting between 8-12 income eligible Low/Mod households with their first home purchase.

### FISCAL IMPACT

Extension of Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance will have no adverse fiscal impact on the Successor Agency or City.

Thaddeus McCormack  
City Manager

### Attachment

Amendment No. 2 to Purchase and Sale Agreement  
Copy of Purchase and Sale Agreement (between CDC and VHS LLC)



## AMENDMENT No. 2 TO PURCHASE AND SALE AGREEMENT

On July 9, 2009, a Purchase and Sale Agreement was entered into by and between the former Community Development Commission of the City of Santa Fe Springs, now known as the Successor Agency of the City of Santa Fe Springs, a public entity ("Successor Agency"), and Villages at Heritage Springs, LLC, a California Limited Liability Coporation ("VHS") establishing, among other things, that VHS shall utilize One Million Dollars of the funds used in the transaction toward providing sale price credit (write down) to make the purchase affordable to income eligible Low/Mod income households.

Pursuant to Section 1.03 "Affordable Housing Assistance" of said Purchase and Sale Agreement, escrow for the affordable housing purchases shall not extend beyond April 30, 2012. Due to unforeseen and unfavorable economic conditions, achievement of the original deadline date (April 30, 2011) and subsequently extended deadline date (September 30, 2012) is not possible. However, as both parties remain committed to the terms and intent of the Purchase and Sale Agreement, in particular Section 1.03, the Successor Agency and VHS agree to an additional extension of the deadline date by fifteen (15) months, until December 31, 2013.

At its meeting of May 24, 2012, the Successor Agency approved an additional fifteen month extension of Section 1.03 of the Purchase and Sale Agreement, until December 31, 2013, and that all other conditions and provisions of the Agreement remain unchanged.

Successor Agency of the City of Santa Fe Springs, a public entity

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: Thaddeus McCormack  
Title: City Manager

Villages at Heritage Springs, LLC a California Limited Liability corporation

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTACHMENT NO. 1**

**EXHIBIT "K"**

**PURCHASE AND SALE AGREEMENT**

**AND**

**JOINT ESCROW INSTRUCTIONS**

**PURCHASE AND SALE AGREEMENT**

**AND**

**JOINT ESCROW INSTRUCTIONS**

**BETWEEN**

**VILLAGES AT HERITAGE SPRINGS, LLC**

**a limited liability company**

**("SELLER")**

**AND**

**COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE  
SPRINGS,**

**("PURCHASER")**

## **PURCHASE AND SALE AGREEMENT**

### **AND**

## **JOINT ESCROW INSTRUCTIONS**

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement"), is entered into on July 9, 2009, between Villages at Heritage Springs, LLC, a California Limited Liability corporation ("Seller" or "Developer"), and the Community Development Commission of the City of Santa Fe Springs ("Purchaser"). Hereafter, Seller and Purchaser are sometimes individually referred to as "Party" and collectively as "Parties".

### **RECITALS**

- A. This Agreement is made with reference to the following facts:
- B. Seller owns certain real property Lots 68 and 69 of Tract 63136, within the City's boundaries, ("Property"), which is described in Exhibit "A" attached hereto and by this reference made a part hereof.
- C. Seller desires to sell the Property to the Purchaser and Purchaser desires to purchase the Property on the terms and conditions provided in this Agreement.

### **ARTICLE I** **Purchase Price**

**1.01 Purchase Price.** The "Purchase Price" for the Property shall be determined based upon the appraisal for the Property, prepared by an appraiser mutually acceptable to Seller, Purchaser and the Seller's lender, assuming the land use density of 226 units on Lots 68 and 69. It is assumed by the parties that the appraisal will be approximately Seventeen Million Dollars.

**1.02 Payment of Purchase Price.** The Purchase Price shall be paid in cash and a promissory note. The first payment shall be a Two Million Dollar (\$2,000,000) cash down payment which shall be due upon the execution of this Agreement. The remaining payments shall be according to the terms of the Purchase Price Note attached hereto as Exhibit "3" and based upon Net Tax Increment after pass throughs and set aside payments received by the Purchaser from that portion of Tract 63136 excluding the Property. The Purchase Price Note payments shall be made each year until such time as the earlier of: (1) Purchase Price amount is reached; or (2) Seller decides to exercise its option to repurchase the Property pursuant to 1.04 below. Notwithstanding the foregoing, in no event shall the CDC be required to pay a greater amount than the Net Tax Increment during the term and any remaining amount still owed after 15 years shall be forgiven. Similarly, should the Developer ask for accelerated payment from a bond issuance, the net amount of bond proceeds available based on the Net Tax Increment flow shall constitute payment in full of the Note.

**1.03 Affordable Housing Assistance.** One Million dollars(\$1,000,000) of the down payment shall be derived from the CDC's Low/Mod Housing Set Aside funds and shall be

utilized to provide credits to the sales price for moderate income purchasers equal to the difference between the market rate price and the affordable price for that qualified buyer. This assistance shall be provided to qualified buyers for eligible homes sold after Phase 1 of detached homes (18 homes sold – 10 Cluster Homes and 8 Alley Homes) and Phases 1 and 2 of the attached homes (26 – 3 story townhomes and 29 – 2 story townhomes). In no event shall the close of escrow for the affordable housing purchasers exceed April 30, 2011. The number of units shall be the maximum number that may be assisted with the One Million dollars and in the event that there is an amount remaining which does not equal a sufficient amount for a unit then the CDC could at its option elect to provide additional set aside funds to create another affordable unit. All such affordable units shall require a loan agreement, note, deed of trust and regulatory agreement setting forth the terms of the credit between the purchaser and the CDC and the regulatory covenants which shall be for a term of 45 years. All said purchaser documents shall be approved as to form by the CDC counsel. The Developer shall have the right to designate which units are to be affordable subject to the CDC's reasonable approval. The CDC will also have the right to designate how many of such units will be sold in various product types, subject to Developer's reasonable approval. The CDC and Developer shall agree on the affordable unit mix and quantity prior to Developer's loan for such phase of homes which includes an affordable housing component.

**1.04 Option to Repurchase.** In the event Seller decides to exercise its option to repurchase at any time prior to the completion of the Project, or up to one (1) year after the completion of the Project, or as extended by approval of Director of Planning and Development to accommodate agreed upon and approved project changes, ("Option Period"), the Repurchase Purchase Price shall be the amount that the CDC has already paid for the property less the One Million Dollar payment for the affordable units. Seller shall give a sixty (60) day notice of its intent to exercise the option to repurchase prior to expiration of the Option Period. During the Option Period the Developer shall reasonably maintain the Property (performing weed control, dust control, sandbag replacement, etc. on an as-needed basis) – including maintaining fencing around the property and re-grading to allow Stormwater compliance. Any grading and/or dirt export from Lots 68 and 69 will be mutually agreed to between the Parties prior to commencement and it will be the responsibility of the Developer to return the Property to its original condition. Neither of the parties shall make an assignment, hypothecation or pledge the land or obligation without first obtaining the other party's approval. Developer may submit and have approved by the City a project with lesser density than the current Project. If the Developer retains the existing Project in conformance with existing entitlements no additional City submittals or approvals are necessary with the sole exception of review and approval of the building plans by the Director of Planning and Development.

**1.05 Right of First Refusal.** After the expiration of the Option period the Developer shall have a first right of refusal to purchase the property. Notice shall be provided in writing to Developer of a third party offer and Developer shall have ten (10) business days to give written notice of its intent to exercise its right of first refusal. In the event the third party purchase price exceeds the original purchase price on the Note, the Developer may exercise its right of first refusal for an amount which would be fifty (50) percent of the additional amount to the original purchase price.

**1.06 Escrow.** Closing of escrow and transfer of title to CDC shall not occur until the full purchase price has been paid pursuant to the Purchase Price Note terms. Escrow shall be opened sixty (60) days before the final Purchase Price Note payment is due.

## **ARTICLE II**

### **Condition of the Property**

**2.01 Disclaimer of Warranties.** Purchaser shall acquire the Property in its "AS IS" and "WITH ALL FAULTS" condition; however, until such time as the close of escrow Seller shall indemnify Buyer and shall be responsible for any and all claims related to defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property. Seller's representation and/or warranty concerning the physical, environmental, geotechnical or other condition of the Property is that all work shall have been completed according to the approved remedial action plan ("RAP"). Upon Close of Escrow, Purchaser releases any claim of liability of Seller for the environmental condition of the Property.

**2.02 Review of Documents.** Within ten (10) working days after the opening of escrow by both parties, Seller shall make available to Purchaser true, correct and complete copies of all contracts, including any settlement agreements relating to prior litigation (redacted as to consideration paid to Seller), which relate to the Property (together with any amendments or modifications thereto), and any other information in Seller's possession or control reasonably requested by Purchaser regarding the Property. Seller shall make a diligent good faith effort to identify all such contracts, reports and other information, inform Buyer of such information and then provide it to Buyer on request, but nothing herein shall require Seller to provide such information which is not obtainable through such diligent effort. Notwithstanding anything contained herein, Seller makes no other representation or warranty concerning the completeness of any report on the title, physical, environmental, geotechnical or other condition of the Property or that such contracts, reports or other information requested by Purchaser constitute all such contracts, reports and other information requested by Purchaser in Seller's possession or control.

## **ARTICLE III**

### **Disapproval**

**3.01 Consequences of Disapproval.** In the event of termination of this Agreement by Purchaser for any reason provided in this Section, pursuant to the provisions of Section 3.02, the down payment and all installment payments previously made pursuant to the Purchase Price Note shall be retained by Seller as consideration for holding the Property for sale solely to Purchaser. A termination by Seller shall require repayment of the installment payments unless it is terminated pursuant to exercise of its Option to Repurchase. Apart from those payments each Party shall bear its own costs and neither Party shall have any liability for damages or ongoing liability to the other under this Agreement.

(a) **Cause for Termination.** Cause for termination may include any of the following reasons:

(i) **Title.** Seller is unable to eliminate any disapproved title exceptions after using commercially reasonable efforts to do so.

(ii) **Environmental.** Purchaser determines that the environmental condition of the Property is unacceptable.

(iii) **Failure of Conditions to Close.** Should either Party fail to perform any of its conditions to close and the Party benefiting from the condition refuses to waive the obligation to perform the condition.

(iv) **Option to Repurchase.** Exercise of Seller's Option to Repurchase.

(b) **Options.** In the event any of the foregoing occurrences, the following options shall be available.

(i) The benefited party may waive the matter,

(ii) The benefited party may terminate this Agreement, or

(iii) The benefited party may extend the Closing Date for such reasonable time as may be appropriate to allow the performing party to satisfy the matter.

**3.02 Termination.** Failure or delay by either Party to timely perform any covenant of this Agreement constitutes a default under this Agreement, but only if the Party who so fails or delays does not commence to cure, correct or remedy such failure or delay within twenty (20) days after receipt of a written notice specifying such failure or delay, and does not thereafter prosecute such cure, correction or remedy with diligence to completion. The injured party shall give written notice of default to the Party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until twenty (20) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

#### **ARTICLE IV**

##### **Closing**

**4.01 Closing.** The purchase and sale of the Property, as provided in this Agreement, shall be consummated at a closing ("Closing") which shall be held at the offices of the Escrow Agent. The term "Closing" is used herein to mean the time Seller's Grant Deed is filed for recording by the Escrow Agent in the Office of the County Recorder of Los Angeles County, California.

**4.02 Obligations of Seller at Closing.** At Closing, Seller shall do the following:

(a) Execute, acknowledge and deliver the Grant Deed to Escrow Agent which shall grant and convey to Purchaser or Purchaser's assignee title to the Property.

(b) Deliver possession of the Property to Purchaser or Purchaser's assignee, in its present condition "AS IS" and "WITH ALL FAULTS".

**4.03 Obligations of Purchaser at Closing.** At the Closing, Purchaser shall do the following:

(c) Deliver the final installment payment to Escrow Agent.

**4.04 Conditions to the Obligation of Seller at Closing.** In addition to any other conditions provided in this Agreement for the benefit of Seller, the obligation of Seller to sell the Property to Purchaser shall be subject to the following conditions:

(a) Purchaser shall have performed and complied with all of the terms and conditions provided in this Agreement to be performed or complied with by Purchaser before or at the Closing, and

(b) Purchaser shall have deposited the final installment payment for the Purchase Price into Escrow.

**4.05 Conditions to the Obligation of Purchaser at Closing.** In addition to any other conditions provided in this Agreement for the benefit of Purchaser, the obligation of Purchaser to purchase the Property from Seller shall be subject to the fulfillment of all of the following conditions no later than the Closing:

(a) Seller shall have performed and complied with all of the terms and conditions provided in this Agreement to be performed or complied with by Seller before or at the Closing.

(b) Purchaser shall have approved any exceptions to title which are identified in the Preliminary Title Report and Unrecorded Exceptions but which are not Permitted Exceptions, as provided in Section 2.03 herein.

(c) Purchaser shall have accepted the environmental condition of the Property.

## **ARTICLE V**

### **Closing Costs, Prorations**

**5.01 Closing Costs.** Except as otherwise provided in this Agreement: (i) charges of the Escrow Agent, and other costs associated with the Escrow shall be divided equally between the Parties, (ii) costs of the Title Policy, documentary transfer taxes, and recording costs shall be paid by the Purchaser, and (iii) all other expenses incurred by Seller or Purchaser with respect to the transactions contemplated by this Agreement including, without limitation, attorneys' fees, shall be paid by the Party incurring the same.

**5.02 Prorations of Taxes.** Prior to or concurrent with Closing, Seller shall pay, cancel or terminate all current special taxes, assessments and improvement fees, charges or assessments levied against the Property. Secured property taxes assessed against the Property shall be



prorated at the Closing based upon the latest available tax bill. All prorations shall be based upon a thirty (30) day month.

## **ARTICLE VI Miscellaneous.**

**6.01 Survival of Terms.** The terms and provisions of this Agreement shall survive the Closing and shall remain in full force and effect thereafter.

**6.02 Modifications.** Any alternation, change or modification of or to this Agreement shall be in writing, signed by both Parties.

**6.03 Assignment.** Purchase Agreement and Note shall be fully assignable to Lender. Neither Party shall have the right to assign this Agreement or any interest or right hereunder or under Escrow to any other party (excluding Lender) without the prior written consent of the other Party. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Purchaser and Seller and their respective heirs, personal representatives, successors and assigns.

**6.04 Affidavit of Non-Foreign Status.** Seller hereby certifies that it is not a foreign corporation, foreign partnership, foreign trust, foreign estate, or non-resident alien for purposes of the United States Income Taxation (as those terms are defined in the Internal Revenue Code and Income Tax Regulations). Seller shall deliver to Escrow Agent and Purchaser at or before the Closing, such documentation as may be reasonably requested by Purchaser to confirm that it is not a foreign person in compliance with Internal Revenue Code Section 1445.

**6.05 Brokers or Finders.** Each Party represents to the other Party that no broker has been involved in connection with this transaction. It is agreed that if any claims for brokerage commissions or finder fees are ever made against Seller or Purchaser in connection with the transactions contemplated by this Agreement, all such claims shall be paid by the Party whose actions or alleged commitments form the basis of such claims and the Party whose actions or commitments form the basis of such claims shall indemnify and hold the other Party harmless from and against any and all such claims and demands (including costs and attorneys' fees).

**6.06 Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

**6.07 Entire Agreement/Complete Compensation/Release.** This Agreement contains the entire agreement between the Parties relative to the subject matter of this Agreement and there are no oral or parol agreements existing between them relative to the same which are not expressly provided in this Agreement. This Agreement may only be modified by a writing executed by both of the Parties.

**6.08 Headings.** The Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

**6.09 Interpretation.** Whenever the context so requires, the singular and the plural shall each be deemed to include the other, and each of the masculine, the feminine and the neuter

shall each be deemed to include the other. Should any provision of this Agreement require interpretation, it is agreed that the person or persons interpreting or construing the same shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or counsel prepared the same or caused the same to be prepared. The language in all parts of this Agreement shall be in all cases construed reasonably, according to its plain meaning and not strictly for or against any of the parties.

**6.10 Notices.** Any notice, consent, approval or other communication required or permitted in connection with this Agreement shall be in writing and shall be personally served or sent by certified United States mail, postage prepaid, return receipt requested, addressed to Seller or Purchaser, as the case may be, at the addresses provided on the signature page hereof. Any such notice, consent, approval or other communication shall be deemed served when received.

**6.11 Governing Law.** This Agreement shall be construed according to the laws of the State of California.

**6.12 Severability.** If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement. The parties hereto agree to negotiate in good faith to replace any illegal, invalid or unenforceable provision of this Agreement with a legal, valid and enforceable provision that, to the extent possible, will preserve the economic bargain of this Agreement, or otherwise to amend this Agreement to achieve such result.

**6.13 Waiver.** No waiver by either Party of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or of any subsequent breach by the other Party of the same provision.

**6.14 Time of Essence.** Time is of the essence of this Agreement and each and every provision of the same.

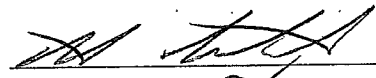
**6.15 Further Acts.** Each party shall cooperate with the other party to accomplish the transaction described herein including the execution of such additional documents and the performance of such additional acts as may be reasonably required to accomplish the same.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**SELLER:**

**VILLAGES AT HERITAGE SPRINGS,  
LLC**

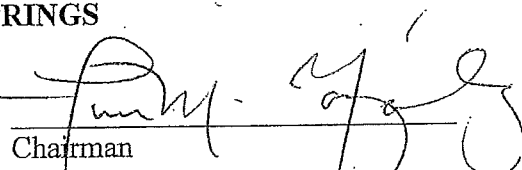
By:  
Its:

  
Mary Ed

**PURCHASER:**

**COMMUNITY DEVELOPMENT  
COMMISSION OF THE CITY OF SANTA  
FE SPRINGS**

By:

  
Chairman

**Attest:**

  
CDC Secretary

**Approved as to form:**

  
CDC Counsel

## AMENDMENT TO PURCHASE AND SALE AGREEMENT

On July 9, 2009, a Purchase and Sale Agreement was entered into by and between the Community Development Commission of the City of Santa Fe Springs, a public entity ("CDC"), and Villages at Heritage Springs, LLC, a California Limited Liability Coporation ("VHS") establishing, among other things, that VHS shall utilize One Million Dollars of the funds used in the transaction toward providing sale price credit (write down) to make the purchase affordable to income eligible Low/Mod income households.

Pursuant to Section 1.03 "Affordable Housing Assistance" of said Purchase and Sale Agreement, escrow for the affordable housing purchases shall not extend beyond April 30, 2012. Due to unforeseen and unfavorable economic conditions, achievement of this deadline date is not possible. However, as both parties remain committed to the terms and intent of the Purchase and Sale Agreement, in particular Section 1.03, the CDC and VHS agree to extend the deadline date under Section 1.03 by seventeen months, until September 30, 2012

At its meeting of March 10, 2011, the CDC approved a seventeen month extension of Section 1.03 of the Purchase and Sale Agreement, until September 30, 2012, and that all other conditions and provisions of the Agreement remain unchanged.

Community Development Commission of the City of Santa Fe Springs, a public entity

By: Paul R. Ashworth Date: 3-14-11  
Print Name: Paul R. Ashworth  
Title: Executive Director

Villages at Heritage Springs, LLC a California Limited Liability corporation

By: Bob Constock Date: 3-15-11  
Print Name: Bob Constock  
Title: Manager



**JOINT PUBLIC HEARING – Purchase/Sale of Property**

**Joint Public Hearing to Consider Proposed Amendment No. 3 to a Disposition and Development Agreement with the Villages at Heritage Springs, LLC Including Adopting City Council Resolution No. 9199 and Community Development Commission Resolution No. 235-2009**

**RECOMMENDATIONS**

That the following actions be taken:

1. City Council and Community Development Commission open the Joint Public Hearing and consider comments from anyone in the audience wishing to speak and thereafter close the Public Hearing.
2. City Council adopt the proposed attached Resolution (Resolution No. 9199), approving the proposed Amendment No. 3 to the Disposition and Development Agreement.
3. Community Development Commission adopt the proposed attached Resolution (Resolution No. 235-2009), approving the proposed Amendment #3 to the Disposition and Development Agreement.

**BACKGROUND**

State Redevelopment Law requires public hearings before both the City Council and the Community Development Commission (CDC) prior to the sale or lease of land acquired with tax increment funds. Since this is a joint hearing, this staff report appears on both the Council and Commission agendas.

Amendment No. 3 to the Disposition and Development Agreement (Amendment 3) between the Community Development Commission and Villages at Heritage Springs, LLC (VHS) is for proposed minor changes to the existing agreement and to Include a purchase and sale agreement with option for repurchase of a portion of the project consisting of 5.86 acres within the Villages at Heritage Springs development. This amendment is a significant step in the construction financing of the project. This amendment is necessary due to the current economic uncertainty and lack of available financing for new residential construction. The amendment makes some changes to update certain terms previously approved by both the CDC and the City Council to reflect the current status of the project related to fees and payments between the CDC and VHS. A new item is a Purchase and Sale Agreement with an option for repurchase (PSA) that allows the developer to use the value of the subject

7

5.86 acres and related PSA as a means to finance the initial phases of construction (shown as a new Exhibit K of the DDA). The PSA includes terms for using net tax increment from the project for payment over 15 years and an option for the developer to repurchase the 5.86 acres and complete the development. If the option is not exercised then the CDC can seek another purchaser to develop the property. Amendment 3 also includes a requirement that affordable housing units be provided per the terms of the agreement using one million dollars of the downpayment funds.

The Villages at Heritage Springs project is currently under construction of model homes and has all city and related environmental entitlement approvals. The DDA Amendment 3 will serve to implement the existing DDA and address current financing conditions.

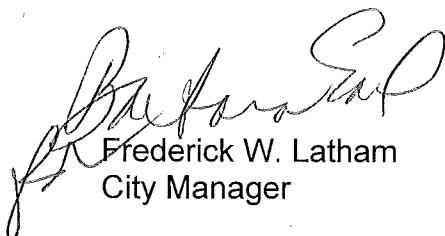
The attached DDA Amendment 3 with exhibits describes the changes and the purchase and sale terms including the price, downpayment, payment obligations, and option terms. The attached Summary Land Sale Report describes the public property costs and the valuation of the property conveyed in accordance with California Health and Safety Code Section 33433.

#### **PUBLIC HEARING NOTIFICATION**

This matter was set for Public Hearing in accordance with State Redevelopment Law and the requirements of Government Code. Legal Notice of the Public Hearing was published in a newspaper of general circulation (Whittier Daily News) on June 25, 2009 & July 2, 2009.

#### **ENVIRONMENTAL IMPACT ASSESSMENT**

An Environmental Impact Report (EIR) (SCH# 2005011096) for the proposed project was prepared in accordance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines and the EIR was certified by the Planning Commission on September 26, 2005.



Frederick W. Latham  
City Manager



Paul R. Ashworth  
Executive Director

#### **Attachments:**

Summary Land Sale Report  
Resolution No. 9199; Resolution No. 235-2009;  
Disposition and Development Agreement Amendment No. 3;  
Map

**RESOLUTION NO. 9199**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE  
SPRINGS AUTHORIZING AMENDMENT OF A DISPOSITION AND  
DEVELOPMENT AGREEMENT WITH VILLAGES AT HERITAGE  
SPRINGS, LLC FOR THE PURPOSES OF REDEVELOPMENT**

**WHEREAS**, the Community Development Commission (Commission) and Developer entered into that certain Disposition and Development Agreement dated and approved jointly by the City Council and Commission on November 17, 2005, as amended on November 21, 2006 and on May 29, 2007, (collectively the "Agreement"), which provided for financial assistance for costs incurred in remediating the Site and developing a residential project; and

**WHEREAS**, the Project financing and the original schedule for construction of the residential units has been revised due to the current economic uncertainty and lack of available financing for new residential construction; and

**WHEREAS**, the uncertainties have led to a need for a sale of certain residential property to the CDC at the appraised fair market value for the allowable density of 226 market rate developable units; and

**WHEREAS**, the Project's completion remains essential for the economic revitalization and redevelopment of the overall Project Area and the City.

**WHEREAS**, the City Council has held a properly noticed public hearing in accordance with the requirements of the State of California Health and Safety Code, Sec. 33433; and

**WHEREAS**, the City Council has provided all interested persons with an opportunity to be heard during the course of this public hearing; and

**WHEREAS**, the City Council has duly considered all testimony, oral and written, offered during, or prior to, this public hearing; and

**WHEREAS**, the City Council, after consideration of said testimony, finds, determines and declares that the Proposed Purchase and Sale is a sale of property for purposes of redevelopment; and

**WHEREAS**, the City Council in adopting this Resolution has considered the potential environmental impacts related to the Proposed Sale; and

**WHEREAS**, the City Council further finds and determines that the Proposed Sale will lead to the development of the property and thereby eliminate blighted, vacant, and contaminated property; and

**WHEREAS**, the City Council further finds and determines that an Environmental Impact Report (EIR) (SCH# 2005011096) for the proposed project was prepared in accordance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines and that the EIR was certified by the Planning Commission on September 26, 2005;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:**

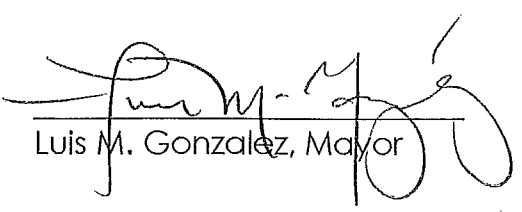
**Section 1:** The City Council approves the purchase and sale of property proposed by the Community Development Commission and authorizes the Community Development Commission to enter into a Disposition and Development Agreement Amendment No. 3 with Villages at Heritage Springs, LLC in the form attached as Exhibit "A" to this Resolution, or in substantially the same form.

PASSED and ADOPTED this 9th day of July 2009.

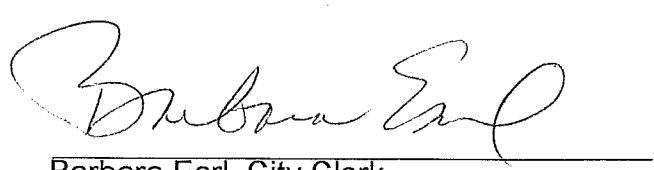
AYES:

NO:

ABSENT:

  
Luis M. Gonzalez, Mayor

ATTEST:

  
Barbara Earl, City Clerk



SUMMARY LAND SALE REPORT  
DISPOSITION AND DEVELOPMENT AGREEMENT  
AMENDMENT NO. 3

VILLAGES AT HERITAGE SPRINGS

**BACKGROUND**

The California Community Redevelopment Law, Section 33433, requires that before any property acquired by the Agency in whole or in part with tax increment funds is sold or leased for development, a public hearing must be held and the sale or lease approved by the legislative body. Section 33433 also requires the Agency to make the sale and lease documents available to the public and to prepare a summary of the financial aspects of the project. This report is presented in partial fulfillment of Section 33433.

**PROJECT SUMMARY**

A Disposition and Development Agreement ("DDA") between the Community Development Commission of the City of Santa Fe Springs ("Commission"), and Villages at Heritage Springs, LLC ("VHS") was approved on November 17, 2005. Pursuant to the DDA, Buyer shall be responsible for development of a master-planned residential community of 522 dwelling units, (attached and detached dwellings) and for the continuation of oil and gas production activities on the 54.5-acre property bordered by Telegraph Road to the north, Clark Avenue to the south, Bloomfield Avenue to the east and Norwalk Boulevard to west, within the Consolidated Redevelopment Project Area.

Amendment No. 3 to the DDA proposes a purchase and sale agreement (PSA) with an option to repurchase a certain portion of the project consisting of 5.86 acres known as Lots 68 and 69 of Tract 63136. The PSA is contained in Exhibit K of the DDA Amendment No. 3. The intended purpose of the PSA is to provide a means for VHS to use the value of the subject 5.86 acres as a source of equity needed to finance the initial construction phases.

The Commission would enter into the PSA to purchase the Property from VHS per the terms in the PSA which includes many conditions of performance and the following general financial terms:

1. Commission shall purchase the property for a mutually acceptable appraised fair market value assuming an allowable density of 226 units on Lots 68 and 69.
2. VHS and Commission to share standard escrow costs relative to the transfer of the Property.
3. Commission's obligation to buy shall be contingent upon construction financing

and permits.

4. VHS shall deliver the Property to Commission in an "as is" condition.
5. Payment terms include a \$2,000,000 downpayment with amortized payments of net tax increment generated from the project for 15 years. The total payment shall be the lesser of the purchase price or the net tax increment principle generated. The amortized payments include an interest rate of prime plus one percent adjusted annually.
6. \$1,000,000 of the downpayment shall be a credit against the sale price of some of the units to make them affordable to persons or families of low or moderate income in accordance with California Redevelopment Law and where the number of affordable units will be the maximum number that \$1,000,000 can generate, based on the difference between the market prices and the qualified affordable prices.
7. The option to repurchase may be exercised by VHS within one year after the completion of the project excluding Lots 68 and 69. The option requires that VHS pay to the Commission the full amount of the payments (including downpayment, interest and principle) made to that date from Commission less the \$1,000,000 for the affordable units.

The Commission's anticipated costs to implement this DDA Amendment 3 includes the payment of the net tax increment not to exceed the purchase price per the terms of the DDA Amendment 3 and the associated Purchase and Sale Agreement included as Exhibit K to the DDA. Some associated costs include appraisal costs, consultant oversight costs, and sharing of escrow fees. It is estimated that the project costs to the Commission will be as follows:

Purchase Price*	\$ 17,250,000
Appraisal, Escrow and Consultant costs	\$ 25,000
<b>TOTAL</b>	<b>\$ 17,275,000</b>

**\*Estimated based on VHS proforma, but Subject to fair market value appraisal and subject to terms of the DDA Amendment 3.**

The sale price reflects the value for the 5.86 acre property in the current real estate market to be appraised at an allowable density of 226 units within the context of the entire Villages at Heritage Springs project and given required redevelopment conditions of performance in the DDA as amended.

The cost to the CDC will be recovered upon the exercise of the option to repurchase where VHS will repay all payments (including principle and interest) made by the CDC and all outstanding payments are forgiven. If the option is not exercised by VHS then the Commission may sell the property on the open market to another developer to recover costs or the Commission may also redevelop the property for some other acceptable purpose in accordance with California Redevelopment Law. It is expected that the interest rate cost on the purchase price note will be recovered through the

exercise of the option. If the option is not exercised then it is expected that the net present value of all the payments of interest and principle will be equal to or less than the purchase price and the eventual sale of the property will likely recover the purchase price value. Per the terms of the PSA VHS will be responsible for all maintenance and carrying costs.

Lots 68 and 69 are now developable with all soil remediation completed and infrastructure and grading completed. Model home construction is now in progress on the remaining area of the project. Lots 68 and 69 are ready for model home construction also. It is intended that the construction on Lots 68 and 69 will begin when VHS exercises the option to repurchase. The option may be exercised at an earlier date if sales on all of the project go ahead of their projections.

There are many benefits that will be generated by this project. This project with the DDA as amended will implement the Consolidated Redevelopment Project area plan to eliminate blighted contaminated land; developer will establish an assessment district for payment of \$500,000/yr for public services costs associated with the project; developer will pay public art in-lieu fees and new public art will be installed at the northeast corner of the site; project will increase quality housing supply to the city including improving affordable housing opportunities; there is potential to improve land values in the surrounding area; on-site recreational facilities will be provided; 20% of tax increment towards Low/Mod Housing Set-aside fund will be generated; there will be new residents in the city who will support city retail businesses; all required public improvements costs and development and permit fees will be paid by developer.

### **APPROVAL PROCEDURE**

The DDA Amendment No. 3 providing for the purchase and sale of the property is subject to the approval of the Santa Fe Springs City Council and the Community Development Commission of the City of Santa Fe Springs. State Law requires that a public hearing must be held before the Council and Commission before the Commission can consider approval of the DDA Amendment No. 3. A Joint Public Hearing for this purpose will be held on Thursday, July 9, 2009 at 6:00 p.m. in the Council Chambers of the City Hall, 11710 Telegraph Road, Santa Fe Springs, California.

Any one wishing to comment on the purchase may do so in writing prior to and up to the conclusion of the Public Hearing. Anyone wishing to comment in person may do so at the Public Hearing. If you challenge the nature of this proposed action in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the office of the Commission at, or prior to the Public Hearing.

**RESOLUTION NO. 235-2009**

**A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF SANTA FE SPRINGS AUTHORIZING AMENDMENT  
OF A DISPOSITION AND DEVELOPMENT AGREEMENT WITH  
VILLAGES AT HERITAGE SPRINGS, LLC**

**WHEREAS**, Agency and Developer entered into that certain Disposition and Development Agreement dated November 17, 2005, as amended on November 21, 2006 and on May 29, 2007, (collectively the "Agreement"), which provided for financial assistance for costs incurred in remediating the Site and developing a residential project; and

**WHEREAS**, the Project financing and the original schedule for construction of the residential units has been revised due to the current economic uncertainty and lack of available financing for new residential construction; and

**WHEREAS**, the uncertainties have led to a need for a sale of certain residential property to the CDC at the appraised fair market value for the allowable density of 226 market rate developable units; and

**WHEREAS**, the Project's completion remains essential for the economic revitalization and redevelopment of the overall Project Area and the City.

**WHEREAS**, the Commission has held a properly noticed public hearing in accordance with the requirements of the State of California Health and Safety Code, Sec. 33433; and

**WHEREAS**, the Commission has provided all interested persons with an opportunity to be heard during the course of this public hearing; and

**WHEREAS**, the Commission has duly considered all testimony, oral and written, offered during, or prior to, this public hearing; and

**WHEREAS**, the Commission, after consideration of said testimony, finds, determines and declares that the Proposed Purchase Sale is a sale of property for purposes of redevelopment; and

**WHEREAS**, the Commission in adopting this Resolution has considered the potential environmental impacts related to the Proposed Sale; and

**WHEREAS**, the Commission further finds and determines that the Proposed Sale will lead to the development of the property and thereby eliminate blighted, vacant, and contaminated property; and

**WHEREAS**, the Commission further finds and determines that an Environmental Impact Report (EIR) (SCH# 2005011096) for the proposed project was prepared in accordance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines and that the EIR was certified by the Planning Commission on September 26, 2005;

**NOW, THEREFORE, THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:**

**Section 1:** The Commission approves Disposition and Development Agreement Amendment No. 3 and associated purchase and sale of property with Villages at Heritage Springs, LLC in the form attached as Exhibit "A" to this Resolution, or in substantially the same form, and authorizes the Executive Director to execute said amendment.

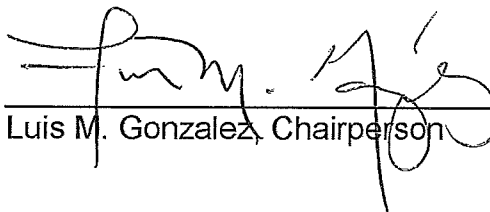
**Section 2:** The Commission authorizes its staff, in consultation with the Commission Attorney, to make any non-substantive changes, if required, to the amendment.

PASSED and ADOPTED this 9th day of July 2009.

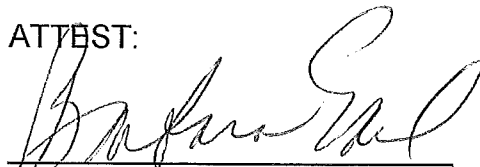
AYES: *unanimous vote*

NO:

ABSENT:

  
Luis M. Gonzalez, Chairperson

ATTEST:

  
Barbara E. Earl, Secretary

## AMENDMENT NO. 3 TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Third Amendment to Disposition and Development Agreement (the "Third Amendment") is entered into on this 9th day of July, 2009 ("Effective Date"), by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, a public body, corporate and politic ("the CDC") and VILLAGES AT HERITAGE SPRINGS, LLC, a California limited liability company ("Developer") with respect to the following:

### RECITALS

WHEREAS, Agency and Developer entered into that certain Disposition and Development Agreement dated November 17, 2005, as amended on November 21, 2006 and on May 29, 2007, (collectively the "Agreement"), which provided for financial assistance for costs incurred in remediating the Site and developing a residential project; and

WHEREAS, the Project financing and the original schedule for construction of the residential units has been revised due to the current economic uncertainty and lack of available financing for new residential construction; and

WHEREAS, the uncertainties have led to a need for a sale of certain residential property to the CDC at the appraised value for the approved density of 226 market rate developable units; and

WHEREAS, the Project's completion remains essential for the economic revitalization and redevelopment of the overall Project Area and the City.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained herein, the parties hereto agree as follows:

Section 1. Developer and CDC agree that a new Exhibit "K" entitled "Purchase and Sale Agreement For Lots 68 and 69 of Tract 63136" shall be added to the Agreement, the form of Exhibit "K" is attached hereto as Attachment No. 1 and shall be incorporated herein by this reference. Included in the Purchase and Sale Agreement shall be a requirement for utilization of \$1,000,000.00 of the cash down payment provided from CDC's Low/Mod Set Aside funds to operate as a credit for qualified moderate income purchasers in the first phase.

Section 2. Section 7. "The CDC Loan" shall be revised in its entirety as follows:

"The Developer Loan to the CDC for property acquisition in the amount of \$3,152,000 ("CDC Note") shall be repaid in part with a credit of payment on the \$1,800,000 loan ("Developer Note") from CDC to Developer upon return of the original Developer Note to Developer by the CDC. The remainder of the CDC Note shall be due from the CDC to the Developer upon the completion of the construction of the first eleven (11) model units for the Project."

Section 3. Exhibit "F" "Schedule of Performance" shall be revised in its entirety as set forth in Attachment No. 2 attached hereto and incorporated herein by this reference.

Section 4. Section 11 A. and B. shall be revised in their entirety as follows:

"Developer shall pay the following City fees at the earlier of (i) the time of issuance of the Mello-Roos bonds or (ii) June 30, 2014:

Art in Public Places	\$500,000;
Traffic Impact Fees	\$149,262;
Water Trunkline Connection Fees	\$ 83,000

The parties agree that the foregoing remaining fees shall replace any prior fee requirement by the City or Agency as to any condition of approval for the Project. The above fee amounts shall bear simple interest at 4.5% from the issuance of building permits for the housing units until paid.

Section 5. Section 11 shall be amended to include the addition of the following:

Upon completion of the Art Project, the parties agree that the City shall retain ownership and maintenance responsibility for all Hardscape elements of the Art Project, and the Developer and subsequently the HOA shall retain ownership and maintenance responsibility for all Softscape elements. Hardscape includes the fountain, all associated pumps, piping and foundation, the decorative mosaic columns, any decorative or enhanced paving, lighting and/or benches. Softscape includes all plants, grass, trees, shrubs, electricity and water usage, and the irrigation system installed as part of the Art Project. Until such time as Lots 68 and 69 of Tract No. 63136 are developed with housing units and 100% of the units are annexed into the HOA for the Project as a whole, the City shall be responsible for all Hardscape maintenance costs of the Art Project, except that the Developer will be responsible for all electrical energy and water costs upon completion of the Art Project. From that point forward, the City will continue with the Hardscape maintenance, but the HOA will be responsible for reimbursing the City annually for the cost of said Hardscape maintenance and shall be responsible for reserving against future replacement or repair costs to the Art Project as determined by Dept of Real Estate. Developer also agrees to grant an easement to the City over Lot 72 of Tract 63136 for the purpose of allowing the City access to maintain the Art Project Hardscape.

D. In addition to the Art Project described above, any/all custom-fabricated, decorative lanterns/fixtures at the project entries and the pedestrian-entry mosaic tiles shall be maintained, owned and reserved by the HOA as of the first close of escrow.

Section 6. Section 14 "Mello-Roos district" shall be replaced in its entirety as follows:

The parties intend to form a Mello-Roos District to offset increased cost to provide necessary public services, such as police and fire protection, that are required to support the development. Until such time as the District is formed, a payment of \$1,302.00 per unit (\$500,000 / 384 units) shall be made by Developer on an annualized pro-rata basis from the close of escrow date of each unit sold until June 30<sup>th</sup> from the year in which escrow closes.

Subsequently, Developer shall make annualized payment on these sold units for the period from July 1<sup>st</sup> to June 30 of the following year – until such time as the District is formed. The parties agree to meet before August 1st each year to agree on the number of sold units from the previous year and to agree on the total annual amount due to City by Developer based on units already sold. Developer shall make payment by September 1<sup>st</sup>. For clarification, although the parties contemplate that the Option parcel will eventually be developed and annexed into the HOA at a future date and will also be included in the Mello-Roos District, but the parties agree that the total overall annual payment to City for public services will not exceed the agreed to base amount despite any increased number of units. The funding of this obligation shall include annual inflation adjustments over the base amount based on regional consumer price index in perpetuity.

Section 7. Due Execution. The person(s) executing this Third Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Third Amendment on behalf of said party, (iii) by so executing this Third Amendment, such party is formally bound to the provisions of this Third Amendment, and (iv) the entering into this Third Amendment does not violate any provision of any other agreement to which said party is bound.

Section 8. Full Force and Effect. The parties further agree that, except as specifically provided in this Third Amendment, the terms of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the date of execution by the CDC.

COMMUNITY DEVELOPMENT  
COMMISSION OF THE CITY OF SANTA  
FE SPRINGS

By: \_\_\_\_\_

Chairman

Attest:

CDC Secretary

Approved as to form:

CDC COUNSEL



"DEVELOPER"

VILLAGES AT HERITAGE SPRINGS,  
LLC, a California limited liability company

By:

By: [Signature]  
Its: manager

Its:

Its:

**Exhibit "A"**

**Legal Description of the Property**

**Lots 68 and 69 of Tract 63136**

**Exhibit "B"**

**GRANT DEED**

FREE RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Community Development Commission of the City of Santa Fe Springs

\_\_\_\_\_  
Attn: Executive Director

\_\_\_\_\_  
(Space Above This Line for Recorder's Office Use Only)  
(Exempt from Recording Fee per Gov. Code § 6103)

GRANT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, VILLAGES AT HERITAGE SPRINGS LLC, a California limited liability company("Grantor"), hereby grants to the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, a public body, corporate and politic ("Grantee") acting under the Community Redevelopment Law of the State of California, the real property, hereinafter referred to as the "Property," in the City of Santa Fe Springs, County of Los Angeles, State of California, as more particularly described in Exhibit "1" attached hereto and incorporated herein by this reference. Grantor specifically reserves all rights below the depth of 500 feet from the surface of the earth.

This conveyance is subject to all items listed on Exhibit "2" attached hereto and all matters appearing of record or that can be ascertained by an inspection of said real property. This conveyance is made without any warranty, express or implied, as to the suitability of said real property for any purpose whatsoever.

By acceptance and recordation of this deed, Grantee covenants for itself, its successors and assigns that said real property is acquired by Grantee "AS IS" and "WITH ALL FAULTS" without any representations or warranties whatsoever, express or implied, and hereby releases Grantor from any and all liability on account of the condition of said real property,

Subject to the terms and conditions of that certain Purchase and Sale Agreement and Joint Escrow Instructions between Grantor and Grantee dated \_\_\_\_\_, 2009.

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers or agents hereunto as of the date first above written.

Dated effective \_\_\_\_\_, 200\_\_.

**"GRANTOR":**

**VILLAGES AT HERITAGE SPRINGS,  
LLC**

By: \_\_\_\_\_

**"GRANTEE":**

**COMMUNITY DEVELOPMENT  
COMMISSION OF THE CITY OF SANTA  
FE SPRINGS,**

By: \_\_\_\_\_

**Exhibit “1”**

**Legal Description of the Property**

**Lots 68 and 69 of Tract 63136**

**Exhibit “2”**  
**Certificate of Acceptance**

## CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by VILLAGES AT HERITAGE SPRINGS, LLC, a \_\_\_\_\_ by the Grant Deed to the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, a public body, corporate and politic, is hereby accepted by the undersigned officer and agent of the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, pursuant to the authority conferred by a Resolution of the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS dated July 9,, 2009, and that the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS consents to the recording of the Grant Deed.

Signed and dated at Santa Fe Springs, California on \_\_\_\_\_, 200\_\_.

"GRANTEE"

COMMUNITY                      DEVELOPMENT  
COMMISSION OF THE CITY OF SANTA  
FE SPRINGS

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Chair

ATTEST:

By: \_\_\_\_\_  
Secretary

STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 2009, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, 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 \_\_\_\_\_  
(Seal)

STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 2009, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, 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 \_\_\_\_\_  
(Seal)



EXHIBIT "C"

PURCHASE PRICE NOTE

\$ \_\_\_\_\_

FOR VALUE RECEIVED, Community Development Commission of the City of Santa Fe Springs ("CDC"), a public body corporate and politic ("Maker"), promises to pay the Villages at Heritage Springs, LLC, a California limited liability company ("Holder") at \_\_\_\_\_, or at such other address as Holder may direct from time to time in writing, the sum of \_\_\_\_\_ Million \_\_\_\_\_ Hundred Thousand Dollars (\$\_\_\_\_\_) (the "Note Amount"), together with interest thereon at the rate set forth herein. All sums payable hereunder shall be payable in lawful money of the United States of America. This Promissory Note ("Purchase Price Note") is made in connection with the purchase and sale agreement by and between Maker and Holder, dated as of \_\_\_\_\_ (the "Agreement").

1. Interest Rate.

Interest shall accrue at the rate of Prime + 1 adjusted annually on the Note Amount during the term of the Purchase Price Note. In the event of a default of the Agreement all interest and principal shall be immediately due.

2. Payment.

The initial payment shall be Two Million Dollars (\$2,000,000) due at execution of Purchase and Sale Agreement. Subsequent payments based on a fifteen year repayment schedule based on the actual net TI generated from the entire Tract 63136 (less Lots 68 and 69).

3. Term.

The Purchase Price Note shall commence upon the execution by both Parties and terminate 15 years from the commencement date or earlier in the event of full payment from bond proceeds or exercise of the Repurchase Option ("Term"). In no event shall the CDC be required to pay a greater amount than the net tax increment. Any amount unpaid after 15 years shall be forgiven. In the event Developer asks for earlier payment from bond proceeds, any short fall amount remaining from the proceeds bonds sized on the net tax increment shall be forgiven.

4. Application of Payments.

Each payment hereunder shall be credited first to interest then accrued and the remainder, if any, to principal. Interest shall cease to accrue upon principal so credited.

5. Holder May Assign.

Holder may, at its option, assign its right to receive payment under this Purchase Price Note without necessity of obtaining the consent of the Maker.

6. Maker Assignment Prohibited.

In no event shall Maker assign or transfer any portion of this Purchase Price Note without the prior express written consent of the Holder, which consent may be given or withheld in the Holder's sole discretion.

7. Attorneys' Fees and Costs.

In the event that any action is instituted with respect to this Purchase Price Note, the prevailing party promises to pay such sums as a court may fix for court costs and reasonable attorneys' fees. Holder's right to such fees shall not be limited to or by its representation by staff counsel, and such representation shall be valued at customary and reasonable rates for private sector legal services.

8. Non-Waiver.

Failure or delay in giving any notice required hereunder shall not constitute a waiver of any default or late payment, nor shall it change the time for any default or payment.

9. Successors Bound.

This Agency Note shall be binding upon the parties hereto and their respective heirs, successors, and assigns.

10. Terms.

Any terms not separately defined herein shall have the same meanings as set forth in the Agreement.

11. Monetary Default. If a monetary event of default occurs under the terms of the Agreement or the Agency Note, prior to exercising any remedies thereunder, Holder shall give Maker and any of the general or noticed limited partners of the Maker, listed below, simultaneous written notice of such default. Maker shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Holder.

12. Non-Monetary Default. If a non-monetary event of default occurs under the terms of any of the Agreement, prior to exercising any remedies thereunder, Holder shall give Maker and any general or limited partners of the Maker, listed below, simultaneous written notice of such default. If Maker fails to take corrective action or to cure the default within the initial thirty (30) day cure period, Holder shall give Maker and any general or limited partners of Maker listed in the Agreement written notice thereof, whereupon the limited partner(s) may remove and replace the general partner with a substitute general partner, reasonably acceptable to Holder, who shall effect a cure within a reasonable time thereafter, as determined by Holder, in accordance with the foregoing provisions. In no event shall Holder be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within the period of time specified in the Agreement.

“MAKER”

Community Development Commission of  
the City of Santa Fe Springs  
A California limited liability company

Date: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**ATTACHMENT NO. 2**  
**SCHEDULE OF PERFORMANCE**

<b>Activity</b>	<b>Time Frame</b>
Detached Homes Models and Phase 1 Permits	May 2009
DDA Amendment #3 Approval	July 2009
1st Payment to VHS, LLC for Downpayment on Lots 68 and 69 (totaling \$2,000,000)	After DDA Amendment #3 Approval
Attached Homes -- Models and Phase 1 Permits	July 2009
Mello-Roos (CFD) Bond Formation	October 2009
Eleven (11) Model Units completed	Estimated December 2009
Balance of CDC Loan Payment to VHS, LLC -- (totaling \$1,352,000)	Upon completion of 11 Model Units
Acquisition of Beaumon / Ameron Property from City	Est Fall 2009 (need concurrence from DTSC)
Recordation of Final Tract Map 71030	Est 1 month after acquisition of Beaumon/Ameron property by VHS, LLC.
Mello-Roos (CFD) Bond Issuance (includes payment to City of balance of Fees owing)	Est. at Spring 2012 (Required to be issued by June 30, 2014)
Completion of 384 Units at Villages Project (Except those Units on Lots 68 and 69 of Tract 63136)	Est. Spring 2013
VHS, LLC 1-Year Option To Repurchase Lots 69 and 69 of Tract 63136	1-Year from date of final sale of last unit in project except for units in Lots 68 and 69 of Tr. 63136

1350/18

SCALE: 1"=150'

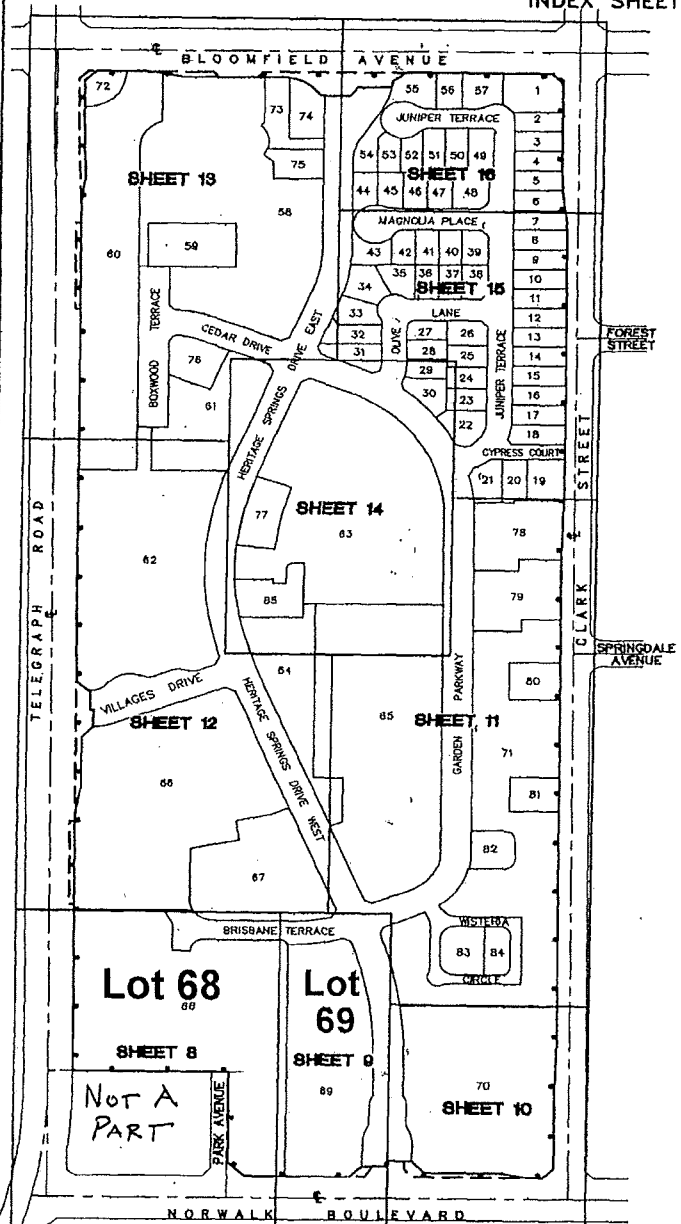
# TRACT NO. 63136

IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA

LOTS 60 THROUGH 72 AND LOTS 76 THROUGH 85 FOR RESIDENTIAL CONDOMINIUM PURPOSES

## INDEX SHEET

SHEET 3 OF 29 SHEETS

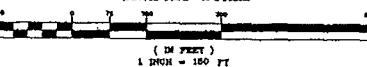


### PRIVATE STREET AND FIRE LANES

THE FOLLOWING ROADWAYS CREATED ON THIS MAP ARE TO BE CONSIDERED PRIVATE STREETS AND FIRE LANES:

BOXWOOD TERRACE  
BRISBANE TERRACE  
CEDAR DRIVE  
CYPRESS COURT  
GARDEN PARKWAY  
HERITAGE SPRINGS DRIVE WEST & EAST  
JUNIPER TERRACE  
MAGNOLIA PLACE  
OLIVE LANE  
VILLAGES DRIVE  
WISTERIA CIRCLE

### GRAPHIC SCALE



### LEGEND

INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP.

### SIGNATURE OMISSION NOTES (CONTINUED)

THE FOLLOWING SIGNATURES HAVE BEEN OMITTED PURSUANT TO THE PROVISIONS OF SECTION 86438(d)(3)(C) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RISE INTO A FEE TITLE, AND SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY.

C.T. WIDNEY, ET AL., TRUSTEES OF FULTON WELLS HEALTH AND PLEASURE RESORT TO E.C. KNOTT, AS HOLDER OF ALL MINERAL OR MEDICINAL WATERS RECORDED IN BOOK 211 PAGE 302 OF DEEDS.

G.T. WIDNEY, J.W. PIRLIE AND CHAS GUSEY, TRUSTEES OF FULTON WELLS HEALTH AND PLEASURE RESORT, AS HOLDER OF ALL MINERAL OR MEDICINAL WATERS RECORDED IN BOOK 492 PAGE 206, OF DEEDS AND IN BOOK 211 PAGE 291, OF DEEDS AND IN BOOK 270 PAGE 91 OF DEEDS.

THE BIBLICAL RESEARCH SOCIETY, A CALIFORNIA CORPORATION, AS HOLDER OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS RECORDED MAY 28, 1983 AS INSTRUMENT NO. 83-588649 OF OFFICIAL RECORDS.

R.F. GILMORE COMPANY, A CORPORATION, AS HOLDER OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS RECORDED SEPTEMBER 8, 1973 AS INSTRUMENT NO. 34 OF OFFICIAL RECORDS.

JOHN H. BATSON, AS HOLDER OF ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS AND OTHER HYDROCARBON SUBSTANCES RECORDED DECEMBER 17, 1985 AS INSTRUMENT NO. 85-1485498 AND AS INSTRUMENT NO. 85-1485494 OF OFFICIAL RECORDS.

JAMES WEAVER AND REBECCA WEAVER, AS HOLDER OF ALL OIL, GAS, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES RECORDED OCTOBER 24, 1922 AS INSTRUMENT NO. 1194 IN BOOK 1350 PAGE 142 OF OFFICIAL RECORDS.

GENEVIEVE L. DUNLAP, A MARRIED WOMAN, AS HOLDER OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM, AND ALL KINDRED SUBSTANCES AND OTHER MINERALS RECORDED MARCH 16, 1968 AS INSTRUMENT NO. 1848 OF OFFICIAL RECORDS.

JOHN H. BATSON, AS HOLDER OF ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS AND OTHER HYDROCARBON SUBSTANCES RECORDED DECEMBER 17, 1985 AS INSTRUMENT NO. 85-1485491 OF OFFICIAL RECORDS.

DONALD IRVING WARDMAN, BONNIE JEAN WARDMAN NEWSOME, MARILYN WAE WARDMAN SUTTON, PATRICIA WARDMAN SMITH, AND GWYN ELLEN WARDMAN GIERCKH, AS HOLDER OF OIL, GAS, HYDROCARBONS AND RELATED SUBSTANCES RECORDED OCTOBER 2, 1974 AS INSTRUMENT NO. 222 OF OFFICIAL RECORDS.

LEO GOODMAN, ET UX, AS HOLDER OF OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES RECORDED JANUARY 15, 1964 AS INSTRUMENT NOS. 3727 AND 3728 OF OFFICIAL RECORDS.

NORMAN D. LANGSTAFF AND GOLDIE B. LANGSTAFF, AS HOLDER OF ALL OIL, GAS, AND MINERAL SUBSTANCES RECORDED SEPTEMBER 26, 1934 IN BOOK 13008 PAGE 140 OF OFFICIAL RECORDS.

JOHN H. SCHOKETTLER, AS HOLDER OF ALL THE OIL AND GAS RECORDED OCTOBER 10, 1973 AS INSTRUMENT NO. 2190 OF OFFICIAL RECORDS.

TRINITY UNITED METHODIST CHURCH OF WHATTER, A CALIFORNIA CORPORATION, AS HOLDER OF ALL OIL, GAS, AND/OR OTHER HYDROCARBON SUBSTANCES RECORDED MARCH 3, 1988 AS INSTRUMENT NO. 86-271214 OF OFFICIAL RECORDS.

THOMAS A. BEWLEY AND J. KENT BEWLEY AND KAREN A. BEWLEY, AS CO-TRUSTEES OF THE BEWLEY REVOCABLE TRUST DATED OCTOBER 15, 1991, AS HOLDER OF ALL MINERALS, HYDROCARBONS AND LIKE KIND SUBSTANCES RECORDED JUNE 23, 2004 AS INSTRUMENT NO. 04-1588582 OF OFFICIAL RECORDS.

FRED L. ELLIS AND ALEXANDRA J. ELLIS, AS HOLDER OF ALL OIL, MINERALS AND OTHER HYDROCARBON SUBSTANCES RECORDED MAY 1, 1970 AS INSTRUMENT NO. 84 OF OFFICIAL RECORDS.

FLORA DORA MCNALL, AS HOLDER OF ALL OIL, MINERALS, HYDROCARBONS AND LIKE KIND SUBSTANCES RECORDED NOVEMBER 22, 2005 AS INSTRUMENT NO. 05-2837847 OF OFFICIAL RECORDS.

FEDERICO C. VARGAS AND SILVIA VARGAS, AS HOLDER OF ALL OIL, MINERALS, HYDROCARBONS AND LIKE KIND SUBSTANCES RECORDED NOVEMBER 17, 2005 AS INSTRUMENT NO. 05-2783101 OF OFFICIAL RECORDS.

DONALD IRVING WARDMAN, ET AL, AS HOLDER OF ALL OIL, MINERALS, HYDROCARBONS AND LIKE KIND SUBSTANCES RECORDED MAY 9, 2006 AS INSTRUMENT NO. 05-536275 OF OFFICIAL RECORDS.

PACIFIC ENERGY RESOURCES, A CALIFORNIA LIMITED PARTNERSHIP, AS HOLDER OF ALL OIL, GAS, MINERAL AND HYDROCARBON RECORDED JUNE 29, 2001 AS INSTRUMENT NO. 01-1121823 OF OFFICIAL RECORDS.

HEIRS OF THE ESTATE OF A. WARDMAN, DECEASED, DONALD IRVING WARDMAN, MAE WARDMAN SUTTON, GWYN ELLEN WARDMAN, PATRICIA WARDMAN SMITH, BONNIE JEAN WARDMAN NEWSOME AND THEIR SUCCESSORS IN INTEREST AS HOLDER OF ANY MINERALS RECORDED SEPTEMBER 11, 1987 AS INSTRUMENT NO. 87-1484578 OF OFFICIAL RECORDS.

STELLA MEYER MARTIN AND/OR HER SUCCESSORS IN INTEREST; MARIE L. GREATHOUSE AND/OR HER SUCCESSORS IN INTEREST, AS HOLDER OF ANY MINERALS IN SAID PROPERTY RECORDED SEPTEMBER 11, 1987 AS INSTRUMENT NO. 87-1484578 OF OFFICIAL RECORDS.

JAMES H. BLAKEMORE AND LUCILE M. BLAKEMORE, AS HOLDER OF ALL OIL, GAS, AND ALL KINDRED SUBSTANCES RECORDED JUNE 20, 1979 AS INSTRUMENT NO. 79-665636 OF OFFICIAL RECORDS.

TOWN LOT FEE, LLC, AS HOLDER OF ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES, AND ALL OTHER MINERAL AND OTHERWISE VALUABLE SUBSTANCES RECORDED DECEMBER 30, 2005 AS INSTRUMENT NO. 05-3228972 OF OFFICIAL RECORDS.

THE TRUSTEES OF THE BEAUMON FAMILY TRUST DATED NOVEMBER 14, 1978, AS HOLDER OF ALL RIGHTS TO OIL, GAS, AND HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER RECORDED NOVEMBER 8, 1997 AS INSTRUMENT NO. 97-1781683 OF OFFICIAL RECORDS.

FLORENCE K. BEAUMON, ANTHONY L. BEAUMON AND MONIQUE BAUMANN MAGOLSKIE WIFE NAMED AS SUGGESTOR TRUSTEES, AS HOLDER OF ALL RIGHTS TO OIL, GAS, AND HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER RECORDED FEBRUARY 10, 2005 AS INSTRUMENT NO. 05-314772 OF OFFICIAL RECORDS.

H.F. MORGAN, AS HOLDER OF AN OIL LEASE PER DOCUMENT RECORDED JUNE 3, 1922 AS INSTRUMENT NO. 368 OF OFFICIAL RECORDS.

H.F. STREETER AND ZELBA B. STREETER, ZELBA B. STREETER, AS HOLDER OF AN OIL LEASE PER DOCUMENT RECORDED IN BOOK 8269, PAGE 120 AND BOOK 7262, PAGE 113 OF OFFICIAL RECORDS.

BREITBURN ENERGY COMPANY L.P., AS HOLDER OF ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES RECORDED DECEMBER 30, 2005 AS INSTRUMENT NO. 05-3228989, AS AMENDED BY FIRST AMENDMENT TO SURFACE AND SUBSURFACE RIGHTS AGREEMENT RECORDED AUGUST 18, 2006 AS INSTRUMENT NO. 06-1810629, AND AS AMENDED BY SECOND AMENDMENT TO SURFACE AND SUBSURFACE RIGHTS AGREEMENT RECORDED JUNE 27, 2008 AS INSTRUMENT NO. 08-1147814, ALL OF OFFICIAL RECORDS.



Amendment No. 1 to Disposition and Development Agreement between the Commission and Villages at Heritage Springs, LLC (Bob Comstock). Consideration of proposed amendment making certain changes to the subject Agreement regarding financial matters.

RECOMMENDATION

That the CDC approve the attached Amendment No. 1 to the Disposition and Development Agreement between the Commission and Villages at Heritage Springs, LLC (Bob Comstock).

On November 17, 2005, the CDC entered into a Disposition and Development Agreement (DDA) with Bob Comstock regarding the development of the Villages at Heritage Springs housing development. Since then, a number of matters have arisen that require that the DDA be amended, as described below.

1. The interest-free loan from Comstock to the CDC

It is recommended that the loan from Comstock to the CDC be increased by \$445,000, from \$2,775,000 to \$3,200,00 to reflect the following:

- a. Comstock originally agreed to loan the CDC up to \$2,775,000 interest-free to fund some of the land acquisitions required to allow the project to go forward. Now that all negotiations with the sellers have been completed, this amount needs to be increased by \$47,000.
- b. The CDC has agreed to pay for one-half the cost, not to exceed \$330,000, to remove crushed battery parts that were discovered under one of the properties. Comstock has agreed to loan the CDC this amount, also interest-free.

Together, these two items increase the loan by \$377,000, to \$3,152,000. The parties have agreed to round this number up to \$3,200,000 in the event additional unforeseen expenses are encountered.

2. The Ameron clean-up

Regarding clean-up of the Ameron property, the CDC and Comstock previously agreed to share 50-50 in any cost not recovered through court action under the Polanco Act or through a settlement with Ameron. It is proposed that Comstock's 50% share be paid to the CDC by the CDC not repaying a corresponding amount of the loan made by Comstock to the CDC.

3. The Heritage Art Fee

The Developer has asked for a delay in making the second of two payments to the Heritage Art Fund. The first payment of \$500,000 was made on July 1, 2006, with the second equal payment due prior to recordation of the Tract Map, expected to occur in January 2007. Instead, Comstock would like to delay the second payment until April 1, 2008. He has agreed to pay interest on the unpaid balance of \$500,000 at 6% per annum.

Attached is Amendment No. 1 to the DDA making the above changes.



Frederick W. Latham  
City Manager



Robert G. Orpin  
Executive Director

## AMENDMENT NO. 1 TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Amendment No. 1 To Disposition and Development Agreement (this "First Amendment"), effective November 21, 2006, amends that certain Disposition and Development Agreement made and entered into as of November 17, 2005 (the "DDA"), by and between the Community Development Commission of the City of Santa Fe Springs ("CDC") and Villages at Heritage Springs, LLC ("Developer"). All initially capitalized terms not otherwise defined in this First Amendment shall have the meanings set forth in the DDA, unless the context clearly indicates otherwise.

### RECITALS

A. Subsequent to entry into the DDA, CDC incurred additional costs pertaining to: (i) the acquisition of Third-Party Properties; and (ii) an agreement with Developer to share equally the cost of cleanup of lead contamination unexpectedly encountered underneath a portion of the Site, in an amount not to exceed \$330,000, as set forth in a letter dated August 4, 2006 from Robert W. Comstock to Robert G. Orpin.

B. Developer has agreed to increase the amount of the CDC Loan, as described in Section 7 of the DDA, in order to provide to CDC funds for the additional costs as described in Recital A above.

C. In a letter agreement dated December 6, 2005, the parties agreed to share equally the unrecovered cost of cleanup of the Ameron Property. Pursuant to such agreement, CDC will advance all funds, and the parties intend that CDC shall deduct Developer's share of the cost from the amount of the CDC Loan to be repaid, pursuant to Section 7 of the DDA.

D. Developer has requested delay in Developer's payment of the balance of the in lieu payment required by the "Heritage Artwork in Public Places Program" from the date set forth in subsection A of paragraph 11 of the DDA to a later date as set forth below.

Based on the Recitals set forth above, and in consideration of the mutual promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Section 7 of the DDA is hereby amended as follows:

- (a) Amend the CDC Loan amount to "\$3,152,000.00."
- (b) Amend the amount to which CDC may increase the CDC Loan to "not to exceed \$3,200,000.00."
- (c) Add at the end of Section 7: "In the event that any amount expended by CDC related to cleanup of the Ameron Property is not recovered by



CDC from a responsible party, then the amount of the CDC Loan to be repaid to Developer by CDC shall be reduced by one-half of such amount not recovered."

2. Subsection A of section 11 of the DDA is hereby amended as follows: Delete the last sentence and replace with the following: "The balance of the in lieu contribution shall be paid no later than April 1, 2008, in an amount based on the anticipated building permit valuation for Project plans as submitted for building permits. Interest on the unpaid balance shall accrue at the rate of 6% per annum beginning on January 1, 2007."
3. In all other respects, the DDA shall remain in full force and effect.

Intending to be legally bound, the parties have executed this First Amendment, below, as of the effective date set forth above.

Villages at Heritage Springs, LLC

\_\_\_\_\_  
Bob Comstock, Manager

Community Development Commission  
of the City of Santa Fe Springs

\_\_\_\_\_  
Robert G. Orpin, Executive Director

Attest:

\_\_\_\_\_  
Commission Secretary

Approved as to form:

\_\_\_\_\_  
Commission Counsel

CDC from a responsible party, then the amount of the CDC Loan to be repaid to Developer by CDC shall be reduced by one-half of such amount not recovered."

2. Subsection A of section 11 of the DDA is hereby amended as follows: Delete the last sentence and replace with the following: "The balance of the in lieu contribution shall be paid no later than April 1, 2008, in an amount based on the anticipated building permit valuation for Project plans as submitted for building permits. Interest on the unpaid balance shall accrue at the rate of 6% per annum beginning on January 1, 2007."

3. In all other respects, the DDA shall remain in full force and effect.

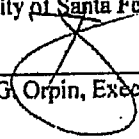
Intending to be legally bound, the parties have executed this First Amendment, below, as of the effective date set forth above.

Villages at Heritage Springs, LLC

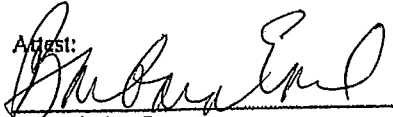
  
Bob Comstock, Manager

BAR

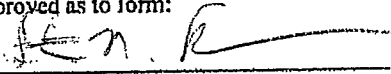
Community Development Commission  
of the City of Santa Fe Springs

  
Robert G. Orpin, Executive Director

Attest:

  
Commission Secretary

Approved as to form:

  
Commission Counsel

# *City of Santa Fe Springs*



Community Development Commission

May 29, 2007

Amendment No. 2 to Disposition and Development Agreement between the Commission and Villages at Heritage Springs, LLC (Bob Comstock). Consideration of proposed amendment making certain changes to the subject Agreement regarding schedule matters.

## RECOMMENDATION

That the CDC approve the attached Amendment No. 2 to the Disposition and Development Agreement between the Commission and Villages at Heritage Springs, LLC (Bob Comstock).

On November 17, 2005, the CDC entered into a Disposition and Development Agreement (DDA) with Bob Comstock regarding the development of the Villages at Heritage Springs housing development.

The proposed amendment is to provide a minor change to the schedule of performance to extend the requirement to record the Final Tract Map from not later than May 2007 to not later than November 2, 2007. This date actually coincides with the Conditional Use Permit entitlement conditions, and the DDA did not fully anticipate the flexibility needed for the Final Map completion and recordation.

No other amendments are proposed and there are no changes to any financial terms of the agreement.

Attached is Amendment No. 2 to the DDA making this change.

Frederick W. Latham  
City Manager

Robert G. Orpin  
Executive Director

## AMENDMENT NO. 2 TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Amendment No. 2 To Disposition and Development Agreement (this "Second Amendment"), effective May 29, 2007, amends that certain Disposition and Development Agreement made and entered into as of November 17, 2005 (the "DDA"), by and between the Community Development Commission of the City of Santa Fe Springs ("CDC") and Villages at Heritage Springs, LLC ("Developer"). All initially capitalized terms not otherwise defined in this Second Amendment shall have the meanings set forth in the DDA, unless the context clearly indicates otherwise.

### RECITALS

A. Paragraph 9 of the existing DDA references a Schedule of Performance by Developer within the DDA as "Exhibit F". Within DDA "Exhibit F", the Developer is required to record the Final Map on said project by "not later than May 2007".

B. Developer also received Conditions of Approval for said project via a Tentative Tract Map (TTM) and Conditional Use Permit (CUP). Within the Conditions of Approval for the CUP, Condition #43 states that the Tentative Tract Map will expire on November 2, 2007.

C. Developer is requesting to delay the Final Map recording requirement in the DDA to match the date set forth in the CUP.

Based on the Recitals set forth above, and in consideration of the mutual promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:


1. Section 9 and "Exhibit F" of the DDA is hereby amended as follows:

(a) Developer is required to record the Final Map not later than November 2, 2007, unless again mutually extended between the parties in writing.

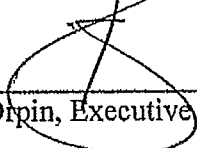
2. In all other respects, the DDA shall remain in full force and effect.

Intending to be legally bound, the parties have executed this Second Amendment, below,  
as of the effective date set forth above.

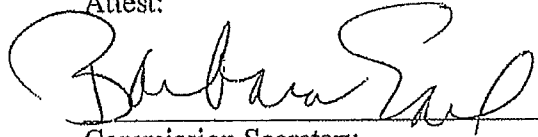
Villages at Heritage Springs, LLC

  
\_\_\_\_\_  
Robert W. Comstock, Manager  
WR


Community Development Commission  
of the City of Santa Fe Springs

  
\_\_\_\_\_  
Robert G. Orpin, Executive Director

Attest:

  
\_\_\_\_\_  
Commission Secretary

Approved as to form.

  
\_\_\_\_\_  
Commission Counsel

## DISPOSITION AND DEVELOPMENT AGREEMENT

This Disposition and Development Agreement (this "DDA") is made and entered into as of November 17, 2005, by and between the Community Development Commission of the City of Santa Fe Springs ("CDC") and Villages at Heritage Springs, LLC ("Developer").

### RECITALS

A. Attached hereto as Exhibit "A" is a map depicting an area (the "Site") located in the City of Santa Fe Springs (the "City"), which area is located in CDC's Consolidated Redevelopment Project Area; attached hereto as Exhibit "B" is a list of all assessor parcels of the Site.

B. CDC owns a portion of the Site (the "CDC Property"), as depicted on Exhibit "A".

C. A portion of the Site (the "TL Fee Property") is owned by Townlot Fee, LLC, a Delaware limited liability company ("TL Fee LLC"), as depicted on Exhibit "A". Developer and TL Fee LLC have entered into an agreement (the "TL Fee Land Agreement"), pursuant to which Developer intends to purchase the TL Fee Property.

D. Third parties (other than CDC or TL Fee LLC) own the remainder of the Site (the "Third-Party Properties"), as depicted on Exhibit "A".

E. CDC is interested in entering into this DDA with Developer, in order to develop housing units and related infrastructure and amenities on the Site (the "Project"), subject to all of the contingencies set forth herein.

F. Developer will attempt to enter into an agreement (the "Olson Agreement") to sell a portion of the Site to Olson Urban Housing, LLC, a Delaware limited liability company ("Olson"), as depicted on the Site Plan attached hereto as Exhibit "C", which will develop its portion of the Site with housing, specifically all of the attached type housing units as identified in Parcel #'s 1 through 6 and 9 in Exhibit "C", as described hereinbelow.

G. Development of the Project will require that the City vacate some or all of the existing public rights-of-way on the Site, as shown on Exhibit "D", attached hereto.

H. The Site requires environmental remediation in order to be suitable for residential development. It is the intention of the Parties that Developer will acquire the Site in "AS IS" condition, except as specifically set forth otherwise herein, and then remediate the Site, without cost to CDC or the City regardless of the cost of the remediation.

I. Attached hereto as Exhibit "E" is a map depicting the "Ameron Property."

Based on the Recitals set forth above, and in consideration of the mutual promises set forth below, the parties agree as follows:

1. Ratification of Recitals and Incorporation of Exhibits. Each of the Recitals set forth above is hereby ratified, and each of the exhibits identified herein is hereby incorporated by reference as though fully set forth herein.

2. City Vacation of Public Rights-of-Way. CDC's performance obligations set forth herein are expressly contingent on the City's vacation of the existing public rights-of-way on the Site, as shown on Exhibit "D". CDC will use its best efforts to cause the City to complete such process upon recordation of the Final Tract Map for the Project.

3. Acquisition of the Third-Party Properties. Developer acknowledges that CDC has not yet completed the process of acquisition of all of the Third-Party Properties. CDC shall use its best efforts to acquire all of the Third-Party Properties as quickly as possible. In the event that CDC is unable to complete such process by the estimated date(s) of conveyance, as described in Section 5, below, despite CDC's best efforts, such failure shall not constitute a breach or default by CDC, which shall continue to use its best efforts to complete such process as quickly as possible.

4. Acquisition of the TL Fee Property. CDC's performance obligations set forth herein are expressly contingent on Developer's acquisition of the TL Fee Property, pursuant to the TL Fee Land Agreement.

5. Sale of the CDC Property and the Third-Party Properties. Subject to the contingencies set forth herein, CDC shall sell to Developer, and Developer shall purchase from CDC, the CDC Property, except as set forth below, and the Third-Party Properties, for the amount of \$3,686,784.00 (the "Purchase Price"), payable all cash at the close of three separate escrow transactions as follows:

(A) First escrow transaction, estimated to close on December 20, 2005, shall include those parcels listed in Exhibit "H", attached hereto, totaling approximately 885,845 square feet. The purchase price for such properties shall be \$3,313,060.

(B) Second escrow transaction, estimated to close on February 8, 2006, shall include those parcels listed in Exhibit "I", attached hereto, totaling approximately 86,792 square feet. The purchase price for such properties shall be \$324,602.

(C) Third escrow transaction, estimated to close in Summer, 2007, shall involve the Ameron Property and the adjacent parcel as listed in Exhibit "J", totaling approximately 13,500 square feet. The purchase price for the Ameron Property shall be \$49,122. Developer shall not be obligated to purchase the Ameron Property until the parties have obtained environmental clearance necessary for development. The parties shall cooperate in good faith to effectuate the required environmental activities in order to obtain such clearance.

In the event that, as of the time of the first escrow transaction as described in (A), above, CDC is able to convey either more or less of the Third-Party Properties than the total amount of square footage set forth in (A), the parties will cooperate in good faith to reallocate the amounts of property to be sold, and the amounts to be paid, in the first and second escrow transactions. It

is the intention of the parties that Developer shall purchase from CDC as much of the Third-Party Properties as the CDC is able to transfer as of the time of the first escrow transaction.

6. "As-Is" Condition of Property; Indemnification and Release. Except for the Ameron Property, all property to be purchased by Developer from CDC pursuant to this DDA shall be purchased in "As-Is" condition. Developer is aware of the physical condition of the Site, that the Site contains contaminated soil and groundwater and the extent of such contamination, and nevertheless is willing to acquire the Site "As-Is". However, Developer shall not be obligated to close escrow on the CDC Property and the Third-Party Properties until such properties are free of: (i) All leases (except for the Surface Rights Lease with the oilfield operator); (ii) large-scale debris (e.g., cars, pipes, heavy trash; and (iii) any tenants occupying buildings. Except with respect to groundwater contamination emanating off-Site, Developer hereby agrees to defend, indemnify, hold harmless and release CDC, the City, and the officers, employees and agents of each, as to any and all claims, losses, damages, cost, liability or expense, including, without limitation, attorneys' fees and litigation expenses, arising from or related to claims made with respect to the physical condition on, under or of the Site (whether or not such condition existed or was caused prior to the effective date hereof), including but not limited to claims arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Act (14 U.S.C. Section 1401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), the Endangered Species Act (16 U.S.C. Section 1531, et seq.), the California Hazardous Waste Control Law (California Health & Safety Code Section 25100, et seq.), the Porter-Cologne Water Quality Control Act (California Water Code Section 13000, et seq.) and the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health & Safety Code Section 25249.5, et seq.), or any other federal, state or local law. In agreeing to such release, Developer waives the provisions of Civil Code, Section 1542, which reads:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Developer's Initials: AD

7. The CDC Loan. In addition to the Purchase Price, at the close of the first escrow transaction as described in Section 5(A), above, Developer shall make to CDC an interest-free loan in the amount of \$2,690,000.00, to help CDC absorb the cost of acquisition of the Third-Party Properties (the "CDC Loan"). Based on potentially increased costs in completing acquisition of the Third-Party Properties, CDC may elect to increase the amount of the CDC Loan, up to a total Loan amount not to exceed \$2,775,000.00. CDC may increase such Loan amount at the close of the first escrow transaction, and/or the close of the second escrow transaction. CDC shall repay the CDC Loan by making seven (7) equal installment payments annually not later than September 30 of each year, with the first such payment due on the first September 30 following the fiscal year (July 1 through June 30) in which CDC receives



\$400,000.00 in Property Tax Increment directly attributable to the Project. CDC's payment obligation shall be subordinate to all present and future bonded indebtedness, and CDC may make such payments from any sources of funds available to CDC. In the event that CDC fails to make any such payment by its deadline, such unpaid amount shall bear simple interest at a rate of seven percent (7%) per year, until paid.

8. Escrow. The Parties shall open an escrow (the "Escrow"), at the Glendale, California, office of First American Title Company of Los Angeles, to effectuate the sale of property as set forth herein. The Parties shall cooperate to execute appropriate Escrow Instructions and all other documents as may be necessary to accomplish the subject transaction. The Parties will open the Escrow no later than thirty (30) days following the completion by CDC of acquisition of marketable title to all of the Third-Party Properties. In the Escrow, the Parties shall allocate costs as follows:

A. CDC and Developer each shall pay one-half of the Escrow fees.

B. CDC shall pay the fees for recording the Grant Deed and the documentary transfer tax thereon.

C. CDC shall pay the cost of a C.L.T.A. policy of title insurance; should Developer desire an A.L.T.A. policy of title insurance, then Developer shall pay the additional cost therefor.

D. Real property taxes and special assessments shall be prorated as of the date of closing, based on a 30-day month and a 360-day year.

9. Schedule of Performance. Attached hereto as Exhibit "F" is a "Schedule of Performance"; the dates set forth therein shall govern the timing of the performance of the Parties' respective obligations pursuant to this DDA. Notwithstanding anything to the contrary contained in this DDA, untimely performance by either party shall be excused when performance is prevented or delayed by reason of any of the following forces beyond the control of the nonperforming party: (i) War, insurrection, riot, flood, severe weather, earthquake, fire casualty, acts of public enemy, governmental restriction, litigation, acts or failures to act of any governmental agency or entity including CDC and regulatory agencies including but not limited to the State Division of Oil and Gas or the Regional Water Quality Control Board; or (ii) inability to secure necessary labor, materials or tools, strikes, lockouts, delays of any contractor, subcontractor or supplier. In the event of any occurrence described in clauses (i) or (ii) above, such nonperformance shall be excused and the time for performance shall be extended by the number of days that such occurrence prevents or delays timely performance. In addition, the deadlines set forth in the Schedule of Performance may be modified upon agreement between Developer and CDC's Executive Director, to respond to development changes deemed reasonable necessary to respond to market conditions.

10. Scope of Development. Developer, at its sole expense, shall develop the Site in accordance with the provisions contained in the "Scope of Development" attached hereto as Exhibit "G", and in compliance with the Site Plan attached hereto as Exhibit "C".

11. Southwest Corner of Telegraph Road and Bloomfield Avenue and Heritage Artwork in Public Places Program. Developer shall provide an area to be landscaped and to include walkways and artwork (the "Art Project") on the Southwest corner of the intersection of Telegraph Road/Bloomfield Avenue, and shall dedicate easements for the artwork and the public sidewalks in precise dimensions and locations to be approved by the City's Director of Planning and Development and Director of Public Works without additional approval by CDC or the City. Developer shall cooperate in good faith with the City to determine such precise dimensions and locations. The parties further agree as follows:

A. In developing the Project, Developer shall comply fully with the provisions of the City's "Heritage Artwork in Public Places Program", as set forth in the City's Code at Section 38.40, et seq., which compliance shall include but shall not be limited to full payment of the "in lieu contribution" as set forth in Section 38.43, notwithstanding the fact that the Project costs will exceed \$2,000,000, and ongoing maintenance of the Art Project, as set forth in Section 38.46. Developer shall pay the initial \$500,000 of the in lieu contribution upon the earlier of: (i) Issuance of the permits for the Bloomfield/Telegraph lane widening; or (ii) July 1, 2006. The balance of the in lieu contribution shall be paid no later than the date of recordation of the Final Tract Map for the Project, in an amount based on the anticipated building permit valuation for Project plans as submitted for building permits.

B. The City shall, at no cost to Developer (except with respect to the in lieu contribution described above), build the Art Project, in accordance with a plan to be approved by the City's City Council and Art Committee, in consultation with Developer.

12. Maintenance Responsibilities. Prior to the completion of the Project, the Parties will cooperatively develop and execute a supplemental agreement which defines the scope of the responsibilities of each party with respect to the ongoing maintenance of all public and private infrastructure to be constructed in conjunction with the development of the Site.

13. Prevailing Wage Laws. The Parties do not believe that any aspect of the Project constitutes a "public works" project as defined in Section 1720 of the California Labor Code. Developer and its legal counsel have made an independent determination with respect to the conclusion that Developer is not required to pay "prevailing wages" for any portion of the Project, and Developer is not relying on any representation by CDC or its counsel in reaching that conclusion. Developer shall defend, indemnify and hold harmless CDC, the City and the officers, employees and agents of each, against any claim, demand or liability arising from any obligation to pay "prevailing wages" for any portion of the Project.

14. Mello-Roos District. The Parties agree that the Project will cause the City to incur substantial ongoing expenses in the initial annual amount of \$500,000.00, to be increased based on inflationary factors, to provide necessary public services, such as police and fire protection, which expenses are the Project's responsibility. The Parties intend to fund such obligation (and any other obligations at Developer's discretion) through the creation of a Mello-Roos District. In the event that such Mello-Roos District is not created by the date of the first Certificate of

Occupancy for a home (not a model home) in the Project, through no fault of the City, then Developer shall be obligated to pay such expenses until such time as the Mello-Roos District is created.

15. Assignment. The qualifications and identity of Developer and of Olson are of extraordinary concern to CDC. Developer may not assign any of its responsibilities pursuant to this DDA, except with respect to the sale of a portion of the Site to Olson as described hereinabove, and may not sell such portion of the Site to anyone but Olson, without the express, written, prior consent of CDC. However, should Olson be sold to another homebuilder prior to the sale of a portion of the Site to Olson, Developer has and will retain the right to replace Olson and/or complete the Project itself. While CDC shall not unreasonably withhold such consent, Developer acknowledges that Olson was selected by CDC to participate in the development of the Project because of Olson's design expertise and experience in developing the type of housing called for on a portion of the Site. In addition, Developer shall not sell or transfer any other portion of the Site, except for the sale of completed homes, until completion of the Project, without the express, prior written consent of CDC, which consent shall not be unreasonably withheld.

16. Non-Discrimination Requirements.

A. Obligation to Refrain from Discrimination. Developer covenants and agrees for itself and any successors-in-interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of any portion of the Site.

B. Form of Nondiscrimination and Nonsegregation Clauses. Developer shall refrain from restricting the rental, sale or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(i) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the grantee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or

vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(ii) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased, nor shall the lessee himself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(iii) In contracts entered into relating to the sale, transfer or leasing of the Site or any interest therein, the foregoing provisions in substantially the forms set forth shall be included, and the contracts shall further provide that the foregoing provisions shall be binding upon and obligate the contracting parties any subcontracting parties, or other transferees under the instruments.

C. Effect and Duration of Covenants. The covenants contained in this Section shall run with the land, in perpetuity, shall constitute equitable servitudes thereon, and shall, without regard to technical classification and designation, be binding for the benefit and in favor of CDC, its successors and assigns, and the City.

17. Default or Breach. Either party claiming a default or breach by the other pursuant to this DDA shall give notice of such default or breach, and may not institute legal action until thirty (30) days after giving such notice, during which period the default or breach may be cured. Either party may avail itself of any applicable legal remedy in order to cure, correct, remedy or recover damages for any default or breach, whether or not such remedy is expressly provided herein. The rights and remedies of the Parties 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 time or at different times, of any other rights or remedies for the same default or breach, or any other default or breach by the other party.

18. Right to Cure and Right of First Refusal. In the event of any Developer default to any lender or lienholder, CDC shall have the right to cure such default, and Developer's agreements with all such lenders or lienholders shall so provide. In addition, in the event that any lender or lienholder acquires title to the Site, or a portion thereof, from Developer, then CDC shall have the right of first refusal to purchase the Site, or portion thereof, and Developer's agreements with all such lenders or lienholders shall so provide.

19. Notices. Formal notices, demands and communications between the Parties shall be given by facsimile transmission as indicated below, and shall be deemed received upon transmission. Either party may from time to time designate a change in the identity of the recipient and/or the facsimile transmission number, by giving notice to the other party as set forth in this Section.

To CDC:                      Community Development Commission  
                                    of the City of Santa Fe Springs  
                                    Attention: Executive Director  
                                    (562) 868-7112

To Developer:              Robert Comstock or Brad Porter  
                                    Comstock Homes  
                                    (310) 545-2802

20. Institution of Legal Actions. Any legal actions pursuant to this DDA shall be instituted in the Southeast District of the Los Angeles County Superior Court.

21. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this DDA.

22. Interpretation. All Parties have been assisted by legal counsel in the negotiating and drafting of this DDA. In the interpretation of this DDA there shall not be any presumption that ambiguities should be resolved against any party.

23. Non-Liability of CDC Officials. No officer, employee or agent of CDC shall be personally liable to any other party, or any party's successor-in-interest, for any obligation of CDC, or in the event of any default or breach by CDC pursuant to this DDA.

24. Waivers. Any waivers of any of the provisions of this DDA shall be in writing and signed by the appropriate representatives of the Parties, as must any amendments hereto.

25. Headings and Captions. The headings and captions contained in this DDA are for the purpose of convenient reference only, and do not have any legal meaning or significance.

26. Litigation Expenses. In the event that either party brings legal action against the other to interpret or enforce the terms of this DDA, the prevailing party in such action shall be entitled to recover from the other party its reasonable and actual litigation expenses, including its

attorneys' fees.

27. Successors-in-Interest. The provisions contained in this DDA shall run with the land as to all of the properties contained within the Site, and shall inure to the benefit and detriment of the Parties' successors-in-interest.

28. Brokers' Fees. CDC and Developer each represent and warrant to the other that no broker or other person or entity is entitled to any commission or fee in connection with the transactions described herein. CDC and Developer each shall defend, indemnify and hold harmless the other from and against any liability for compensation which may be claimed by any broker, finder or other similar person or entity.

29. Entire Agreement. This DDA, including the exhibits attached hereto, constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes any and all prior agreements between the Parties, whether written or oral, regarding such subject matter.

Intending to be legally bound, the Parties have executed this DDA, below, as of the date first set forth above.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, as of the Agreement Date.

"Developer":

Villages at Heritage Springs, LLC

By: 

Print Name: Bob Comstock

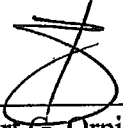
Its/Their (legal representative): Manager

Date: 11-21-05

B/A

"Commission":


Community Development  
Commission of the City of Santa Fe Springs

By: 

Robert G. Orpin  
(Its) Executive Director

Date: 11-17-2005

Attest:

  
\_\_\_\_\_  
Commission Secretary

APPROVED AS TO FORM:

By:   
\_\_\_\_\_  
Commission Counsel



# *City of Santa Fe Springs*

Successor Agency Meeting

May 24, 2012

## **NEW BUSINESS**

Resolution SA-2012-006 Amending the Successor Agency's Recognized Obligation Payment Schedules (ROPS) for January 1, 2012 Through June 30, 2012 (First ROPS) and July through December 2012 (Second ROPS) and Authorizing Successor Agency Staff to modify the First and Second ROPS Based on Direction from the California Department of Finance

## **RECOMMENDATION**

That the Successor Agency Adopt Resolution No. SA-2012-006.

## **BACKGROUND**

The Recognized Obligation Payment Schedule (ROPS) identifies bond debt service and other payments that must be made by the Successor Agency upon dissolution of the Community Development Commission (CDC). The ROPS, and any amendments, must be approved by the Oversight Board and the California Department of Finance (DOF), and will additionally be subjected to an audit conducted by Los Angeles County to validate the items on the schedule. The County's auditors were onsite May 8-14, 2012 and the results of their procedures are currently pending. Once the audit is completed the ROPS becomes "certified" and will serve as the basis for property tax allocations to be made to the Successor Agency to pay obligations of the former CDC. DOF must also approve the ROPS prior to any disbursements of former tax increment by the County.

The First ROPS initially covered the period of February 1, 2012 through June 30, 2012. The Second ROPS covers the period of July 1, 2012 through December 31, 2012. The Oversight Board approved the First and Second ROPS on April 25, 2012 and the City Council as Successor Agency approved the First and Second ROPS April 26, 2012. Upon approval by both bodies, the First and Second ROPS were forwarded to DOF for approval. Not surprisingly, the DOF subsequently returned the ROPSs with two changes required. The first change was to include January 2012 in the First ROPS and the second change indicated disapproval of the use of "undetermined" in the payee and obligation amount columns. This term was used when a specific vendor could not be identified or a project cost estimate was not available, primarily related to capital improvement projects intended to be funded with unspent bond proceeds.

The County's first disbursement of former tax increment is scheduled for June 1, 2012 and covers the obligations on the Second ROPS (July – December 2012 obligations). In order to receive a disbursement, Successor Agencies must have the DOF approval of the Second ROPS on file with the County by May 25, 2012. In order to maximize the likelihood of approval by DOF and based on conversations with Agency Counsel, other Successor Agencies, and Los Angeles County personnel, Staff is





## *City of Santa Fe Springs*

Successor Agency Meeting

May 24, 2012

recommending removing all items from the ROPS which may require a more detailed review by the DOF. Only one such item claimed funding for the period of July – December 2012, which was a \$125,000 payment towards the Successor Agency's obligation to share in the unfunded liability for retiree costs. Staff intends to claim this amount on the Third ROPS covering the period of Jan – June 2013.

Several attempts to contact DOF by phone and email have been unsuccessful as of the date of this report. The revised First and Second ROPS will be forwarded to the DOF along with a cover letter indicating that certain items have been removed for purposes of securing approval of the included obligations, but the Successor Agency reserves the right and intends to amend the ROPS to include the excluded obligations on subsequent ROPS. The following summarizes the items removed from the previously adopted ROPS (amounts indicated represent the total obligation):

• Bond Funded Capital Improvement Projects	\$28,774,976
• Development and Disposition Agreements	\$19,697,185
• ERAF/SERAF Loans from Housing and Bond Funds	\$13,847,321
• Washington Blvd. Tax Increment Loan Agreements	\$12,795,000
• Unfunded Post Employment Liability Obligation	\$11,265,000
• Housing Expenditures	\$4,700,000
• Audit, Insurance, and Legal Costs	\$143,800

Successor Agency Staff has also incorporated the DOF request to include January 2012 in the First ROPS.

In consideration of the timelines imposed by the dissolution legislation, Staff is requesting authorization to administratively amend the First and Second ROPS to make modifications directed by DOF and forward the First and Second ROPS to them for approval prior to another meeting of the City Council. Staff is not authorized to add any additional items to the ROPS without approval of the City Council, only to delete or modify existing items on the First and Second ROPS.



## *City of Santa Fe Springs*

Successor Agency Meeting

May 24, 2012

The First ROPS was originally adopted by the City Council, acting as Successor Agency on February 23, 2012 and amended March 22, 2012, April 12, 2012, and April 26, 2012. The Second ROPS was originally adopted by the City Council, acting as Successor Agency on April 26, 2012.

A handwritten signature in black ink, appearing to read "Thaddeus McCormack", is written over a light blue horizontal line.

Thaddeus McCormack  
City Manager

### Attachments

Resolution SA-2012-006

Exhibit A – Recognized Obligation Payment Schedule for January 1, 2012 through June 30, 2012 (First ROPS)

Exhibit B - Recognized Obligation Payment Schedule for July 1, 2012 through December 31, 2012 (Second ROPS)

RESOLUTION NO. SA-2012-006

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS  
ACTING AS SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT  
COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS  
AMENDING THE SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION  
PAYMENT SCHEDULE (ROPS) FOR JANUARY 1, 2012 THROUGH  
JUNE 30, 2012 (FIRST ROPS) AND JULY THROUGH DECEMBER 2012 (SECOND  
ROPS) AND AUTHORIZING SUCCESSOR AGENCY STAFF TO MODIFY THE FIRST  
AND SECOND ROPS BASED ON DIRECTION FROM THE CALIFORNIA  
DEPARTMENT OF FINANCE

THE CITY COUNCIL ACTING AS SUCCESSOR AGENCY HEREBY RESOLVES  
AS FOLLOWS:

SECTION 1. Pursuant to its responsibility set forth in Section 34180(g) of the California Health and Safety Code, the City Council hereby amends the Successor Agency's Recognized Obligation Payment Schedules (ROPS) for the period January 1, 2012 through June 30, 2012, attached hereto as Exhibit "A" (First ROPS) and for the period July 1, 2012 through December 31, 2012, attached hereto as Exhibit "B" (Second ROPS), as described in Sections 34171 and 34177 of the aforesaid Code.

SECTION 2. Successor Agency staff is expressly authorized to communicate with California Department of Finance (DOF) concerning any modifications requested by DOF in order to secure approval of the First ROPS (January 1, 2012 through June 30, 2012) and Second ROPS (July 1, 2012 through December 31, 2012). Staff may delete or modify existing line items on the ROPS but may not add new items. Staff must also subsequently bring back to the City Council for approval any updates the ROPS made based on communication with DOF.

SECTION 3. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

SECTION 4. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

APPROVED and ADOPTED this 24<sup>th</sup> day of May 2012.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Name of Redevelopment Agency:  
Project Area(s)

Santa Fe Springs Community Development Commission  
Combined

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
Per AB 26 - Section 34167 and 34169

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Funding Source	Payments by month - 2012						Total
						Jan	Feb	Mar	Apr	May	Jun	
Items 1-8 Relate Solely to the Consolidated Project Area												
1) 2001 Tax Allocation Bonds Series A (Housing)	US Bank	Refund Housing Portion of 1993 Bonds	7,130,675	322,055	RPTIF		118,528					118,528
2) 2001 Tax Allocation Bonds Series A	US Bank	Redevelopment Activities	18,385,442	1,702,295	RPTIF		323,648					323,648
3) 2002 Tax Allocation Refunding Bonds Series A	US Bank	Redevelopment Activities/Refund 1992 Bonds	17,278,511	4,126,721	RPTIF		340,861					340,861
4) 2003 Taxable Tax Allocation Refunding Bonds Series A	US Bank	Refunded 1993 Bonds (Housing)	5,785,762	673,208	RPTIF		114,104					114,104
5) 2006 Tax Allocation Bonds Series A	US Bank	Redevelopment Activities	53,517,624	171,113	RPTIF		70,556					70,556
6) 2006 Taxable Tax Allocation Bonds Series B	US Bank	Redevelopment Activities	16,715,924	2,208,855	RPTIF		361,928					361,928
7) 2007 Tax Allocation Refunding Bonds Series A	US Bank	Refund 1997, 1998, and Portion of 2002 Bonds	55,185,750	2,463,230	RPTIF		979,125					979,125
8) 2005 ERAF Loan (Combined)	CSGDA	Loan to Fund 2005 ERAF Payment	974,120	243,630	RPTIF		121,815					121,815
9) 2006 ERAF Loan (Combined)	CSGDA	Loan to Fund 2006 ERAF Payment	1,287,344	257,432	RPTIF		128,716					128,716
10) Neighborhood Center Renovation Project	City of SFS	Renovation of Neighborhood Center	4,748,730	4,787,730	RPTIF	379,718	455,829	275,927	69,072	384,405	384,405	1,949,356
11) New Water Well #12 (Zone 2)	City of SFS	Design and Construction of New Water Well	1,964,840	1,178,904	RPTIF	9,429	8,211	26,283	34,902	50,000	50,000	178,825
12) Fiscal Agent Fees	US Bank	Fiscal Agent Fees	30,000	30,000	RPTIF		5,000	5,000				10,000
13) Arbitrage Fees	Bond Logistics	Arbitrage Consulting Services	4,500	4,500	RPTIF		1,500	1,500				4,500
14) Property Management	City of SFS	Property Management Costs	247,700	247,700	RPTIF	20,642	20,642	20,642	20,642	20,642	20,642	123,852
15) Administrative Expenses	City of SFS	Successor Agency Administration	355,000	355,000	RPTIF	71,000	71,000	71,000	71,000	71,000	71,000	426,000
16)												0
17)												0
18)												0
19)												0
20)												0
21)												0
22)												0
23)												0
24)												0
25)												0
26)												0
27)												0
28)												0
29)												0
30)												0
Totals - This Page			183,611,922	18,772,393		480,789	3,121,463	400,352	197,116	526,047	526,047	5,251,814
Totals - Page 2			0	0		0	0	0	0	0	0	0
Totals - Page 3			0	0		0	0	0	0	0	0	0
Totals - Page 4			0	0		0	0	0	0	0	0	0
Totals - Other Obligations			4,213,795	2,086,125		0	0	0	0	0	2,086,125	2,086,125
Grand total - All Pages			187,825,717	20,858,518		480,789	3,121,463	400,352	197,116	526,047	2,612,172	7,337,939

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE - OTHER OBLIGATIONS**  
 Per AB 26 - Section 34167 and 34169

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation (Note 1)	Total Due During Fiscal Year	Payments by month						Total
					Jan	Feb	Mar	Apr	May	Jun	
1) Pass Through Payment (33607)	LA County General	2010-11 and 2011-12 Pass Through Payments	2,071,000.00	1,025,000.00						1,025,000.00	\$ 1,025,000.00
2) Pass Through Payment (33607)	LA County Fire	2010-11 and 2011-12 Pass Through Payments	52,700.00	26,100.00						26,100.00	\$ 26,100.00
3) Pass Through Payment (33607)	LA County Flood Control	2010-11 and 2011-12 Pass Through Payments	74,100.00	36,700.00						36,700.00	\$ 36,700.00
4) Pass Through Payment (33607)	Little Lake Cemetery Dist.	2010-11 and 2011-12 Pass Through Payments	3,325.00	1,650.00						1,650.00	\$ 1,650.00
5) Pass Through Payment (33607)	Greater LA West Vector Control Dist.	2010-11 and 2011-12 Pass Through Payments	3,270.00	1,620.00						1,620.00	\$ 1,620.00
6) Pass Through Payment (33607)	LA County Sanitation Dist.	2010-11 and 2011-12 Pass Through Payments	101,150.00	50,100.00						50,100.00	\$ 50,100.00
7) Pass Through Payment (33607)	City of La Mirada	2010-11 and 2011-12 Pass Through Payments	870.00	430.00						430.00	\$ 430.00
8) Pass Through Payment (33607)	City of Norwalk	2010-11 and 2011-12 Pass Through Payments	940.00	465.00						465.00	\$ 465.00
9) Pass Through Payment (33607)	City of SFS	2010-11 and 2011-12 Pass Through Payments	392,000.00	194,000.00						194,000.00	\$ 194,000.00
10) Pass Through Payment (33607)	Central Basin MWD	2010-11 and 2011-12 Pass Through Payments	22,000.00	10,900.00						10,900.00	\$ 10,900.00
11) Pass Through Payment (33607)	Water Replenishment Dist.	2010-11 and 2011-12 Pass Through Payments	1,070.00	530.00						530.00	\$ 530.00
12) Pass Through Payment (33607)	LA County Office of Ed	2010-11 and 2011-12 Pass Through Payments	25,200.00	12,500.00						12,500.00	\$ 12,500.00
13) Pass Through Payment (33607)	Little Lake City School Dist.	2010-11 and 2011-12 Pass Through Payments	190,000.00	94,000.00						94,000.00	\$ 94,000.00
14) Pass Through Payment (33607)	South Whittier School Dist.	2010-11 and 2011-12 Pass Through Payments	107,000.00	53,000.00						53,000.00	\$ 53,000.00
15) Pass Through Payment (33607)	Los Nietos School Dist.	2010-11 and 2011-12 Pass Through Payments	107,000.00	53,000.00						53,000.00	\$ 53,000.00
16) Pass Through Payment (33607)	Whittier City School Dist.	2010-11 and 2011-12 Pass Through Payments	1,070.00	530.00						530.00	\$ 530.00
17) Pass Through Payment (33607)	Whittier Union High School Dist.	2010-11 and 2011-12 Pass Through Payments	691,000.00	342,000.00						342,000.00	\$ 342,000.00
18) Pass Through Payment (33607)	Cerritos Comm College Dist.	2010-11 and 2011-12 Pass Through Payments	30,200.00	15,000.00						15,000.00	\$ 15,000.00
19) Pass Through Payment (33607)	Rio Hondo Comm College Dist.	2010-11 and 2011-12 Pass Through Payments	104,500.00	52,000.00						52,000.00	\$ 52,000.00
20) Pass Through Payment (33607)	ABC Unified School Dist.	2010-11 and 2011-12 Pass Through Payments	17,400.00	8,600.00						8,600.00	\$ 8,600.00
21) Pass Through Payment (33607)	Norwalk-La Mirada Unified School Dist.	2010-11 and 2011-12 Pass Through Payments	218,000.00	108,000.00						108,000.00	\$ 108,000.00
22) Pass Through Payment (33401)	LA County*	2010-11 and 2011-12 Pass Through Payments									\$ -
23)											\$ -
24)											\$ -
25)											\$ -
26)											\$ -
27)											\$ -
28)											\$ -
<b>Totals - Other Obligations</b>			<b>\$ 4,213,795.00</b>	<b>\$ 2,086,125.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,086,125.00</b>	<b>\$ 2,086,125.00</b>

Note 1: The reported obligation includes only the 2010-11 and 2011-12 payments. Pass through payments are required through the entire life of the project areas

\*. Section 33401 Payments are deducted by LA County prior to receipt of tax increment (approximately \$3.6 million per year)

All payment amounts are estimates

**SECOND DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (JUL - DEC 2012)**  
Per AB 26 - Section 34167 and 34169

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Funding Source	Payments by month - 2012					Total	
							July	August	September	October	November		December
Items 1-8 Relate Solely to the Consolidated Project Area													
1)	2001 Tax Allocation Bonds Series A (Housing)	US Bank	Refund Housing Portion of 1993 Bonds	7,130,675	319,930	RP TTF		203,528					203,528
2)	2001 Tax Allocation Bonds Series A	US Bank	Redevelopment Activities	18,385,442	1,675,920	RP TTF		1,378,648					1,378,648
3)	2002 Tax Allocation Refunding Bonds Series A	US Bank	Redevelopment Activities/Refund 1992 Bonds	17,278,511	4,053,515	RP TTF		3,785,861					3,785,861
4)	2003 Taxable Tax Allocation Refunding Bonds Series A	US Bank	Refunded 1993 Bonds (Housing)	5,785,762	662,750	RP TTF		559,104					559,104
5)	2006 Tax Allocation Bonds Series A	US Bank	Redevelopment Activities	53,517,624	170,513	RP TTF		100,556					100,556
6)	2006 Taxable Tax Allocation Bonds Series B	US Bank	Redevelopment Activities	16,715,924	2,169,131	RP TTF		1,846,928					1,846,928
7)	2007 Tax Allocation Refunding Bonds Series A	US Bank	Refund 1997, 1998, and Portion of 2002 Bonds	55,185,750	2,450,625	RP TTF		1,484,125					1,484,125
8)	2005 ERAF Loan (Combined)	CSCDA	Loan to Fund 2006 ERAF Payment	974,120	244,062	RP TTF				122,031			122,031
9)	2006 ERAF Loan (Combined)	CSCDA	Loan to Fund 2006 ERAF Payment	1,287,344	256,620	RP TTF				128,310			128,310
10)	Neighborhood Center Renovation Project	City of SFS	Renovation of Neighborhood Center	2,838,374	2,838,374	RP TTF	473,062	473,062	473,062	473,062	473,062	473,062	2,838,374
11)	New Water Well #12 (Zone 2)	City of SFS	Design and Construction of New Water Well	1,786,015	1,786,015	RP TTF	225,000	225,000	225,000	225,000	225,000	225,000	1,350,000
12)	Fiscal Agent Fees	US Bank	Fiscal Agent Fees	30,000	30,000	RP TTF							30,000
13)	Arbitrage Fees	Bond Logistics	Arbitrage Consulting Services	4,500	4,500	RP TTF							4,500
14)	Property Management	City of SFS	Property Management Costs	247,700	247,700	RP TTF	20,642	20,642	20,642	20,642	20,642	20,642	123,852
15)	Administrative Expenses	City of SFS	Successor Agency Administration	850,200	850,200	RP TTF	70,850	70,850	70,850	70,850	70,850	70,850	425,100
16)													0
17)													0
18)													0
19)													0
20)													0
21)													0
22)													0
23)													0
24)													0
25)													0
26)													0
27)													0
28)													0
29)													0
30)													0
Totals - This Page							789,554	10,148,304	789,554	1,039,895	789,555	824,055	14,380,917
Totals - Page 2							0	0	0	0	0	0	0
Totals - Page 3							0	0	0	0	0	0	0
Totals - Page 4							0	0	0	0	0	0	0
Totals - Other Obligations							0	0	0	0	0	0	0
Grand Total - All Pages							789,554	10,148,304	789,554	1,039,895	789,555	824,055	14,380,917

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE - OTHER OBLIGATIONS**  
 Per AB 26 - Section 34167 and 34169

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation (Note 1)	Total Due During Fiscal Year	Payments by month						Total
					July	August	September	October	November	December	
1) Pass Through Payment (33607)	LA County General	2010-11 and 2011-12 Pass Through Payments	2,071,000	1,025,000							\$ -
2) Pass Through Payment (33607)	LA County Fire	2010-11 and 2011-12 Pass Through Payments	52,700	26,100							\$ -
3) Pass Through Payment (33607)	LA County Flood Control	2010-11 and 2011-12 Pass Through Payments	74,100	36,700							\$ -
4) Pass Through Payment (33607)	Little Lake Cemetery Dist.	2010-11 and 2011-12 Pass Through Payments	3,325	1,650							\$ -
5) Pass Through Payment (33607)	Greater LA West Vector Control Dist.	2010-11 and 2011-12 Pass Through Payments	3,270	1,620							\$ -
6) Pass Through Payment (33607)	LA County Sanitation Dist.	2010-11 and 2011-12 Pass Through Payments	101,150	50,100							\$ -
7) Pass Through Payment (33607)	City of La Mirada	2010-11 and 2011-12 Pass Through Payments	870	430							\$ -
8) Pass Through Payment (33607)	City of Norwalk	2010-11 and 2011-12 Pass Through Payments	940	465							\$ -
9) Pass Through Payment (33607)	City of SFS	2010-11 and 2011-12 Pass Through Payments	392,000	194,000							\$ -
10) Pass Through Payment (33607)	Central Basin MWD	2010-11 and 2011-12 Pass Through Payments	22,000	10,900							\$ -
11) Pass Through Payment (33607)	Water Replenishment Dist.	2010-11 and 2011-12 Pass Through Payments	1,070	530							\$ -
12) Pass Through Payment (33607)	LA County Office of Ed	2010-11 and 2011-12 Pass Through Payments	25,200	12,500							\$ -
13) Pass Through Payment (33607)	Little Lake City School Dist.	2010-11 and 2011-12 Pass Through Payments	190,000	94,000							\$ -
14) Pass Through Payment (33607)	Los Nietos School Dist.	2010-11 and 2011-12 Pass Through Payments	107,000	53,000							\$ -
15) Pass Through Payment (33607)	South Whittier School Dist.	2010-11 and 2011-12 Pass Through Payments	107,000	53,000							\$ -
16) Pass Through Payment (33607)	Whittier City School Dist.	2010-11 and 2011-12 Pass Through Payments	1,070	530							\$ -
17) Pass Through Payment (33607)	Whittier Union High School Dist.	2010-11 and 2011-12 Pass Through Payments	691,000	342,000							\$ -
18) Pass Through Payment (33607)	Cerritos Comm College Dist.	2010-11 and 2011-12 Pass Through Payments	30,200	15,000							\$ -
19) Pass Through Payment (33607)	Rio Hondo Comm College Dist.	2010-11 and 2011-12 Pass Through Payments	104,500	52,000							\$ -
20) Pass Through Payment (33607)	ABC Unified School Dist.	2010-11 and 2011-12 Pass Through Payments	17,400	8,600							\$ -
21) Pass Through Payment (33607)	Norwalk-La Mirada Unified School Dist.	2010-11 and 2011-12 Pass Through Payments	218,000	108,000							\$ -
22) Pass Through Payment (33401)	LA County*	2010-11 and 2011-12 Pass Through Payments									\$ -
23)											\$ -
24)											\$ -
25)											\$ -
26)											\$ -
27)											\$ -
28)											\$ -
Totals - Other Obligations			\$ 4,213,795	\$ 2,086,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 1: The reported obligation includes only the 2010-11 and 2011-12 payments. Pass through payments are required through the entire life of the project areas

\* - Section 33401 Payments are deducted by LA County prior to receipt of tax increment (approximately \$3.6 million per year)

All payment amounts are estimates



**MINUTES FOR THE SPECIAL  
MEETING OF THE  
CITY OF SANTA FE SPRINGS  
CITY COUNCIL**

**APRIL 26, 2012**

**1. CALL TO ORDER**

Mayor Rounds called the Special City Council meeting to order at 4:41 p.m.

**2. ROLL CALL**

Present: Councilmembers Serrano and Trujillo, Mayor Pro Tem Moore, and Mayor Rounds

Also present: Thaddeus McCormack, City Manager; Steve Skolnik, City Attorney; Anita Jimenez, Deputy City Clerk

**CLOSED SESSION**

**3. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9

**Number of Cases: One**

Mayor Rounds recessed the meeting for the Closed Session at 4:43 p.m.

Councilmember González arrived at 4:55 p.m.

Mayor Rounds reconvened the meeting at 6:04 p.m.

**4. ADJOURNMENT**

Mayor Rounds adjourned the meeting at 6:05 p.m.

ATTEST:

\_\_\_\_\_  
William K. Rounds  
Mayor

\_\_\_\_\_  
Anita Jimenez, Deputy City Clerk

\_\_\_\_\_  
Date

**PLEASE SEE ITEM 3A**



# *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

## **ORDINANCE FOR PASSAGE**

Ordinance No. 1031 – An Ordinance Amending Section 30.02 of the City Code Regarding Appointments or Removals

### **RECOMMENDATION**

That the City Council waive further reading and adopt Ordinance No. 1031 which would amend section 30.02 of the City's Municipal Code pertaining to Appointments or Removals.

### **BACKGROUND**

At the meeting of April 26, 2012, the City Council updated the City's Municipal Code to include all Ordinances passed since December 9, 2010. While reviewing the Code, Mayor Pro Tem Moore became aware of the need to also update Section 30.02 of the Code.

Ordinance 1031 revises Section 30.02 to allow the City Council to Direct the City Manager to investigate alleged improprieties relating to the appointment or removal of employees in the administrative service of the City.

Thaddeus McCormack  
City Manager

### **Attachment(s)**

Ordinance No. 1031

**ORDINANCE NO. 1031**

**AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS  
AMENDING SECTION 30.02 OF THE CITY CODE  
REGARDING APPOINTMENTS OR REMOVALS**

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY  
ORDAIN AS FOLLOWS:

Section 1. Section 30.02 of the City Code is hereby amended to add the following sentence at the end thereof:

“The City Council may, however, ask or direct the City Manager to investigate alleged improprieties and take appropriate action based on the results of such investigations.”

Section 2. Except as amended herein, Section 30.02 shall remain in full force and effect.

Section 3. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Ordinance, or any part thereof. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases may be declared invalid or unconstitutional.

Section 4. The Deputy City Clerk shall certify to the adoption of this Ordinance, and shall cause the same to be posted in at least three (3) public places in the City, such posting to be completed not later than fifteen (15) days after passage hereof.

ADOPTED AND APPROVED this 24<sup>th</sup> day of May, 2012.

---

Mayor

ATTEST:

---

Deputy City Clerk



# *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

## **PUBLIC HEARING**

### **State of California Citizen's Option for Public Safety (COPS) Grant Program**

#### **RECOMMENDATION**

It is recommended that the City Council:

1. Open the Public Hearing for those wishing to speak on this matter.
2. Approve the expenditure of the State of COPS funds as outlined in the plan contained herein

#### **BACKGROUND**

The City is entitled to a State of California Citizens' Option for Public Safety (COPS) Grant of \$100,000. Previously, the City Council confirmed its intent to seek and expend these funds. The funds must be spent on new law enforcement programs; they cannot supplant existing expenditures, and there is no maintenance of effort requirement if funding ceases. The expenditure of these funds requires that the City conduct a Public Hearing to seek input as to how these funds should be spent.

Based on a review of law enforcement priorities, staff is recommending that the funds be expended on the payment of a School Resource Officer (\$36,000), Detective Support (\$5,000) and funding a portion of the Traffic Officer (\$59,000).

The School Resource Officer (SRO) cost for FY 2011/12 is approximately \$48,000 and would be funded by state COPS funds (\$36,000) and a Federal Grant. For FY 2011/12, the cost of the Traffic Officer assigned to the City is \$166,000; \$59,000 would be paid with COPS funds and the remaining balance covered by the City. Additionally, \$5,000 from the State COPS Funds would be allocated to support the Department's Detective enforcement efforts.

#### **FISCAL IMPACT**

The State COPS program continues to be a much needed supplement funding source providing the City with resources for additional public safety and equipment.

#### **INFRASTRUCTURE IMPACT**

There is no Infrastructure Impact Statement as a result of this action.

Thaddeus McCormack  
City Manager



11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • [www.santafesprings.org](http://www.santafesprings.org)

*"A great place to live, work, and play"*

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing, as provided by law, will be held by the Santa Fe Springs City Council, to consider the spending of State Citizens' Option for Public Safety (COPS) Grant funds.

The Public Hearing is scheduled to be held on May 24, 2012, at 6:00p.m., in the City Council Chambers, City Hall, 11710 E. Telegraph Road, Santa Fe Springs, California.

Any person may attend to provide input with regard to the spending of these funds. Inquiries concerning this Public Hearing may be directed to the Department of Police Services, (562) 409-1850.

Dated: May 3, 2012  
Dino Torres, Director of Police Services  
City of Santa Fe Springs, California

William K. Rounds, Mayor • Richard J. Moore, Mayor Pro Tem  
City Council  
Louie González • Joseph D. Serrano, Sr. • Juanita Trujillo  
City Manager  
Thaddeus McCormack



# *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

## **COUNCILMEMBER REQUESTED ITEM – ROUNDS**

Consideration of Modifying the Solid Waste Collection Permit Granted to City Franchised Waste Haulers in Accordance with the Provisions of Chapter 50 of the Municipal Code and the Agreements Between the City and the Respective Franchised Waste Haulers

### **RECOMMENDATION:**

Consider the request of Mayor Rounds and give staff direction accordingly.

### **BACKGROUND**

The City currently has three franchised waste haulers (Haulers); Consolidated Disposal Service, CR&R, Inc., and Serv-Wel Disposal & Recycling. Each has permits to provide both residential and commercial waste disposal services.

In April 2002, the City Council granted 10-year renewable contracts to both Consolidated Disposal and CR&R. Serv-Wel was granted a 10-year renewable contract in April 2004. A so called "Evergreen" provision in all three agreements provides that the termination date may be extended automatically by one (1) year, unless prior to June 1 of any year, either party gives notice to the other that it does not consent to such annual extension.

In May 2008, the City notified all three haulers that Evergreen extensions would not be granted, and that, in so doing, it was the City Council's intent to eliminate the annual automatic extension of the terms of the agreements through and up until the expiration dates of the various contracts, all of which were scheduled to terminate on June 30, 2017, in effect allowing for the Evergreen provision to wind down.

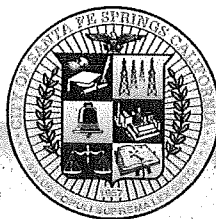
On May 27, 2010, the Council re-instated the Evergreen extensions for two of the three haulers (CR&R, Inc., and Serv-Wel). Mayor Rounds has asked that the City Council consider taking similar action for the third hauler, Consolidated Disposal, thereby stopping the wind-down of their contract, such that the expiration date would extend from June 30, 2017 to June 30, 2018.

Thaddeus McCormack  
City Manager

### **Attachment(s):**

Solid Waste Agreement

Evergreen Wind-down Notice - 2008



# City of Santa Fe Springs

11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • [www.santafesprings.org](http://www.santafesprings.org)

May 28, 2008

Consolidated Disposal Service, Inc.  
12949 Telegraph Rd.  
Santa Fe Springs, CA 90670

Re: Agreement made and entered into as of the 1<sup>st</sup> day of July, 2002, between the City of Santa Fe Springs and Consolidated Disposal Services granting Solid Waste Collection Permits in accordance with the provisions of Chapter 50 of the Municipal Code.

As you are aware, the Agreement referenced above (the "Agreement"), in Section 10, contains what is commonly known as an 'evergreen' provision, which results in an automatic one-year extension of the term of the Agreement (on June 30 of each year). However, the Agreement also provides that the City may elect to not extend the term in any year, by giving notice of such decision prior to June 1 in any year. At its May 22 regular meeting, the City Council directed staff to give this notice of its decision to: (1) Not add an additional year to the term of the Agreement at the end of the current Agreement year (as of June 30, 2008); and (2) invoke the same right to not extend in future years during the term of the Agreement.

The result of such action is that the Agreement will terminate on June 30, 2017, unless in some future year the City Council changes its decision and allows an extension pursuant to the 'evergreen' provision.

Frederick W. Latham  
City Manager

Cc: City Council  
Steve Skolnik, City Attorney



AN AGREEMENT BETWEEN THE CITY OF SANTA FE  
SPRINGS AND CONSOLIDATED DISPOSAL SERVICES  
GRANTING SOLID WASTE COLLECTION PERMITS IN  
ACCORDANCE WITH THE PROVISIONS OF CHAPTER 50  
OF THE MUNICIPAL CODE

This Agreement is made and entered into as of the 1<sup>st</sup> day of July, 2002, by and between the City of Santa Fe Springs, herein after referred to as "City" and Consolidated Disposal Services, hereinafter referred to as "Contractor."

Whereas, the City has adopted certain comprehensive provisions regarding the collection and disposal of solid waste from within Santa Fe Springs, which are contained in Chapter 50 of the Municipal Code, and

Whereas, Chapter 50 provides the means by which the City may grant permits for the collection of solid waste from commercial and residential areas of the community. Chapter 50 allows the holder of a commercial permit to also be granted a residential permit, and

Whereas, the City desires to enter into an agreement with the Contractor in keeping with the provisions of Chapter 50 by granting the Contractor permits for the collection of commercial and residential solid waste, and

Whereas, the City and the Contractor desire to enter into an agreement that will set forth the obligations of all parties.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants hereinafter set forth, the parties hereto agree as follows:

Section 1: MUNICIPAL CODE PROVISIONS APPLICABLE

The provisions of Chapter 50 of the Municipal Code of the City of Santa Fe Springs, and as the same may be amended from time to time, are hereby incorporated into this Agreement by reference. Contractor shall comply completely with all the requirements of Chapter 50 and all other applicable provisions of the Municipal Code.

Section 2: COMMERCIAL SOLID WASTE PERMIT

Contractor is hereby granted a permit for the collection of commercial solid waste from throughout the City by the Santa Fe Springs City Council.

Section 3: RESIDENTIAL SOLID WASTE PERMIT

Contractor is hereby granted a permit for the collection of residential solid waste by the Santa Fe Springs City Council. This permit to collect residential solid waste shall be limited to those areas shown in crosshatch on the attached map and marked Exhibit "A" and by this reference made a part of this Agreement. In rendering this service, the Contractor shall provide each residential customer with three separate containers into

which solid waste, green waste and recyclable materials may be deposited by the customer. Contractor shall be responsible, at its cost, for the replacement of the containers on an as needed basis

**Section 4:     MAINTENANCE OF FINANCIAL RECORDS**

Contractor shall maintain financial records and books in a form and manner satisfactory to the Director of Finance and Administrative Services. The City shall have the right, upon reasonable notice, to inspect, audit and copy all records relating to the solid waste collection permits granted by the City Council.

**Section 5:     COMPLAINT PROCEDURES**

Contractor shall promptly follow-up on all complaints received directly by the Contractor or relayed by the City to the Contractor. Contractor shall record every complaint received by whatever means, and shall keep a copy for one year of each complaint and the action taken by the Contractor regarding each complaint. Such complaint records shall be kept so that they may be, upon reasonable notice, inspected by representatives of the City.

**Section 6:     USE OF SUBCONTRACTORS**

Contractor shall not subcontract any portion of this Agreement without the prior written consent of the City Manager.

**Section 7:     INDEMNIFICATION OF CITY BY CONTRACTOR**

Contractor agrees to indemnify, defend and hold harmless the City and all of its officers, employees and agents from and against any losses, claims, demand or causes of action, including related expenses, attorney's fees, and costs, based on, arising out of, or in any way related to the work undertaken by Contractor, its agents, representatives, or employees under this Agreement.

**Section 8:     LIABILITY AND WORKERS' COMPENSATION INSURANCE**

The Contractor shall not commence work under this contract until it has obtained all insurance required under this section, and such insurance has been approved by the City, nor shall the Contractor allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been obtained.

- A.     Workers' Compensation Insurance - The Contractor shall obtain and maintain during the life of this Agreement, Workers' Compensation Insurance for all its employees engaged in carrying out the provisions of this Agreement, on a state-approved policy form providing benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease. In case any of the work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all of the latter's employees, unless such employees are covered by the protection afforded by the Workers' Compensation

Insurance carried by the Contractor.

- B. Public Liability and Property Damage Insurance - The Contractor shall obtain and maintain during the life of this Agreement such public liability and property damage insurance as shall protect Contractor and City from all claims for personal injury, including accidental death, as well as from claims for property damage arising from operations under this Agreement. The amount of such insurance shall be as hereinafter set forth. The Contractor shall require all subcontractors, if any, to obtain and maintain similar public liability and property damage insurance. The amounts of such insurance shall be as hereinafter set forth.

In case any work under this Agreement is to be performed by a subcontractor, the Contractor shall also take out and maintain such Contractor's contingent or protective insurance as will protect him and the City from damage claims arising from the operations of any subcontractor, the amounts of such insurance as hereinafter set forth. If any subcontractor shall subcontract any portion of his subcontract, the Contractor shall require him to take out and maintain such contingent or protective insurance as will protect such subcontractor from damage claims arising from operations of the second subcontractor. Such contingent or protective insurance shall be in the same amount as the primary subcontractor's public liability and property damage insurance.

As provided above, the Contractor shall take out and maintain public liability insurance for injuries, including accidental death to any one person, in an amount not less than One Million Dollars (\$1,000,000); and subject to the same limit for each person; on account of any one accident in an amount of not less than two Million Dollars (\$2,000,000); and property damage insurance in an amount of not less than Five Hundred Thousand Dollars (\$500,000); Contractor's contingent or protective insurance for public liability and property damage in amounts not less than the respective amounts noted above. As provided above, the Contractor shall require all subcontractors, whether primary or secondary, if any, to take out and maintain public liability and property damage insurance in amounts hereinbefore set forth for the Contractor.

- C. Insurance Covering Special Hazards - The following special hazards shall be covered by rider or riders to the above-mentioned public liability insurance or protective damage insurance policy or policies or by special policies of insurance in amounts as follows:

Automotive and truck liability, in an amount not less than Five Million Dollars (\$5,000,000); and subject to the same limit for each person; on account of any one accident in an amount of not less than Five Million Dollars (\$5,000,000).

- D. Proof of Carriage of Insurance - The Contractor shall furnish the City satisfactory proof of full compliance with all the insurance requirements herein prior to execution of the Agreement, which shall consist of certificates of insurance, endorsements, and/or policies at the option of City.

All certificates of insurance with respect to liability insurance of any kind shall name the City of Santa Fe Springs as additional insured with respect to the performance by the Contractor of the work which is the subject of this Agreement. The City will accept only Additional Insured (Form B), CG 20 10, with an edition date prior to 1993, unless approved otherwise by the City Attorney.

At any such time in the future as Contractor shall be advised of the existence of a party or entity that qualifies as an Insured, Contractor agrees promptly to include such party or entity as an additional insured on appropriate Contractor insurance policies.

- E. Notification of Cancellation of Insurance - Certificates of proof of carriage of insurance shall provide for not less than thirty (30) days notice of change or cancellation prior to acceptance of the work.

#### Section 9: EARLY TERMINATION OF AGREEMENT

This Agreement and the permits granted by the City Council in Section 2 and Section 3 above may be terminated prior to the expiration of the term as set forth in Section 10, only as follows:

- A. In the manner described in Section 10 hereof; or
- B. By mutual agreement of the parties hereto, evidenced by an appropriate exchange of written documents; or
- C. Where the City Manager finds that the Contractor's performance has not been in conformity with the provisions of this Agreement or any applicable law, including, but not limited to, the provisions of the Santa Fe Springs Municipal Code. In such event, the City Manager shall advise Contractor, in writing, of such deficiencies, and include a reasonable time within which correction of all such deficiencies is to be made. If within said period of time the Contractor does not correct such deficiencies the City Manager shall, as soon as possible, set the matter for public hearing before the City Council. At the time of the public hearing, the City Council shall consider the report of the City Manager indicating the deficiencies and shall give the Contractor, or its representatives, an opportunity to be heard on the matter. If the City Council, at the conclusion of the public hearing, determines that the performance of the Contractor is deficient as alleged in the report of the City Manager, the City Council shall terminate this Agreement, and revoke the permits for the collection of solid waste from throughout the City. The decision of the City Council shall be final and conclusive.

#### Section 10: TERM OF AGREEMENT

The term of this Agreement shall be for ten (10) years, commencing on the 1st day of July,

2002, and terminating on the 30th day of June, 2012. Annually, the termination date shall be extended automatically by one (1) year, unless prior to June 1 of any year, either party gives notice to the other that it does not consent to such annual extension.

Section 11: TRANSFERABILITY

The Contractor shall not assign or transfer responsibility under this Agreement, either in whole or in part, to another party without the prior written consent of the City.

Section 12: ENTIRE AGREEMENT

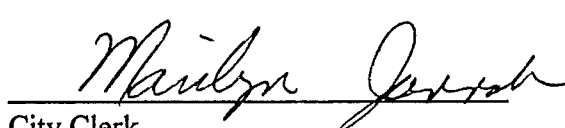
This Agreement contains the entire agreement between the parties regarding the collection and disposal of solid waste from within the City, superseding any and all such prior agreements between the parties, whether written or oral.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized, by the City of Santa Fe Springs on April 11, 2002, and by Consolidated Disposal Services on June 17, 2002.

CITY OF SANTA FE SPRINGS

  
Mayor

Attest:

  
City Clerk

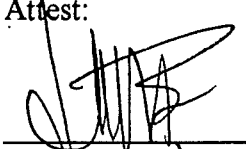
Approved as to form:


  
City Attorney

CONSOLIDATED DISPOSAL SERVICES

  
Title: VP

Attest:

  
Secretary

  
Attorney for Consolidated Disposal Services



# *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

## **NEW BUSINESS**

### **Request for Approval of a Recyclable Materials Dealer Permit for Imperial Western Products Inc. (Matt Parker, On behalf of Applicant)**

#### **RECOMMENDATION**

That the City Council approve the issuance of Recyclable Materials Dealer Permit No.25 to Imperial Western Products, Inc. for an annual renewal period set to expire on June 30, 2013, subject to the conditions of approval as contained within this report.

#### **BACKGROUND**

City Ordinance No. 892 approved by the City Council on April 22, 1999, added section 119.02 to the code that requires all persons engaged in the business of purchasing or collecting recyclable materials within the city must first obtain from the City Council a permit as a "Recyclable Materials Dealer."

In accordance with section 119.02, the applicant, Matt Parker, of Imperial Western Products Inc., based in the City of Coachella, has applied for a Recyclable Materials Dealers Permit in order to collect recyclable material within the City, particularly bakery waste. The materials will then be transported to processing plants located outside of the City and will be made into feed for livestock.

#### **STAFF CONSIDERATIONS**

As part of the permit process, staff has conducted a review of the applicant's request for a Recyclable Materials Dealers Permit. It is staff's opinion that if the recycling activity is conducted in accordance with the conditions of approval contained within this report, then the use will not pose a risk or nuisance to the public.

Consequently, staff is recommending approval of the Recyclable Materials Dealer Permit request by the applicant subject to the conditions of approval set forth herein.

#### **RECYCLABLE MATERIALS HAULING-PURCHASE OF MATERIAL**

Section 119.05, regarding the purchasing and hauling of recyclable materials, states the following:

"Permitted recyclable materials dealers shall be allowed to purchase and haul recyclable materials, as defined under Section 119.01, from any business location within the city, provided not less than 90% of the materials removed is recycled, reused, or taken to a certified recycling center, except in the case of construction debris, where the requirements shall be 75% recyclable."

### **CONDITIONS OF APPROVAL**

1. That, in accordance with Section 119.09 of the City Code, the applicant understands that the Recyclable Materials Dealer Permit shall not be assigned or otherwise referred without the prior written approval of the City Council. Any transfer or assignment made without such approval shall be treated as null and void.
2. That the applicant will be required to complete the enclosed tracking form that will:  
1). confirm the amount of recyclable material being recycled from the City; 2). indicate any charges to customers; and 3). include any payments due to the City. This tracking form will be submitted to the City on a monthly basis unless no fees for service are collected under which circumstances the form will be submitted quarterly. Failure to submit the required tracking form may result in the permit being null and void.
3. That the applicant maintains a current Santa Fe Springs Business License. This license can be obtained through the Finance Department, City Hall, 11710 Telegraph Road. Business Licensing is required annually beginning July 1 of each year.
4. That the applicant does not collect, haul, or purchase recycled material, as defined under Section 119.01, from any business location within the City, containing less than 90% materials that will be recycled, reused, or taken to a certified recycling center, except in the case of construction debris, where the requirement shall be 75% recyclable material.
5. That the applicant agrees to abide by all requirements in Section 119 of the City Code.
6. That any vehicles used in conjunction with the recycling operation shall not be stored or parked in the R-1, Single Family Residential Zone.
7. That all equipment used in the collection of recyclable materials shall conform to the highest industry standards, shall be maintained in a clean and efficient condition, and shall comply with all measures and procedures promulgated by all agencies with jurisdiction.

8. That any vehicles used in conjunction with the recycling operation must be inspected by the City Department of Public Works and Department of Police Services on an annual basis. Contact Phillip DeRousse, Department of Police Services at (562) 409-1850 to arrange for vehicle inspections.
9. That all vehicles used by a Recyclable Materials Dealer shall be maintained in compliance with all applicable State and local laws, and shall abide by the following:
  - a. The name of the dealer or firm name, together with the phone number of the company, shall be printed or painted in legible letters, not less than three inches in height, on both sides of all trucks and conveyances used to collect or transport recyclable materials within the city;
  - b. Each vehicle shall be constructed and used so that no material will block, fall, or leak out of the vehicle. Any material dropped or spilled in collection or transfer shall immediately be cleaned up by the operator. A broom, shovel, and spill kit shall be carried at all times on each vehicle for this purpose; and
  - c. Should the City Manager, or designee, at any time give notification in writing to a permittee that any vehicle does not comply with the standards set forth herein, the vehicle shall immediately be removed from service in the City and shall not be used again until approved in writing by the City manager, or designee.
10. All equipment used to collect recyclable materials, including vehicles and containers, shall be kept free of graffiti.
11. That the vehicles used in picking up recycling goods shall be clearly marked with the company name. Should the Applicant sub-contract the pick-up services, written approval shall first be obtained by the Director of Police Services.
12. That the recycling bins shall not be located within required parking, loading, or driveway areas.
13. That the recycling bins shall be located in an area where they will not be visible from the street; alternatively, an enclosure may be constructed to help screen the recycling bins.
14. That the applicant shall not allow their vehicles/trucks to queue on the streets, use streets as a waiting area, or to backup onto the street from the subject property.
15. That the pickup of recycling goods shall not be performed within the residential areas between the hours of 7 p.m. and 7a.m. the day thereafter.



16. That all company drivers shall be fully licensed with the appropriate classification as required by the California Department of Motor Vehicles.
17. That in the event the owner(s) intend to sell, lease, or sublease the subject business operation or transfer the subject permit to another owner/applicant or licensee, both the Director of Police Services and Director of Planning and Development shall be notified in writing of said intention not less than 60 (sixty) days prior to signing of the agreement to sell, lease or sublease.
18. It is hereby declared to the intent that if any provision of this permit is violated or held to be invalid, or if any law, statute, or ordinance is violated the permit shall be void and the privileges granted hereunder shall lapse.
19. That all recycling activities shall comply with Section 155.420 of the City's Zoning Ordinance regarding the generation of objectionable odors. If there is a violation of this aforementioned Section, the property owner/applicant shall take whatever measures necessary to eliminate the objectionable odors from the operation in a timely manner.
20. That the applicant shall comply with all of the Federal, State, and local regulations, ordinances, and reporting requirements pertaining to recycling operations.
21. That the Director of Police Services, at his discretion, shall have the authority to include additional conditions of approval that he may deem necessary, prior to the termination of the licensing period.
22. That Recyclable Dealer Permit No.25 shall not be valid until approved by the City Council and shall be subject to any other conditions the City Council may deem necessary to impose.
23. That this permit be valid through June 30, 2013, at which time the applicant shall request an annual extension of the privileges granted herein, provided that the use has been continuously maintained in strict compliance with these conditions of approval.
24. That failure to comply with the foregoing conditions of approval shall be cause for procedures to suspend and/or revoke this permit.



Thaddeus McCormack  
City Manager

Attachment: Application

# City of Santa Fe Springs

11710 Telegraph Rd., Santa Fe Springs, CA 90670-3679

(562) 868-0511 □ Fax (562) 868-7112 □ www.santafesprings.org

Office use only	
Date Applied:	4/23/2012
Certificate No.:	REC 25

## Recycling Permit Application

Recycler Information			
Applicant Name & Title:	Imperial Western Products		
Business Address:	4085 Bain Street Mira Loma, CA 91752		
Mailing Address (if Different):	P.O. Box 3069 Ontario, CA 91761		
Business Phone:	(951) 727-8950	Business Fax:	(951) 685-9080
Email Address	knewman@lwpusa.com		

Materials to be Recycled & Estimated Monthly Weight to be Hauled – in Tons			
<b>Construction &amp; Demolition</b>	<b>Tons/Months</b>	<b>Glass</b>	<b>Tons/Months</b>
<input type="checkbox"/> Brick	_____	<input type="checkbox"/> Beverage Containers (w/CRV)	_____
<input type="checkbox"/> Concrete	_____	<input type="checkbox"/> Crushed	_____
<input type="checkbox"/> Dirt	_____	<input type="checkbox"/> Other Beverage Containers	_____
<input type="checkbox"/> Granite	_____	<input type="checkbox"/> Panes	_____
<input type="checkbox"/> Gravel	_____	<input type="checkbox"/> Other Glass	_____
<input type="checkbox"/> Pavement/Asphalt	_____	<b>Paper</b>	<b>Tons/Months</b>
<input type="checkbox"/> Sand	_____	<input type="checkbox"/> Cardboard	_____
<b>Metal</b>	<b>Tons/Months</b>	<input type="checkbox"/> Computer Paper	_____
<input type="checkbox"/> Aluminum Cans	_____	<input type="checkbox"/> Newspaper	_____
<input type="checkbox"/> Ferrous Metals	_____	<input type="checkbox"/> Office Paper	_____
<input type="checkbox"/> Non-Ferrous Metals	_____	<input type="checkbox"/> Telephone Books	_____
<input type="checkbox"/> Scrap Metals	_____	<b>Plastic</b>	<b>Tons/Months</b>
<input type="checkbox"/> Tins Cans	_____	<input type="checkbox"/> Film	_____
<input type="checkbox"/> White Goods	_____	<input type="checkbox"/> High Density Polyethylene (HDPE)	_____
<b>Yard Wastes</b>	<b>Tons/Months</b>	<input type="checkbox"/> Polythene Terephthalate (PET)	_____
<input type="checkbox"/> Compost	_____	<b>Wood</b>	<b>Tons/Months</b>
<input type="checkbox"/> Grass Clippings	_____	<input type="checkbox"/> Bark	_____
<input type="checkbox"/> Leaves	_____	<input type="checkbox"/> Boards/Planks	_____
<input type="checkbox"/> Mixed	_____	<input type="checkbox"/> Chlps	_____
<input type="checkbox"/> Prunings/Christmas Trees	_____	<input type="checkbox"/> Pallets	_____
<b>Other Organics</b>	<b>Tons/Months</b>	<input type="checkbox"/> Sawdust	_____
<input type="checkbox"/> Food Waste	_____	<input type="checkbox"/> Shavings	_____
<input type="checkbox"/> Textiles	_____	<b>Other</b>	<b>Tons/Months</b>
<b>Other</b>	<b>Tons/Months</b>	<input type="checkbox"/> Ash	_____
<input checked="" type="checkbox"/> Bakery Waste	100	<input type="checkbox"/> Mixed Residue	_____
<input type="checkbox"/> _____	_____	<input type="checkbox"/> Soap	_____
<input type="checkbox"/> _____	_____	<input type="checkbox"/> Tire Rubber	_____
<input type="checkbox"/> _____	_____	<input type="checkbox"/> Used Oil	_____

Location Where Materials Will Be Taken To Be Recycled			
Business Name:	Imperial Western Products		
Business Address:	4085 Bain Street Mira Loma, CA 91752		
Mailing Address (if Different):	P.O. Box 3069 Ontario, CA 91761		
Business Phone:	(951) 727-8950	Business Fax:	(951) 685-9080
Recyclable Dealer Permit No.		Business License Number	
Describe How The Materials Will Be Used Once They Have Been Recycled (i.e., Tire Rubber to Asphalt)			
Feed for cows.			
Will you be charging a fee to pick up the materials? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Will you be receiving payment for materials being picked up? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Describe How The Method Of Calculating Your Fees To The Business Including Dollar Amounts (i.e., \$10/Ton)			
FEES SET BY IMPERIAL WESTERN PRODUCTS INC.			

According to Section 119.06 of the City Code, "Permitted recyclable materials dealers shall be allowed to charge a fee to haul recyclable materials as defined under §119.01, from any business location within the city, provided not less than ninety percent (90%) of the material removed is recycled, reused or taken to a certified recycling center, except in the case of construction debris, where the requirement shall be seventy-five percent (75%) recyclable. In order to engage in such activity, the business entity which will be contracting with the recyclable materials dealer shall first obtain a "Fee-for-Service Recycling Permit" to be issued by the Director. Each permit application shall be accompanied by a detailed explanation of the types of materials that will be hauled and the recycling facility where the materials will be taken. Any fee charged under this section shall be subject to the franchise fee specified under §50.22. In addition, any recyclable materials dealer engaging in fee-for-service hauling shall also be subject to the reports, remittances, books and records, audits, and penalties specified under §50.24."

According to Section 119.07 of the City Code, "recyclable materials dealers shall not knowingly transport loads containing more than ten percent (10%) residue, or twenty-five (25%) in the case of construction debris, from any premises within the city, either free or on a fee-for-service basis, whether or not such dealers are picking up recyclable materials from such premises."

According to Section 119.08 of the City Code, "On a not less than monthly basis for fee-for-service hauling, and not less than quarterly basis for purchase hauling, at their sole expense, all recyclable materials dealers shall furnish collection reports to the city, and a form provided by, or acceptable to, the Director. These reports shall include the total number of tons collected, and the number of tons recycled, the number of tons by type of recyclable materials collected, and the number of tons of residue and where the residue was disposed of during the previous quarter. These reports shall be furnished no later than thirty (30) days following the last calendar quarter day or calendar month, whichever applies."

I CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE PRECEEDING AND AGREE TO COMPLY WITH THESE STATUTES AS WELL AS ALL LOCAL, COUNTY, STATE, AND FEDERAL LAWS PERTAINING TO THE EXECUTION OF THIS PERMIT. I ALSO CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Name MATT RACKER Title MANAGER

Signature [Signature] Date 4-10-12

Permit Approved By	
Signature: <u>[Signature]</u>	Date: <u>5/16/12</u>
Date Paid: <u>4/23/2012</u>	Effective Dates of permit: <u>6/30/2013</u>
Police Services Approval: <u>P.D. [Signature]</u>	Date: <u>5/16/12</u>
Finance Department Approval: <u>[Signature]</u>	Date: <u>5/16/12</u>
Recycling Coordinator Approval: <u>[Signature]</u>	Date: <u>05/16/2012</u>
Planning Department Approval: <u>[Signature]</u>	Date: <u></u>



# CERTIFICATE OF LIABILITY INSURANCE

OP ID: M1

DATE (MM/DD/YYYY)

05/16/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> InterWest Insurance Services License #0B01094 100 Pringle Avenue, Suite 550 Walnut Creek, CA 94596		<b>925-977-4100</b> <b>925-932-9311</b>	<b>CONTACT NAME:</b> Marlene Rianda, CIC <b>PHONE (A/C, No, Ext):</b> 925-977-4138 <b>FAX (A/C, No):</b> 925-977-4153 <b>E-MAIL ADDRESS:</b> mrianda@lwins.com <b>PRODUCER CUSTOMER ID #:</b> IMPER12														
<b>INSURED</b> Imperial Western Products, Inc. P.O. Box 1110 Coachella, CA 92236		<b>INSURER(S) AFFORDING COVERAGE</b> <table border="1"><thead><tr><th>INSURER</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A: North River Insurance Company</td><td>21105</td></tr><tr><td>INSURER B: Insurance Co. of the West</td><td>27847</td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>		INSURER	NAIC #	INSURER A: North River Insurance Company	21105	INSURER B: Insurance Co. of the West	27847	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER	NAIC #																
INSURER A: North River Insurance Company	21105																
INSURER B: Insurance Co. of the West	27847																
INSURER C:																	
INSURER D:																	
INSURER E:																	
INSURER F:																	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY		5068686735	08/01/11	08/01/12	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 15,000
						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$ 2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY		5068686735	08/01/11	08/01/12	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS					PROPERTY DAMAGE (Per accident) \$
<input checked="" type="checkbox"/> HIRED AUTOS						
<input checked="" type="checkbox"/> NON-OWNED AUTOS						
	<input type="checkbox"/> UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE					\$
	<input type="checkbox"/> RETENTION \$					\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	WSA500692900	10/01/11	10/01/12	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, If more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

City of Santa Fe Springs  
Phillip DeRousse  
11576 Telegraph Road  
Santa Fe Springs, CA 90670

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2009 ACORD CORPORATION. All rights reserved.



# *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

## **NEW BUSINESS**

Revise and Renew an Agreement for Professional Services, State of California, Office of Environmental Health Hazard Assessment (OEHHA)

### **RECOMMENDATION**

That the City Council:

1. Approve a revised and renewed Agreement for Professional Services between the State of California, Office of Environmental Health Hazard Assessment and the City; and
2. Authorize the Fire Chief to sign all necessary documents on behalf of the City.

### **BACKGROUND**

The mission of the State Office of Environmental Health Hazard Assessment (OEHHA) is to protect and enhance public health and the environment by scientific evaluation of risks posed by hazardous substances. The Department of Fire-Rescue's Environmental Protection Division (EPD) and the former Community Development Commission (CDC) have utilized OEHHA's expertise to review site-specific Human Health Risk Assessments (HHRA) prepared by environmental consultants through this Agreement for Professional Services since 2005. Each case is unique and factors such as the type of on-site contamination, proposed land use, and type of construction, are all taken into account.

In January 2005, the CDC entered into a two-year Agreement for Professional Services with OEHHA for assistance in reviewing HHRAs. The agreement was extended in early 2007 for an additional two years. In July 2009, the agreement was renewed again for two years. This agreement was extended one additional year in 2011 and expires in July 2012. OEHHA has sent notification to the CDC that it is time to renew the agreement if the Commission desires to maintain the ongoing service relationship. Since the CDC no longer exists, the agreement language will need to be revised and the designated "Project Administrative Contact" and "Contract Representatives" for the City will need to be amended.

The Agreement for Professional Services with OEHHA has been utilized in the past for a number of significant redevelopment projects in the City. Their rapid response and level of expertise has expedited development projects while ensuring the highest level of human health protection. For this reason, it is important to keep this Agreement for Professional Services in place.

If an HHRA is submitted as part of a site cleanup, the EPD will not issue a 'No Further Action' letter until OEHHA has reviewed and approved the findings and calculations in the HHRA. Therefore, to complete the site mitigation process, it is



## *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

very important have reliable access to the services provided by OEHHA. Attached is the current agreement with the State (OEHHA Contract #04-E0014), Amendment No. 1 to the agreement, and the revised agreement along with the current OEHHA services fee schedule. Once approved, the agreement would remain in effect for a period of 24 months and would be activated only when requested by the City.

### FISCAL IMPACT

Responsible parties and site developers will be responsible for reimbursing the City for all costs associated with OEHHA's review of an HHRA; therefore, utilization of OEHHA's services is anticipated to be cost neutral.

### INFRASTRUCTURE IMPACT

There is no anticipated impact to infrastructure as a result of entering into this Agreement for Professional Services.

A handwritten signature in black ink, appearing to read "Thaddeus McCormack".

Thaddeus McCormack  
City Manager

A handwritten signature in black ink, appearing to read "Alex Rodriguez".

Alex Rodriguez  
Fire Chief

### Attachment(s)

Agreement for Professional Services – Office of Environmental Health Hazard  
Assessment (Contract #09-E0014)  
Amendment No. 1  
Model Revised Agreement

**MODEL (ON-CALL) AGREEMENT:  
LOCAL GOVERNMENTAL ENTITY – OFFICE OF  
ENVIRONMENTAL HEALTH HAZARD ASSESSMENT**

**AGREEMENT FOR PROFESSIONAL SERVICES –  
(ON-CALL) RISK ASSESSMENT**

This AGREEMENT is between the Santa Fe Springs Department of Fire-Rescue, a Certified Unified Program Agency, (hereinafter referred to as the "CUPA"), and THE STATE OF CALIFORNIA, OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT (hereinafter referred to as the "CONTRACTOR"). This AGREEMENT is effective upon the approval signature dates of the CUPA and OEHHHA whichever date is the later.

**I. RECITALS**

**WHEREAS**, CUPA desires technical assistance in risk assessment for the residents of the CUPA by contracting with CONTRACTOR; and

**WHEREAS**, CUPA AND CONTRACTOR desire cooperation and coordination in implementing joint responsibilities towards risk management; and

**WHEREAS**, CONTRACTOR is prepared to provide such services in the terms and conditions set forth in this agreement and attachments which are part of this agreement; and

**WHEREAS**, CUPA and CONTRACTOR desire to enter into this Agreement on the terms and conditions set forth herein; and

**NOW, THEREFORE**, in consideration of the mutual promises set forth herein, the CUPA and CONTRACTOR agree as follows:

**II. TERMS AND CONDITIONS**

**A. MISSION.** The CUPA hereby retains the CONTRACTOR and the CONTRACTOR hereby accepts such responsibility as described herein.

**B. TERM.** The term of this Agreement shall commence as of the date of execution of this Agreement and shall continue in effect until the services provided for herein have been performed or until (Insert contract end date, i.e. 24 months or 00/00/00) from the execution of this Agreement, whichever occurs sooner, unless this Agreement is sooner terminated as provided for hereinafter. Services shall be undertaken and completed in such a sequence as to assure their effectiveness in implementing this Agreement.

**C. CONTRACTOR RESPONSIBILITIES.** The CONTRACTOR'S services shall include the professional services as detailed in EXHIBIT A.

**D. COMPENSATION.** The compensation for the services as outlined in EXHIBIT A shall not exceed (Insert Dollar Amount – At a minimum, OEHHA requires \$25,000). CONTRACTOR will submit monthly invoices to the CUPA at the rates set forth in EXHIBIT B.

All invoices should be accompanied by documentation setting forth in detailed description of the services rendered. The CUPA shall make payment within 30 days of receipt of invoice. Invoices shall be sent to:

Alex Rodriguez, Fire Chief  
Santa Fe Springs Fire-Rescue  
11300 Greenstone Avenue  
Santa Fe Springs, CA 90670

When payment by the CUPA is deemed delinquent, OEHHA may follow collection procedures in accordance with the Accounts Receivable Management Act as provided in Government Code Sections 16580-16586.

**E. REIMBURSABLE EXPENSES.** The CONTRACTOR shall bill the CUPA for reimbursable expenses including mass production photocopying, photographs and slides, mileage, messenger service, parking and long-distance phone calls.

**F. OWNERSHIP OF DOCUMENTS.** All studies, papers, files, drawings, contracts, reports and other such documents prepared or developed in accordance with this AGREEMENT by the CONTRACTOR shall remain the property of the CUPA.

**G. INDEPENDENT CONTRACTOR.** The CONTRACTOR shall perform the work as provided herein as an independent contractor and shall not be considered an employee of the CUPA or under CUPA supervision or control. This AGREEMENT is by and between the CONTRACTOR and the CUPA, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or associate, between the CUPA and the CONTRACTOR.

**H. INDEMNIFICATION.** (Note: Non-negotiable term and condition. Failure to accept Item H as stated below will require OEHHA to withdraw offer of services). CONTRACTOR agrees to indemnify, defend and save harmless the CUPA, its agents, officers and employees only from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever including, but not limited to, bodily injury, death, personal injury, or property damage arising from or directly connected with the CONTRACTOR'S



review of the assessment of human health and/or environmental risks at the Site which services are more particularly described in Exhibit A.

**I. SUCCESSOR AND ASSIGNMENT.** The services as contained herein are to be rendered by the CONTRACTOR whose name is as appears first above written and said CONTRACTOR shall not assign nor transfer any interest in this AGREEMENT without the prior written consent of the CUPA. Claims for money by CONTRACTOR from the CUPA under this contract may be assigned to a bank, trust company, or financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the CUPA.

**J. INSURANCE.** *(Note: Non-negotiable term and condition. Failure to accept Item J as stated below will require OEHHA to withdraw offer of services).* CUPA agrees to accept evidence of self-insurance from CONTRACTOR for all lines of insurance, including General Liability and Workers' Compensation Insurance. The CONTRACTOR shall provide the CUPA with satisfactory evidence of self-insurance coverage upon the CUPA's request.

**Workers' Compensation.** The CONTRACTOR agrees to maintain at its expense, during the term of this Agreement, all necessary insurance for its employees engaged in the performance of this Agreement, including, but not limited to, Workers' Compensation insurance, and to provide the CUPA with satisfactory evidence of such insurance coverage upon the CUPA's request.

Failure on the part of the CONTRACTOR to procure or maintain required insurance shall constitute a material breach of this AGREEMENT upon which the CUPA will immediately terminate this AGREEMENT.

**K. NON-DISCRIMINATION.** The CONTRACTOR agrees that no person shall be excluded from employment in the performance of this Agreement on the grounds of race, creed, color, sex, age, marital status, or place of national origin. In this connection, the CONTRACTOR agrees to comply with all County, State and Federal laws relating to equal employment opportunity rights.

**L. SEVERABILITY.** In the event that any covenant, condition or other provisions herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this AGREEMENT and shall in no way affect, impair or invalidate any other covenant, condition or other provision contained herein. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such covenant, condition or other provision shall be deemed valid to the extent of the scope or breadth permitted by law.

**M. INTERPRETATION.** No provision of this AGREEMENT is to be interpreted for or against either party because that party or that party's legal

representative drafted such provision, but this AGREEMENT is to be construed as if both parties drafted it hereto.

**N. ENTIRE AGREEMENT.** This AGREEMENT supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the retention of CONTRACTOR by the CUPA and contains all the covenants and agreements between the parties with respect to such retention.

**O. WAIVER.** No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

**P. TERMINATION OF AGREEMENT.** This AGREEMENT may be terminated at the sole discretion of either party by giving written notice at least thirty (30) days prior to the effective termination date in the written notice. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the CONTRACTOR under this AGREEMENT shall, at the option of the CUPA, become its property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the CUPA for damages sustained by the CUPA by virtue of any breach of the AGREEMENT by the CONTRACTOR, and the CUPA may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due the CUPA from the CONTRACTOR is determined.

**Q. CHANGES.** The CUPA or CONTRACTOR may request changes in the scope of the services of the CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of the CONTRACTOR'S compensation, which are mutually agreed upon by and between the CUPA and the CONTRACTOR, shall be incorporated in written amendments to this AGREEMENT.

**R. COMPLIANCE WITH LAWS.** The parties agree to be bound by applicable federal, state and local laws, regulations and directives as they pertain to the performance of this AGREEMENT.

**S. PROPOSAL.** EXHIBIT A and EXHIBIT B, as well as any and all addenda or additions mutually agreed upon in writing by both parties herein, are incorporated by reference to this AGREEMENT.

### III. NOTICES

Notices herein shall be presented in person or by certified or registered U.S. Mail, as follows:

To the CONTRACTOR: Deputy Director

Administrative & Support Division  
Office of Environmental Health Hazard  
Assessment  
1001 I Street  
P.O. Box 4010, MS 19B  
Sacramento, CA 95812-4010

To the CUPA:

*Alex Rodriguez, Fire Chief  
Santa Fe Springs Fire-Rescue  
11300 Greenstone Avenue  
Santa Fe Springs, CA 90670*

IN WITNESS HEREOF, the CUPA and CONTRACTOR have executed this AGREEMENT as of the date first herein above set forth.

**SANTA FE SPRINGS FIRE-RESCUE**

**STATE OF CALIFORNIA**

\_\_\_\_\_  
*ALEX C. RODRIGUEZ  
Fire Chief*

\_\_\_\_\_  
SUSAN R. VILLA  
Deputy Director, Administrative  
and Support Division

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A STATEMENT OF WORK

1. The Office of Environmental Health Hazard Assessment (hereinafter referred to as "OEHHA") hereby enters into an agreement with the CUPA to review the assessment of human health and/or environmental risks under the oversight of the CUPA and/or the Los Angeles County Regional Water Quality Control Board hereinafter referred to as "AUTHORITY".
2. The Project Representatives during the term of this Agreement will be:

<i>Santa Fe Springs Fire-Rescue</i>	Office of Environmental Health Hazard Assessment
<i>Attention: Alex Rodriguez</i>	Attention: Jim Carlisle
<i>Address: 11300 Greenstone Avenue Santa Fe Springs, CA 90670</i>	Address: 1001 I Street P.O. Box 4010, MS 12B Sacramento, CA 95812
<i>Phone: (562) 944-9713</i>	Phone: (916) 323-2635
<i>E-Mail: alexrodriguez@santafesprings.org</i>	E-Mail: <a href="mailto:jim.carlisle@oehha.ca.gov">jim.carlisle@oehha.ca.gov</a>

The parties may change their respective Project Representative upon providing ten (10) days written notice to the other party.

3. The Project Administrative Contacts during the term of this Agreement will be:

<i>Santa Fe Springs Fire-Rescue</i>	Office of Environmental Health Hazard Assessment
<i>Attention: Tom Hall</i>	Attention: Carolyn Flowers
<i>Address: 11300 Greenstone Ave. Santa Fe Springs, CA 90670</i>	Address: 1001 I Street P.O. Box 4010, MS 12B Sacramento, CA 95812
<i>Phone: (562) 906-3715</i>	Phone: (916) 323-2808
<i>E-Mail: tomhall@santafesprings.org</i>	E-Mail: <a href="mailto:carolyn.flowers@oehha.ca.gov">carolyn.flowers@oehha.ca.gov</a>

The Project Administrative Contacts are responsible for executing tasks as outlined in the "Work to be Performed". All inquiries regarding work to be performed should be directed to the Project Administrative Contacts.

4. The Contract Representatives during the term of this agreement will be:

<i>Santa Fe Springs Fire-Rescue</i>	Office of Environmental Health Hazard Assessment
<i>Attention: Alex Rodriguez</i>	Attention: TBA
<i>Address: 11300 Greenstone Avenue Santa Fe Springs, CA 90670</i>	Address: 1001 I Street P.O. Box 4010, MS 19B Sacramento, CA 95812
<i>Phone: (562) 944-9713</i>	Phone:
<i>E-Mail: alexrodriguez@santafesprings.org</i>	E-Mail:

## B. WORK TO BE PERFORMED

1. It is the responsibility of the CUPA to:
  - a. Provide a written work request to OEHHA containing:
    - 1) Description of the site, name/title, location/street address.
    - 2) Site project number, if applicable.
    - 3) Description of the type of review services requested including travel, conference calls, and meeting attendance, as needed.
    - 4) Work timetable and/or requested completion date.
    - 5) The name, title, telephone number, e-mail address and mailing address of the CUPA Project Manager.
    - 6) If applicable, the name, title, telephone number, e-mail address and mailing address of a designated AUTHORITY project manager.
    - 7) A listing of documents to be reviewed together with the documents themselves. All documents submitted to OEHHA will be accompanied by a work request.
  - b. Submit a work request to the OEHHA Project Administrative Contact for each site and/or document for program assignment and cost estimation.
  - c. Serve as liaison between the OEHHA and AUTHORITY and will oversee and coordinate all work activities.
  - d. Compensate OEHHA in accordance with the OEHHA Integrated Risk Assessment Branch Schedule of Hourly Rates (EXHIBIT B) for work request estimates, work performed and necessary travel expenses and per diem.
2. As specified in the work request submitted by the CUPA Project Representative, it is the responsibility of OEHHA to perform the following services when requested:
  - a. Assist the CUPA staff in planning and coordinating meetings with responsible parties (RP) and/or their consultants. Provide information necessary to develop risk assessments for specific cleanup sites as listed in the work request.

- b. When requested by the CUPA Project Representative, inspect contaminated sites in order to evaluate the appropriateness of the proposed conceptual site model and/or other aspects of the risk assessment.
- c. Review risk assessments submitted, under cover of a work request, to OEHHA by the CUPA Project Representative. OEHHA shall review, evaluate and make written recommendations for revisions, or approve the assessment as submitted to the CUPA and AUTHORITY project managers. In the event of subsequent revisions, OEHHA shall review and evaluate any such revisions to provide approval of the overall assessment documents by the mutually agreed upon completion date stated on the work request.
- d. Provide consultation services to CUPA staff, AUTHORITY staff and Responsible Party (RP) and/or consultants on issues concerning human health and/or environmental risks.
- e. When requested, provide expert testimony on and concerning OEHHA's review and consultation on behalf of the CUPA and AUTHORITY at council or board hearings and courtroom proceedings. Such expert testimony shall be available during the executed term of this agreement.
- f. Provide general human health and/or environmental risk assistance and training when specified on a work request.
- g. OEHHA shall send a memorandum providing comment and recommendations to the CUPA and AUTHORITY upon completion of the work and within the time frame as specified in the work request.
- h. Record all time and activities spent on the project and provide these records to CUPA upon their request.
- i. Prepare invoice(s) to include contract number (TBA), work request and/or site reference number, a brief description of work performed, number of hours and costs by position and travel and per diem if applicable. Invoices shall be submitted, in duplicate, not more frequently than monthly in arrears to:

*Santa Fe Springs Fire-Rescue  
Attention: Tom Hall  
11300 Greenstone Avenue  
Santa Fe Springs, CA 90670*

**EXHIBIT B**  
**OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT**  
**INTEGRATED RISK ASSESSMENT BRANCH (IRAB)**  
**SCHEDULE OF HOURLY RATES**

For the period covering July 1, 2012 – June 30, 2013

Position	Hourly Rate
Supervising Toxicologist	\$180
Senior Toxicologist	172
Staff Toxicologist (Specialist)	164
Associate Toxicologist	135
Research Scientist Supervisor I	164
Research Scientist II	135
Research Scientist I	123
Associate Governmental Program Analyst	113
Staff Services Analyst	73
Office Technician (Typing)	68

The above hourly rates include costs for personnel services, benefits, and indirect/overhead costs. Hourly rates exclude travel and per diem costs.

At yearly intervals, beginning December 31, 2012, OEHHA shall compare the Flat Hourly Rate aggregate with actual expenditures as reported by the California State Accounting and Report System (CalStars) for the preceding 12 month period to determine if any decrease and/or increase by classification should be made. If it is determined that revisions to the Flat Hourly Rate are warranted. OEHHA shall prepare a revised rate schedule and through an amendment of the Agreement, the revised rate schedule shall be attached to and made a part of this Agreement.

Payment for services performed under this Agreement shall be based upon: 1) number of hours of consultation; 2) necessary travel time; 3) associated travel and per diem costs incurred.

Any reimbursement of costs for associated travel and per diem shall be at the rates not to exceed those amounts paid to the State's represented employees under collective bargaining agreements currently in effect.



# City of Santa Fe Springs

## Community Development Commission

11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • [www.santafesprings.org](http://www.santafesprings.org)

July 6, 2009

Patty Foey  
OEHHA – Contracts and Business Services Branch  
1001 I Street, 19<sup>th</sup> Floor MS 19B  
Sacramento, CA 95812-4010

**Agreement for Professional Services – Risk Assessment  
Office of Environmental Health Hazard Risk Assessment (OEHHA Contract #09-E0014) and the  
Community Development Commission of the  
City of Santa Fe Springs**

Dear Ms. Foey,

Enclosed is a signed copy of the above-referenced agreement which has been signed by Paul Ashworth. Thank you for expediting the approval of the final agreement.

Should you have any questions concerning this transaction, or need additional information, please feel free to contact me at 562-868-0511 ext. 7354.

Sincerely,

Andrew C. Lazzaretto  
Department of Planning and Development

Enc.

CC: Janet Ortiz, SFS Fire Rescue, w/Attachments



**AGREEMENT:**  
**LOCAL GOVERNMENTAL ENTITY – OFFICE OF ENVIRONMENTAL**  
**HEALTH HAZARD ASSESSMENT**  
**AGREEMENT FOR PROFESSIONAL SERVICES - RISK ASSESSMENT**

This AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2009 by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, a body corporate and politic, (hereinafter referred to as the "CDC"), and THE STATE OF CALIFORNIA, OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT (hereinafter referred to as the "CONTRACTOR").

**I. RECITALS**

**WHEREAS**, the CDC is the agency responsible for implementing redevelopment activities in the City of Santa Fe Springs (hereinafter referred to as the "City"). Furthermore, the CDC is the owner of real property within the City that is contaminated and in need of remediation; and

**WHEREAS**, the CDC is actively pursuing the redevelopment of various sites within the City including the CENCO Refinery, and other sites subject to oversight by the California Regional Water Quality Control Board (hereinafter referred to as "the Sites"); and

**WHEREAS**, the Sites are contaminated with a variety of constituents primarily related to the exploration, production and refining of petroleum products, which are required to be addressed by the California Regional Water Quality Control Board (hereinafter referred to as "CRWQCB"); and

**WHEREAS**, the CDC and the property owners of the Sites have retained environmental consultants to address contamination at the Sites, and wherein the consultants have prepared environmental documents which are required to be approved by the CRWQCB; and

**WHEREAS**, in order to expedite review of both the environmental documents and to timely redevelop the Sites, the CRWQCB has authorized the CDC to enter into an agreement with the State of California, Office of Environmental Health Hazard Assessment (OEHHA) wherein OEHHA would conduct an analysis of the aforementioned environmental documents, including but not limited to Human Health Risk Assessments prepared for the Sites; and

**WHEREAS**, the CDC and the CRWQCB have entered into a Reimbursement Agreement, so that *the* CDC will reimburse the CRWQCB for all costs incurred by the CRWQCB in its administration of the agreement with OEHHA to conduct the risk assessment analysis;; and

**WHEREAS**, the CDC desires technical assistance in the evaluation of the risk assessment documents for the Sites; and

**WHEREAS**, the CONTRACTOR is prepared to provide such services on the terms and conditions set forth in this Agreement and attachments which are incorporated as part of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises set forth herein, the CDC and the CONTRACTOR agree as follows:

## **II. TERMS AND CONDITIONS**

**A. MISSION.** The CDC hereby retains the CONTRACTOR and the CONTRACTOR hereby accepts such responsibility as described herein.

**B. TERM.** The term of this Agreement shall commence as of the date of this Agreement and shall continue in effect until the services provided for herein have been performed or until a date twenty-four (24) months from such date, whichever occurs sooner, unless this Agreement is sooner terminated as provided for hereinafter. Services shall be undertaken and completed in such a sequence as to assure their effectiveness in implementing this Agreement.

**C. CONTRACTOR RESPONSIBILITIES.** The CONTRACTOR'S services shall include the professional services as detailed in EXHIBIT A.

**D. COMPENSATION.** The compensation for the services as outlined in EXHIBIT A shall not exceed \$50,000. The CONTRACTOR will submit monthly invoices to the CDC for work actually performed, invoiced on an hourly basis at the rates set forth in EXHIBIT B.

All invoices should be accompanied by documentation setting forth in detail a description of the services rendered. The CDC shall make payment within 30 days of receipt of invoice. Invoices shall be sent to:

Paul R. Ashworth  
CDC of the City of Santa Fe Springs  
11710 Telegraph Road  
Santa Fe Springs, CA 90670

**E. REIMBURSABLE EXPENSES.** The CONTRACTOR shall bill the CDC for reimbursable expenses including mass production photocopying, photographs and slides, mileage, messenger service, parking and long-distance phone calls.

**F. OWNERSHIP OF DOCUMENTS.** All studies, papers, files, drawings, contracts, reports and other such documents prepared or developed in accordance with this Agreement by the CONTRACTOR shall remain the property of the CDC or the Responsible Parties.

**G. INDEPENDENT CONTRACTOR.** The CONTRACTOR shall perform the work as provided herein as an independent contractor and shall not be considered an employee of the CDC or under CDC supervision or control. This Agreement is by and between the CONTRACTOR and the CDC, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or associate, between the CDC and the CONTRACTOR.

**H. INDEMNIFICATION.** The CONTRACTOR agrees to indemnify, defend and save harmless the CDC, its agents, officers and employees only from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever including, but not limited to, bodily injury, death, personal injury, or property damage arising from or directly connected with the CONTRACTOR'S review of the assessment of human health and/or environmental risks at the Sites which services are more particularly described in Exhibit A.

**I. SUCCESSOR AND ASSIGNMENT.** The services as contained herein are to be rendered by the CONTRACTOR whose name is as appears first above written and the CONTRACTOR shall not assign nor transfer any interest in this Agreement without the prior written consent of the CDC. Claims for money by the CONTRACTOR from the CDC under this contract may be assigned to a bank, trust company, or financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the CDC.

**J. INSURANCE.** The CDC agrees to accept evidence of self-insurance from CONTRACTOR for all lines of insurance, including General Liability and Workers' Compensation Insurance. The CONTRACTOR shall provide the CDC with satisfactory evidence of self-insurance coverage upon the CDC's request.

**Workers' Compensation.** The CONTRACTOR agrees to maintain at its expense, during the term of this Agreement, all necessary insurance, or self-insurance, for its employees engaged in the performance of this Agreement, including, but not limited to, Workers' Compensation insurance, and to provide the CDC with satisfactory evidence of such insurance, or self-insurance, coverage upon the CDC's request.

Failure on the part of the CONTRACTOR to procure or maintain required insurance, or self-insurance, shall constitute a material breach of this Agreement upon which the CDC will immediately terminate this Agreement.

**K. NON-DISCRIMINATION.** The CONTRACTOR agrees than no person shall be excluded from employment in the performance of this Agreement on grounds of race, creed, color, sex, age, martial status, or place of national origin. In this connection, the CONTRACTOR agrees to comply with all County, State and Federal laws relating to equal employment opportunity rights.

**L. SEVERABILITY.** In the event that any covenant, condition or other provisions herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remained of this Agreement and shall in no way affect, impair or invalidate any other covenant, condition or other provision contained herein. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such covenant, condition or other provision shall be deemed valid to the extent of the scope or breadth permitted by law.

**M. INTERPRETATION.** No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if both parties drafted it hereto.

**N. ENTIRE AGREEMENT.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the retention of the CONTRACTOR by the CDC and contains all the covenants and agreements between the parties with respect to such retention.

**O. WAIVER.** No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

**P. TERMINATION OF AGREEMENT.** This Agreement may be terminated at the sole discretion of either party by giving written notice at least thirty (30) days prior to the effective termination date in the written notice. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the CONTRACTOR under this Agreement shall, at the option of the CDC, becomes its property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the CDC for damages sustained by the CDC by virtue of any breach of this Agreement by the CONTRACTOR, and the CDC may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due the CDC from the CONTRACTOR is determined.

**Q. CHANGES.** The CDC or the CONTRACTOR may request changes in the scope of the services of the CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of the CONTRACTOR'S

compensation, which are mutually agreed upon by and between the CDC and the CONTRACTOR, shall be incorporated in written amendments to this Agreement.

**R. COMPLIANCE WITH LAWS.** The parties agree to be bound by applicable federal, state and local laws, regulations and directives as they pertain to the performance of this Agreement.

**S. PROPOSAL.** EXHIBIT A and EXHIBIT B, as well as any and all addenda or additions mutually agreed upon in writing by both parties herein, are incorporated by reference to this Agreement.

### III. NOTICES

Notices herein shall be presented in person or by certified or registered U.S. Mail, as follows:

To the CONTRACTOR:

Deputy Director,  
Administration and Program Support  
Office of Environmental Health Hazard  
Assessment  
1001 I Street  
P.O. Box 4010  
Sacramento, CA 95812

To the CDC:

Executive Director  
CDC of the City of Santa Fe Springs  
11710 Telegraph Road  
Santa Fe Springs, CA 90670


IN WITNESS HEREOF, the CDC and CONTRACTOR have executed this Agreement as of the date first herein above set forth.

**CDC of the City of Santa Fe Springs**

  
PAUL R. ASHWORTH  
Executive Director

Date: 7-6-07

**STATE OF CALIFORNIA**

  
MARGIE J. LEARY  
Deputy Director,  
Administration and Program Support  
Date: 7/3/07

## EXHIBIT A STATEMENT OF WORK

The Office of Environmental Health Hazard Assessment (hereinafter referred to as "OEHHA") hereby enters into an agreement with the Community Development Commission of the City of Santa Fe Springs (CDC) to review the assessment of human health and/or environmental risks at various sites under the oversight of the California Regional Water Quality Control Board (CRWQCB).

Under a separate annual contractual agreement with the California State Water Resources Control Board (SWRCB), OEHHA provides consultative services to the CRWQCBs on health risks from exposure to hazardous materials at contaminated sites of which the CRWQCBs have regulatory oversight authority for cleanup pursuant to State Water Resources Control Board Resolution No. 92-49 (As amended on April 21, 1994 and October 2, 1996) Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304.

In recent years, the number of contaminated sites requiring a human health and/or environmental risk assessment review far exceeded the CRWQCBs' contractual ability to have the work performed by OEHHA. To fulfill this unmet need, OEHHA assists local governmental entities, upon request, in reviewing human health and/or environmental risks at various sites undergoing cleanup. The CRWQCB has no fiscal or administrative responsibility under this agreement.

The Project Representatives during the term of this agreement will be:

<i>CDC of the City of Santa Fe Springs</i>	Office of Environmental Health Hazard Assessment
<i>Attention: Paul R. Ashworth</i>	Attention: Jim Carlisle
<i>Address: 11710 Telegraph Road Santa Fe Springs, CA 90670</i>	Address: 1001 I Street P.O. Box 4010 Sacramento, CA 95812
<i>Phone: 562-868-0511</i>	Phone: (916) 323-2635
<i>E-Mail: pashworth@santafesprings.org</i>	E-Mail: <a href="mailto:jcarlisle@oehha.ca.gov">jcarlisle@oehha.ca.gov</a>

The parties may change their respective Project Representative upon providing ten (10) days written notice to the other party.

The Project Administrative Contacts during the term of this agreement will be:

<i>CDC of the City of Santa Fe Springs</i>	Office of Environmental Health Hazard Assessment
<i>Attention: Andy Lazzaretto</i>	Attention: Arlene Nishimura
<i>Address: 11710 Telegraph Road Santa Fe Springs, CA 90670</i>	Address: 1001 I Street P.O. Box 4010 Sacramento, CA 95812
<i>Phone: 562-868-0511</i>	Phone: (916) 324-3732
<i>E-Mail: alazzaretto@santafesprings.org</i>	E-Mail: <a href="mailto:anishimu@oehha.ca.gov">anishimu@oehha.ca.gov</a>

The Project Administrative Contacts are responsible for executing tasks as outlined in the "Work to be Performed". All inquiries regarding work to be performed should be directed to the Project Administrative Contacts.

The Contract Representatives during the term of this agreement will be:

<i>CDC of the City of Santa Fe Springs</i>	Office of Environmental Health Hazard Assessment
<i>Attention: Paul R. Ashworth</i>	Attention: Patty Foey
<i>Address: 11710 Telegraph Road Santa Fe Springs, CA 90670</i>	Address: 1001 I Street P.O. Box 4010 Sacramento, CA 95812
<i>Phone: 562-868-0511</i>	Phone: (916) 324-6440
<i>E-Mail: pashworth@santafesprings.org</i>	E-Mail: <a href="mailto:pfoey@oehha.ca.gov">pfoey@oehha.ca.gov</a>

## A. WORK REQUEST PROCESS

It is the responsibility of the CDC to:

- a. Provide a written work request to OEHHA containing:
  - 1) Description of the site, name/title, location/street address.
  - 2) Site project number, if applicable.
  - 3) Description of the type of review services requested including travel, conference calls, and meeting attendance, as needed.
  - 4) Work timetable and/or requested completion date.
  - 5) The name, title, telephone number, e-mail address and mailing address of the CDC Project Manager.
  - 6) The name, title, telephone number, e-mail address and mailing address of the CRWQCB Project Manager.

- 7) A listing of documents to be reviewed together with the documents themselves. All documents submitted to OEHHA will be accompanied by a work request.
- b. The CDC will submit a work request to the OEHHA Project Administrative Contact for each site and/or document for program assignment and cost estimation when requested.
- c. Serve as liaison between OEHHA and the CRWQCB and will oversee and coordinate all work activities.
- d. Compensate OEHHA in accordance with OEHHA's Integrated Risk Assessment Section Schedule of Hourly Rates (EXHIBIT B) plus necessary travel expenses and per diem.

## **B. WORK TO BE PERFORMED**

As specified in the work request submitted by the CDC Project Representative, it is the responsibility of OEHHA to perform the following services when requested:

- 1) Assist the CDC staff in planning and coordinating meetings with responsible parties (RPs) and/or their consultants. Provide necessary information to the CDC and the RPs, unless directed otherwise via the work request, to develop risk assessments for specific cleanup sites.
- 2) When requested by the CDC Project Representative, inspect contaminated sites in order to evaluate the appropriateness of the proposed conceptual site model and/or other aspects of the risk assessment.
- 3) Review risk assessments submitted, under cover of a work request, to OEHHA by the CDC Project Representative. OEHHA shall review, evaluate and make written recommendations for revisions, or approve the assessment as submitted to the CDC and CRWQCB Project Managers. In the event of subsequent revisions by the CDC or the RPs, OEHHA shall review and evaluate any such revisions to provide approval of the overall assessment documents by the mutually agreed upon completion date stated on the work request.
- 4) Provide consultation services to CDC staff, CRWQCB and RPs and/or consultants on issues concerning human health and/or environmental risks as specified in the work request.
- 5) When requested, provide expert testimony concerning OEHHA's review and consultation on behalf of the CDC and CRWQCB at council or board hearings and courtroom proceedings. Such expert testimony shall be available during the executed term of this agreement.
- 6) Provide general human health and/or environmental risk assistance and training when specified on a work request.



- 7) OEHHA shall send a memorandum providing comment and recommendations to the CDC and CRWQCB upon completion of the work and within the timeframe as specified in the work request.
- 8) Record all time and activities spent on the project and provide these records to the CDC upon their request.
- 9) Prepare invoices to include the contract number, work request and/or site reference number, a brief description of work performed, number of hours and costs by position and travel and per diem if applicable. Invoices shall be submitted in duplicate not more frequently than monthly in arrears to:

CDC of the City of Santa Fe Springs  
11710 Telegraph Road  
Santa Fe Springs, CA 90670  
ATTN: Andy Lazzaretto

**EXHIBIT B**  
**OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT**  
**INTEGRATED RISK ASSESSMENT SECTION (IRAS)**  
**SCHEDULE OF HOURLY RATES**

For the period covering July 1, 2008 – June 30, 2009:

Position	Hourly Rate
Supervising Toxicologist	\$180
Senior Toxicologist	172
Staff Toxicologist (Specialist)	164
Associate Toxicologist	135
Research Scientist Supervisor I	164
Research Scientist I	123
Research Scientist II	135
Associate Governmental Program Analyst	113
Office Technician (Typing)	68

For the period covering July 1, 2009 – June 30, 2010:

Position	Hourly Rate
Supervising Toxicologist	\$180
Senior Toxicologist	172
Staff Toxicologist (Specialist)	164
Associate Toxicologist	135
Research Scientist Supervisor I	164
Research Scientist I	123
Research Scientist II	135
Associate Governmental Program Analyst	113
Office Technician (Typing)	68

The above hourly rates include costs for personnel services, benefits, and indirect/overhead costs. Hourly rates exclude travel and per diem costs.

Payment for services performed under this agreement shall be based upon: 1) number of hours of consultation; 2) necessary travel time; and 3) associated travel and per diem costs incurred.

Any reimbursement of costs for associated travel and per diem shall be at the rates not to exceed those amounts paid to the State's represented employees under collective bargaining agreements currently in effect.

At yearly intervals beginning July 1, 2009, OEHHA shall compare the Flat Hourly Rate aggregate with actual expenditures as reported by the California State Accounting and Reporting System (CalStars) for the preceding 12 month period to determine if any decrease and/or increase by classification should be made. If it is determine that revisions to the Flat Hourly Rate are warranted, OEHHA shall prepare a revised rate schedule and through an amendment of the Agreement, the revised rate schedule shall be attached to and made a part of this Agreement.

# Office of Environmental Health Hazard Assessment



Linda S. Adams  
Acting Secretary for  
Environmental Protection

George V. Alexeeff, Ph.D., D.A.B.T., Acting Director  
Headquarters • 1001 I Street • Sacramento, California 95814  
Mailing Address: P.O. Box 4010 • Sacramento, California 95812-4010  
Oakland Office • Mailing Address: 1515 Clay Street, 16<sup>th</sup> Floor • Oakland, California 94612



Edmund G. Brown Jr.  
Governor

June 6, 2011

Mr. Andrew C. Lazzaretto  
City of Santa Fe Springs  
Community Development Commission  
Department of Planning & Development  
11710 Telegraph Road  
Santa Fe Springs, CA 90670

**Subject: Contract 09-E0014 - Amendment 1 (On-Call Risk Assessment)**

Dear Andrew:

Enclosed for your records is a fully executed Agreement for the above referenced contract.

Should you have any questions regarding this Agreement, please contact me at  
[pfoey@oehha.ca.gov](mailto:pfoey@oehha.ca.gov) or (916) 324-6440. Thank you.

Patty Foey  
Contracts and Business Services Branch  
1001 I Street, MS 19B  
Sacramento, CA 95812-4010

Enclosure

---

California Environmental Protection Agency

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption.*

**AMENDMENT #1 TO THE COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF SANTA FE SPRINGS**

**CONTRACT #09-E0014 To**

**Provide (On-Call) Risk Assessment Services**

The City of Santa Fe Springs (City) and CAL/EPA-Office of Environmental Health Hazard Assessment (OEHHA) hereby agree that the agreement identified as City of Santa Fe Springs Agreement No. 09-E0014 previously entered into by the parties is amended as follows:

1. OEHHA-City Agreement No. 09-E0014 is amended to extend term only. Amendment Number 1 adds one (year) of time to the original contract. The contract term shall now read July 6, 2009 through July 6, 2012.

All other terms and conditions remain the same.

**Community Development Commission  
of the City of Santa Fe Springs**



Authorized Signature

Paul Ashworth

Printed Name

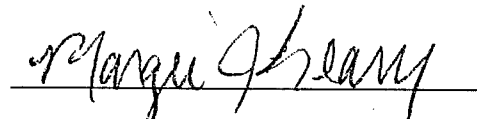
Executive Director, CDC

Title

May 4, 2011

Date

**CAL/EPA-Office of Environmental  
the Health Hazard Assessment**



Authorized Signature

Margie J. Leary

Printed Name

Deputy Director,  
Administrative & Support Division

Title

5/31/11

Date



# City of Santa Fe Springs

City Council Meeting

May 24, 2012

## NEW BUSINESS

### Valley View Avenue Grade Separation Project – Award of Contract

#### RECOMMENDATION

That the City Council take the following actions:

1. Ratify the three Addendums issued during the bidding process; and
2. Accept all bids received on May 10, 2012; and
3. Award a Contract to Griffith Company of Santa Fe Springs, CA in the amount of \$23,874,852.30.

#### BACKGROUND

The Valley View Avenue Grade Separation Project involves the elimination of the existing at-grade crossing of the BNSF Railroad on Valley View Avenue south of Stage Road. The intersection of those streets will be lowered and a new bridge will be constructed to accommodate up to four railroad tracks. Once the project has been completed, traffic on Valley View Avenue will be able to flow under the railroad tracks, thereby improving the flow of traffic and enhancing the safety for motorists, pedestrians, freight trains and railroad commuters.


On February 16, 2012 the City Council authorized staff to advertise for construction bids as soon as the City received approval from Caltrans to proceed with construction. Caltrans approval was granted on March 22, 2012 and the project was advertised on March 27, 2012.

#### Approval of the Addendums to the Plans and Specifications

During the bid period the Department issued three addendums to clarify certain technical issues and in response to the questions submitted by prospective bidders. The Addendums are attached to this report. Neither the project scope nor the design was altered as a result of the addendums issued by the City. At this time staff is recommending that the City Council ratify the Addendums so that all changes can be officially incorporated into the approved plans and specifications.

#### Acceptance of Bids

On February 16, 2012 the City Council recertified the Pre-Qualified Bidder list (Attachment 2). Notices were sent to all thirteen pre-qualified contractors requesting that they submit a bid on the Project. A mandatory Pre-Bid meeting was held on April 5, 2012 and eleven of the thirteen contractors were in attendance. On May 10, 2012 the City received bids from seven (7) pre-qualified contractors. The companies that submitted bids and the amount of each bid are as follows:

Report Submitted By: Don Jensen, Director   
Department of Public Works

Date of Report: May 16, 2012

<u>Company Name</u>	<u>Total Bid Amount</u>
1. Griffith Company	\$23,874,852.30
2. C. A. Rasmussen	\$24,075,931.70
3. Flatiron West, Inc.	\$24,752,547.00
4. Ortiz Enterprises, Inc.	\$27,642,077.72
5. Sully-Miller Contracting Co.	\$28,658,689.42
6. SEMA Construction, Inc.	\$29,625,490.25 **
7. CC Meyers, Inc.	\$32,777,777.00

\*\* The bid initially submitted by SEMA Construction was \$29,817,170.25 but as a result of a mathematical error the bid has been adjusted to \$29,625,490.25.

The bid submitted by the Griffith Company is \$13,745,268.70 (36%) below the Engineer's Estimate of \$37,620,121. The primary differences between the low bid and the Engineer's Estimate are in the following items of work:

- |                          |                             |
|--------------------------|-----------------------------|
| 1. Bridge Construction:  | Bid is \$9,111,208.80 lower |
| 2. Roadway Construction: | Bid is \$1,579,725.40 lower |
| 3. Retaining Walls:      | Bid is \$1,424,681.00 lower |
| 4. Mobilization:         | Bid is \$788,566.00 lower   |
| 5. Traffic Control:      | Bid is \$400,000.00 lower   |
| 6. Landscaping:          | Bid is \$310,020.00 lower   |

The most significant difference between the low bid and the Engineer's Estimate was in the price to fabricate and erect structural steel. The City's estimate was based on a very conservative unit price of \$5.00 per pound and the low bid reflects a unit price of \$1.30 per pound. This accounts for \$6,802,743 of the difference in the cost of Bridge Construction.

With respect to the other differences, staff has reviewed all bid prices and found them to be in line with bid prices obtained by other agencies on similar projects.

All seven bids have been reviewed by staff and the City's construction manager and all seven bids have been determined to be in compliance with the Plans and Specifications, including the three addendums that were issued. Bids are on file with the City Engineer and will be retained until a contract has been executed. At this time staff is recommending that the City Council accept all bids.

#### Award of Contract


Staff has determined that the lowest responsive and responsible bidder for the project is Griffith Company, located in Santa Fe Springs, CA. The bid submitted by this company complied with all requirements of the specifications and the contractor has previously satisfied all pre-qualification requirements. At this time staff is recommending that the construction contract be awarded to Griffith Company in the amount of \$23,874,852.30.

FISCAL IMPACT

The project is funded through a combination of Federal, State and Railroad funds. Agreements are in place for all funding sources. Funding is available on a reimbursement basis and City funds are only needed to cover the initial payments.

INFRASTRUCTURE IMPACT

The project will result in the elimination of an at-grade railroad crossing. Benefits to be gained from the project include improved safety for motorists, better traffic circulation and enhanced rail operations.



Thaddeus McCormack  
City Manager

Attachment(s)

1. Addendums 1, 2 and 3
2. Pre-Qualified Bidder List



**ATTACHMENT 1**

Addendum 1: Issued on April 12

Addendum 2: Issued on April 26

Addendum 3: Issued on May 2



11710 Telegraph Road · CA 90670-3679 · (562) 868-0511 · Fax (562) 868-7112 www.santafesprings.org

*"A great place to live, work, and play"*

April 12, 2012

## ADDENDUM NO. 1

### VALLEY VIEW AVENUE GRADE SEPARATION

State of California Contract No. 75A0029

Federal Contract No. DEML 02-5340(011)

### NOTICE TO BIDDERS

The following is a change that becomes a part of the contract documents for the above identified project. Contract document not specifically mentioned in this Addendum remain in force:

### CHANGES TO SPECIFICATIONS:

1. Notice Inviting Bids: Page A-1, A. Submission and Acceptance of Bids:

1.: Bids must be submitted to the City Engineer's Office, City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, California 90670, by 11:00 a.m. on Thursday, April 26, 2012 May 10, 2012.

2. Notice Inviting Bids: Page A-1, A. Submission and Acceptance of Bids:

6.: Bids will be publicly opened and read at 11:30 a.m. in the City Council Chambers, located 11710 Telegraph Road, Santa Fe Springs, California 90670, on Thursday, April 26, 2012 May 10, 2012. Bidders or their authorized agents are invited to be present for the opening of for the opening of bids. Bid protests are to be delivered to the above address. Bid results will also be posted to the City's website.

3. Instructions to Bidders: Page B-3, Questions Prior to Opening Bids:

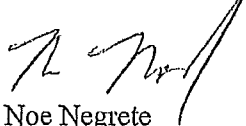
Questions regarding documents, discrepancies or omissions in the Plans or Specifications shall be communicated to the Engineer, in writing, by letter, fax or e-mail.

Questions must be submitted to the AGENCY by 4:00 p.m. on Thursday, April 12 19, 2012 to allow the AGENCY proper time for issuing and forwarding an addendum, should the City consider an addendum necessary. The City will not be responsible for over interpretation of the Plans and Specifications. Any communication with the AGENCY after April 12 18, 2012 at 4:00 p.m., will not be responded to.

William K. Rounds, Mayor • Richard J. Moore, Mayor Pro Tem  
City Council  
Louie González • Joseph D. Serrano, Sr. • Juanita Trujillo  
City Manager  
Thaddeus McCormack

Valley View Avenue Grade Separation  
Addendum No. 1  
April 12, 2012  
Page 2 of 2

Please acknowledge receipt of Addendum No. 1 by attaching the enclosed copy with your signature to the Proposal package containing your sealed bid.



Noe Negrete  
Assistant Director of Public Works

NN/mc

ACKNOWLEDGEMENT

\_\_\_\_\_  
Company Name

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**NOTE: This Addendum sheet must be  
Attached to Sealed Bid.**



11710 Telegraph Road CA 90670-3679 (562) 868-0511 Fax (562) 868-7112 www.santafesprings.org

*"A great place to live, work, and play"*

April 26, 2012

## ADDENDUM NO. 2

### **VALLEY VIEW AVENUE GRADE SEPARATION**

**State of California Contract No. 75A0029**

**Federal Contract No. DEML 02-5340(011)**

### NOTICE TO BIDDERS

The following is a change that becomes a part of the contract documents for the above – identified project. Contract documents not specifically mentioned in this Addendum remain in force:

### CHANGES TO SPECIFICATIONS:

1. Specifications, Volume I, Proposal, Bid Schedule, Bid Item No. 1.2 changed to reflect an allowance of \$20,000 for all bidders.
2. Specifications, Volume I, Part I, Page P1-17, Section 3-4 last sentence: Existing **known** underground utilities are not considered a changed condition. **Unknown underground utilities may be considered as a changed condition.**

### CHANGES TO PLANS:

1. Plan Sheets 4-02 and 4-03: Shifted horizontal alignment of proposed 48-inch storm drain 18-inches east.
2. Plan Sheet 5-05: Added face of the wall callout in plan view.
3. Plan Sheet 1-06: Added note no. 42 Storm Drain and provided callout for removal.
4. Plan Sheet 1-07: Added notes no. 46, Storm Drain and 47, Sewer Line and provided callouts for removal.
5. Plan Sheet 4-09: Update callouts on plan view and profile to reflect proposed storm drain pipe size of 36-inches.

### QUESTIONS AND ANSWERS:

#### **SFS RFI 1.0**

*"On the bid form or in the specifications, none of the items are shown as final quantities or specialty items. Are any of the items final pay or specialty items?"*

**City's Response:**

See Specifications, Volume I, Page C-1, Proposal, Final Pay Items. Final Pay items are identified with "F" in the second column in the Bid Schedule. Specialty items are not used.

**SFS RFI 2.0**

*"On the detour plan at station 37+30, it shows to remove the median but nothing on a structural section to pave back. Are we to assume the final structural section or a temporary section as this will eventually be an island?"*

**City's Response:**

See Plan Sheet 2B-07, this is a grind and overlay area that will have a new raised median.

**SFS RFI 3.0**

*"Is the shoofly outside of the grading area for the roadway to be removed and what bid item is it covered under?"*

**City's Response:**

BNSF will remove the shoofly track (rails and ties). Contractor shall remove shoofly including ballast. Cost for removal of the shoofly shall be included in Bid Items 3.1 through 3.4

**SFS RFI 4.0**

*"For Bid Item No. 1.2, Permit Allowance, what amount are we to assume?"*

**City's Response:**

All bidders shall use \$20,000.00 as an allowance for Bid Item 1.2. The unit of measurement for Bid Item 1.2 shall be changed from "Lump Sum" (LS) to "Allowance" (Allow). Unused or overage of this Allowance item will be adjusted through a Contract Change Order.

**SFS RFI 5.0**

*"Note 7 on sheet 8-01 states "Contractor shall replace all existing property walls/fences in kind." Are we to only replace fences or wall that are damaged during construction of all of the fences/walls whether they are damaged or not?"*

**City's Response:**

Existing fences that are damaged or removed during construction need to be replaced in kind.

**SFS RFI 6.0**

*"The typical sections for the concrete paving show A.C. under the curbs. Is that the intent?"*

**City's Response:**

Curb and gutter should be constructed per City Standard Drawing R-7. Aggregate base shall be installed per the standard drawing and not the typical sections.

**SFS RFI 7.0**

*"Note 2 on sheet 10-01 of the plans states 'Install shoring in NW Quadrant.' From the dashed line, it appears that the shoring is on both sides of the footing. Is this the intent?"*

**City's Response:**

It is the contractor's determination as to whether shoring will be necessary due to contractor's means and method, site conditions and TCE constraints. All locations as shown on plans are suggested locations. The contractor shall determine all shoring requirements.

**SFS RFI 8.0**

*"Retaining Wall 6 will have to be built before line 'B' can be built. Is it the intent that we shore both sides due to the shoofly construction?"*

**City's Response:**

It is the contractor's determination as to whether shoring will be necessary due to contractor's means and method, site conditions and TCE constraints. All locations as shown on plans are suggested locations. The contractor shall determine all shoring requirements.

**SFS RFI 9.0**

*"Section E-E on sheet 4-09 shows the center line of the 48" RCP, which is 54" o.d., being 4.5 feet from the R/E line, and the retaining wall being 6 feet from the R/W line. That isn't possible." "The plan view show manhole #13 being constructed in the same restricted area. Is this what is intended?" "Could the manhole be moved?" "Also the curved section of the 36" RCP will go through the wall at such a skew angle that the hole through the wall might affect the integrity of the retaining wall. Is this the intent?"*

**City's Response:**

See Changes to the Plans, item no. 1 above regarding the horizontal alignment of the 48-inch storm drain. For bidding purposes, construct manhole no. 13 per plan. The skew angle shown is accurate and the retaining wall was designed to incorporate the skew of the pipe opening.

**SFS RFI 10.0**

*"Also on the plan view, there is a fiber optic line on the same alignment as the 48" storm drain from manhole #15 to manhole #13. The fiber optic line is not shown on the profile. What is its location and elevation? If the line exists it appears to be impossible to protect."*

**City's Response:**

Contractor will need to pothole and locate fiber optic line before construction of storm drain. If any conflict exists, the issue will be handled at that time.

**SFS RFI 11.0**

*"On sheet 5-05, section A-A shows an existing wall. On the profile the wall is not shown. How can we tell if the alignment of the 30" sewer is close to the wall at any other location on the line? Also, how long is the wall? On sheet 5-01 there is a fence symbol shown, but not in the area of section A-A on sheet 5-05. We need to know the location."*

**City's Response:**

See Changes to Plans, Item No. 2 above. The proposed retaining wall will be located in the same horizontal location as the existing wall.

**SFS RFI 12.0**

*"On sheet 5-05, section A-A, the by-pass line is shown at a different location than on the plan view. This makes a difference as to the location of the sheet pile wall shown. Could the location and exact length of the sheet pile wall be shown?"*

**City's Response:**

The location of where the by-pass line is installed is up to the Contractor. The scope of work includes installing a by-pass line from Existing MH No. 569 to 571 that meets the County Sanitation District requirements as presented in the Plans and Specifications.

**SFS RFI 13.0**

*"The quantities for the Bridge Structure Excavation and Backfill shown on the plans are less than the bid quantities. Is there some other items that have been included in that pay item?"*

**City's Response:**

The quantities shown in the bid schedule are correct. Disregard the quantities shown on Plan Sheet 12-1.

**SFS RFI 14.0**

*"Note 2 on sheet 10-00 states "Relocate 16" Gas Line by Utility Company". Who removes the old line?"*

**City's Response:**

Per Plan Sheets 1-06 through 1-08, the existing 16" Gas Line is shown to be removed. The 16" Gas Line shall be demolished and removed by Others.

**SFS RFI 15.0**

*"Under what item is the 18" and 24" VCP sewer shown to be removed that are in the street excavation area paid? There are removal items for the 15" and 18" lines that are not in the street excavation area."*

**City's Response:**

The removal of the 18" and 24" VCP sewer are included as part of the lump sum of Bid Item 1.3.

**SFS RFI 16.0**

*"Under what item is the 36" and 48" RCP storm drain shown to be removed paid?"*

**City's Response:**

The removal of the 36" and 48" RCP storm drain are included as part of the lump sum Bid Item 1.3.

**SFS RFI 17.0**

*"What is the specification for the subballast material? It is not covered in the "Green Book".*

**City's Response:**

See Specifications, Volume I, Page P2-1, Part 2 "Construction Materials", Section 200-3 "Rock Materials" for Subballast specifications.

**SFS RFI 18.0**

*"Section A-A on 2B-13 note 4 that "concrete footing build as needed". Please provide dimensions for the footing since "build as needed" is not a dimension."*

**City's Response:**

See Plan Sheet 2B-13, Section A-A where it calls out "See General Notes 4" it shows dimensions of 24" x 8" for the footing.

**SFS RFI 19.0**

*"Provide a detail of the driveway @ Sta 30+54.48 on Valley View with construction note similar to driveway details on 2B-11 & 12."*

**City's Response:**

The driveway at STA 30+54.48 will not be re-graded as a part of construction and the impact is minimal, therefore no detail will be provided.



**SFS RFI 20.0**

*"Construction note 16 on 2B-09 and Green Book 303-6&7 do not indicate the color of the stamped sidewalk paving. What is the specific color required and what method is preferred, method A or B?"*

**City's Response:**

The Color and Method are outlined in the Section 9 Landscaping Plans. See Sheet 9-11, Planting Keyed Notes 9.

**SFS RFI 21.0**

*Please provide a schedule of utility relocations – start and completion.*

**City's Response:**

All utilities specified in Phase 0 to be relocated or abandoned by utility companies will be completed before issuance of Construction Notice to Proceed (CNTP) except for the Gas Company. Due to some issues with the TCE, the Gas Company relocation work will go pass the anticipated CNTP date of mid July 2012. However, the portion of the relocation work at the North West quadrant (Valley View Commerce Center) will be available by CNTP to enable the contractor to start Phase 1A work. For scheduling purposes, the contractor will use end of August 2012 for the completion of the entire 16" Gas line relocation work. In the event that the relocation work is not complete by the time the contractor is to start Phase 1A work at the South West quadrant (PPF Property), time extension will be granted under Section 5-5 of the General Provisions of the Green Book and these Specifications.

**SFS RFI 22.0**

*"Reference Plan Sheet 1-03, General Note 3, and Utility Note 8. In addition, reference Plan Sheet 5-06, Construction Notes – Sewer 20 and 21. It appears the City is placing the responsibility for unknown utilities including relocation if required on the Contractor. Since this condition is unknown, the Contractor may be forced to add contingency to its bid which may be unnecessary. Please confirm the intent of these Notes."*

**City's Response:**

The design was based on as-built information received utilities. The City does not guarantee its accuracy both horizontally and vertically. The contractor's attention is directed to the Specifications, Volume I, page P1-31, second paragraph from the top addressing unknown utilities.

**SFS RFI 23.0**

*"Where will the alternate parking lot, as shown on the Valley View Commerce Center Parking and Access plan, be paid for?"*

**City's Response:**

There is no alternative parking lot on this project. The Exhibit in Volume II, Appendix D was for reference only.

**SFS RFI 24.0**

*"Are the Palm trees to be salvaged for the City of La Mirada to be replanted or just boxed and delivered to the city?"*

**City's Response:**

The palm trees to be salvaged shall be boxed and delivered to the City of La Mirada.

**SFS RFI 25.0**

*"Will the Owner issue Special Provisions and/or Technical Spec's to supplement the Green Book Standard Specifications? Without these, it is difficult to establish the extent of work and method of pay for the bid items."*

**City's Response:**

All Special Provisions and Green Book alterations to be used for the Project have been provided within the Specs.

**SFS RFI 26.0**

*"Part 1, Section 5-6.2, Page P1-32. Please provide durations for the Gas Line Removals / Relocations (2", 4" and 16"). In addition, are there any restrictions as to when this work can occur?"*

**City's Response:**

See City response to SFS RFI 25.0 above.

**SFS RFI 27.0**

*"Part 1, Section 5-6.2, Page P1-32. Please provide durations for the Petroleum (Chevron and Paramount) clean, cap, and abandon activities. In addition, are there any restrictions as to when this work can occur?"*

**City's Response:**

Clean, abandoned and cap will be performed by Chevron and Paramount prior to Construction Notice to Proceed. Timeline for removal and disposal will be based on contractor's schedule and shall be coordinated with the oil companies.

**SFS RFI 28.0**

*"Part 1, Section 3-4, Page P1-17. The referenced section indicates that existing underground utilities are not considered a changed condition. Does this extend to unknown utilities. If so, this appears to conflict with Section 5-4 referenced below."*

**City's Response:**

See Changes to Specifications, Item No. 2 above.

**SFS RFI 29.0**

*"Part 1, Section 5-4, Page P1-30. The first paragraph indicates that if the utility companies do not complete their relocation work in the time frames indicated, the Agency may extend the working days to the contract. "However, no additional monetary compensation will be granted due to such directive." Many of the utility relocations by others are on the critical path for this project. If such delays occur and the project duration is extended, the contractor will incur additional overhead expenses due to the delay. How is the contractor supposed to provide a competitive bid to the Agency with this unknown condition? The contractor requests the Agency to allow extended overhead cost compensation in the event that any work by others is not completed in the durations called for in the Contract Documents."*

**City's Response:**

Delays if occurred will be evaluated on a case by case basis. Compensation will be determined by the City if merited.

**SFS RFI 30.0**

*"Part 1, Section 5-4, Page P1-32. The last paragraph of this section indicates that if unknown utilities are discovered, the Agency can elect to either have the utility company relocate or the contractor relocate. If the contractor relocates, the specification indicates he shall be compensated for this relocation. This specification appears to conflict with notes on the Plans Sheets as indicated in question 1 above."*

**City's Response:**

See Changes to Specifications item no. 2 and City Response to SFS RFI 26.0 above.

**SFS RFI 31.0**

*"The Special provisions for the BNSF coordination and work states that any temporary track crossing would have to be negotiated with BNSF. Is there any reason why BNSF would prohibit a temporary crossing for this project?"*

**City's Response:**

Locations for Temporary at Grade Crossings are reviewed by BNSF mainly for sight distances from existing crossings, blind spots on curves, and distances from main track control points. Locations are reviewed on a case by case basis and reviewed for safety and specific use.

**SFS RFI 32.0**

*"Per General Provisions Section 9-3 "Payment"; On Page P1-94, it is stated that partial payment will be made for Bridge Structural Steel delivered to the jobsite of stored within the State. As the structural steel will not be fabricated within the State, will partial payment be granted for material suitably stored outside the State?"*

**City's Response:**

The Contractor may request partial payment for ONLY Bridge Structural Steel item procured for this project. Contractor shall provide City with proper documentation to review request. Proper documentation includes but is not limited to: invoice, bill of lading, photos, address of storage site, etc. The contractor shall allocate in the bid to reimburse the City (a total of 4 trips) for out of State inspection of Bridge Structural Steel storage and fabrication. Cost for City's representative shall include round trip air fare from Southern California to the storage and fabrication site, lodging and subsistence.

**SFS RFI 33.0**

*"Will the Agency coordinate with the BNSF and the private utility owners for any necessary revisions / approvals to utility owners existing license agreements with BNSF?"*

**City's Response:**

The City will coordinate with BNSF and private utility owners to procure the necessary permits and license agreements.

**SFS RFI 34.0**

*"Will the Agency agree to delete the guarantee regarding design defects in equipment, or limit the guarantee period for equipment design defects to one year?"*

**City's Response:**

The guarantee period for equipment design defects is one year and starts from the date of final project acceptance.

**SFS RFI 35.0**

*"In Section 314-3.1.3 (page 3-42, 2nd paragraph), a layer of 4" thick ballast cushion is to be placed on the deck to protect the bridge deck waterproofing against damage. How is it being paid? There is no pay item for this work in Section 12 of the Bid Schedule."*

**City's Response:**

The 4" thick ballast layer shall be replaced by a layer of pea gravel of similar thickness. Payment for this protective layer shall be incidental to Bid Item 12.14, Bridge Deck Waterproofing designated as a Final Pay item.

**SFS RFI 36.0**

*"Can crushed miscellaneous base be used instead of CAB as specified in Section 200-2.2 on P2-1? This will save the City money and is a recycled product and more environmentally friendly.*

**City's Response:**

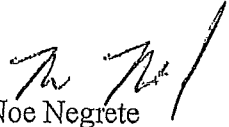
Crushed miscellaneous base will not be accepted as a substitute for Crushed Aggregate Base (CAB).

**SFS RFI 37.0**

*"Will RAP be allowed in the ARHM mix?"*

**City's Response:**

No.

  
Noe Negrete  
Assistant Director of Public Works

NN/mc

ACKNOWLEDGEMENT

\_\_\_\_\_  
Company Name

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**NOTE: This Addendum sheet must be Attached to Sealed Bid.**

**BID SCHEDULE**  
**VALLEY VIEW AVENUE GRADE SEPARATION**  
**STATE OF CALIFORNIA CONTRACT NO. 75A0229**  
**Federal Contract No. DEML 02-5340(011)**  
**CITY OF SANTA FE SPRINGS**

ITEM	F	DESCRIPTION	UNIT	QTY	UNIT PRICE	EXTENDED AMOUNT
SECTION 1 (GENERAL)						
1.1		Mobilization/demobilization (Excludes LACSD)	LS	1	N/A	
1.2		Permit allowance	ALLOW	1	N/A	\$20,000.00
1.3		Demolition and Removal (per Shts 1-06 to 1-10 inc relocations)	LS	1	N/A	
1.4		Temporary 6' Fence	LF	3,000		
1.5		Temporary Fence Gate - 20'	EA	2		
1.6		Construction Surveying/Staking	LS	1	N/A	
1.7		Relocate Fence	LF	779		
1.8		Relocate Fence Gate	EA	1		
SUBTOTAL		SECTION 1 (GENERAL)	BID ITEMS 1.1 THRU 1.8			
SECTION 2 (ROADWAY)						
		2A Detour				
2.1		Unclassified excavation	CY	7,754		
2.2		Embankment	CY	5,581		
2.3		Subgrade Preparation	SY	8,592		
2.4		16" Crushed Aggregate Base	CY	4,075		
2.5		8" Asphalt Concrete Pavement	TON	3,704		
2.6		Temporary AC Curb	LF	2,483		
2.7		Traffic Delineators - centerline	EA	126		
2.8		Striping and Markings	LS	1	N/A	
2.9		K-Rail	LF	2,511		
2.10		Triton Barrier	LF	398		
2.11		Concrete Block Wall Sta 41 +42 to Sta 41 +82 LT	LS	1	N/A	
2.12		Detour Temporary Drainage Swale per Sht 4-10	LS	1	N/A	



11710 Telegraph Road CA · 90670-3679 · (562) 868-0511 · Fax (562) 868-7112 · www.santafesprings.org

*"A great place to live, work, and play"*

May 2, 2012

### ADDENDUM NO. 3

#### VALLEY VIEW AVENUE GRADE SEPARATION

State of California Contract No. 75A0029

Federal Contract No. DEML 02-5340(011)

#### NOTICE TO BIDDERS

The following is a change that becomes a part of the contract documents for the above – identified project. Contract documents not specifically mentioned in this Addendum remain in force:

#### CHANGES TO SPECIFICATIONS:

1. Specifications, Volume I, Proposal, Bid Schedule, Bid Item No. 2.22 shall be deleted.
2. Specifications, Volume I, Proposal, Bid Schedule, Bid Item No. 2.28. Quantity has been changed from 1,604 CY to 820 CY.
3. Specifications, Volume I, Proposal, Bid Schedule, Bid Item No. 4.4. Quantity has been changed from 135 L.F. to 724 L.F.
4. Specifications, Volume I, Proposal, Bid Schedule, Bid Item No. 4.6. Quantity has been changed from 3,001 L.F. to 2,412 L.F.
5. Specifications, Volume I, Federal Forms and Requirements, Federal Wage Rates: Updated federal wage rates are attached.
6. Specifications, Volume I, Part 3 Construction Methods, Page P3-28: Water main laterals are included in the water main compensation in section 306-1.6. Measurement and Payment. In the 5th paragraph add service connections as incidental to the water main bid item. Delete the 6th paragraph as shown below.

Water mains will be measured for payment along the longitudinal axis between the ends of water main as laid. The Contract unit price per lineal foot of WATER MAIN in place, at the listed size and type, shall be considered full compensation for all wyes, tees, bends, service connections and incidental work; removal of interfering portions of existing sewers, storm drains, and improvements; closing or removing of abandoned conduit and structures; excavation and shoring (if required) of the trench; control of ground and

surface waters; preparation of subgrade and bedding; placing and joining pipe; backfilling the trench; flushing and testing; temporary or permanent resurfacing as may be required; and all other work necessary for a complete installation. The water meter will be installed by others.

~~Water service connections will be measured and paid per the Contract unit price per each for WATER SERVICE CONNECTION of the listed size and type. Such payment shall be considered full compensation for all work necessary for a complete installation as shown, including connection to the main, furnishing and installing service line and meter box, excavation and backfill, testing, and temporary or permanent resurfacing as may be required. The water meter will be installed by others.~~

7. Specifications, Volume I, Part 1 General Provisions, Page P1-61: Add the attached sub-sections A, B, C, and D to the end of section 7-7 Cooperation and Collateral Work.
8. Replace the second paragraph of Subsection 5-4 with the following:

The Contractor shall pothole and verify the location and elevation of all existing utilities shown at the locations of the proposed structures including all jacking, tunneling and receiving pits to verify the locations of the existing utilities shown and explore and identify if any additional utilities are located within the area. The Contractor shall incorporate the actual locations of the existing utilities in the design of the shoring system and submit to the Engineer for review. All costs for such pothole investigation shall be included in the various bid items requiring potholing and no additional compensation will be provided.

#### QUESTIONS AND ANSWERS:

##### SFS RFI 1.0

*"Who pays for the Railroad flagging?"*

##### City's Response:

The City will pay for a total of 540 flagging days. See Changes to Specifications, Item No. 7 above. The maximum shift duration for one flagman is ten (10) hours. The Contractor will pay for flagging costs in excess of the 540 flagging days to the City at a cost of \$1,200 per flagging day.

##### SFS RFI 2.0

*"Page P2-1, section 201-1.1.2.1 specifies Class 40 concrete (660lbs concrete, 4000 psi) and on page P3-9, section 302-6.8 refers to payment of PCC Pavement. Is Class 40 4000 psi concrete required for curbs, sidewalks, driveways, and pcc paving? Or are the concrete requirements for*



*the curbs, sidewalks, driveways, and pcc paving listed on Table 201-1.1.2(A) Street Surface Improvements of the Green Book acceptable for this project?"*

**City's Response:**

Class 40 concrete should be used in all structural elements such as bridge, CIDH piles, retaining walls and PCC pavement and driveways. For all other applications such as curbs, sidewalk and drainage structures, use Table 201-1.1.2(A) of Greenbook.

**SFS RFI 3.0**

*"Regarding the joint details on A,B/2B-10, does the transverse joint B require any dowel or tie bar? (Size/spacing??). Does the longitudinal joint A require joint sealant similar to joint B?"*

**City's Response:**

The transverse joints will require doweling per plan, when the joint is also a construction joint, or for the last two joints before a "free" joint (i.e. when a material other than concrete adjoins). All joints are to be sealed. Sawcut joints may only require sealant with no backer rod.

**SFS RFI 4.0**

*"What is the thickness of the existing PCC in the center of Valley View north of Stage road?"*

**City's Response:**

For bidding purposes, assume a concrete thickness of 10-inches at this location.

**SFS RFI 5.0**

*"Item 1.3 is for Demolition and Removals (Per sheets 1-06 to 1-10). These sheets show the limits of the Parking lots to be removed. Item 2.22 is for Parking lot removal. Which item should include the removal of the parking lot AC?"*

**City's Response:**

Removal of AC in parking lots (NW, SE and SW quadrants) are all shown in Plan sheets 1-06 to 1-10 and is paid under Bid Item 1.3. Bid Item 2.22, Parking lot removal is a duplicate and will not be used. See Changes to Specifications Item No. 1 above.

**SFS RFI 6.0**

*"Item 2.28 Asphalt Treated Base ( ATB ) has a pay quantity of 1,604 CY . The typical section calls out ATB only under the Valley View PCC pavement section. Is ATB required anywhere else besides Valley View?"*

Valley View Avenue Grade Separation  
Addendum No. 3  
May 2, 2012  
Page 4 of 4

**City's Response:**

The quantity for Bid Item 2.28 includes 6" of ATB (asphalt treated permeable base) for the intersection of Valley View Avenue and Stage Road. The quantity has been revised in the bid schedule. See Changes to Specifications Item No. 2 above.



Noe Negrete  
Assistant Director of Public Works

NN/mc

ACKNOWLEDGEMENT

\_\_\_\_\_  
Company Name

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

NOTE: This Addendum sheet must be  
Attached to Sealed Bid.

**ATTACHMENT 2**  
Pre-Qualified Bidder List



# City of Santa Fe Springs

City Council Meeting

February 16, 2012

## SUPPLEMENTAL REPORT

### Valley View Avenue Grade Separation Project - Recertification of the Pre-Qualified Contractor List

#### RECOMMENDATION

That the City Council Approve the Updated Pre-Qualified Contractor List for the Valley View Avenue Grade Separation Project.

#### BACKGROUND

On October 14, 2010 the City Council approved the staff recommendation that fourteen (14) companies be Pre-Qualified to submit bids on the Valley View Avenue Grade Separation Project. The City is nearly ready to advertise the project and the initial list needs to be updated and approved at this time. To that end, letters were sent to all of the companies that were previously pre-qualified in October 2010 asking that they confirm that no changes have taken place that would affect the ability of their company to undertake and complete the Project. The companies were also asked to confirm that they were still interested in submitting a bid to the City for this project.

#### Supplemental Information

The City has received responses from all fourteen (14) of the pre-qualified companies with the following results:

#### Companies to be Recertified:

1. Atkinson Construction
2. Balfour Beatty
3. C. A. Rasmussen, Inc.
4. CC Myers, Inc.
5. Flatiron
6. Griffith Company
7. KEC Engineering
8. Ortiz Enterprises
9. MCM Construction, Inc.
10. SEMA
11. Skanska
12. Steve P. Rados, Inc.
13. Sully-Miller Contracting Co.

#### Companies Requesting to be Removed:

1. Riverside Construction

Attached to this report is an updated Pre-Qualified Bidders List. Staff is requesting that the City Council approve the updated list at this time.

Report Submitted By: Don Jensen, Director  
Department of Public Works

Date of Report: February 16, 2012

FISCAL IMPACT

There is no fiscal impact to this action. Approval of an updated list will ensure that bids will only be submitted by companies that have previously demonstrated that they have the financial resources to complete a project of this size.

INFRASTRUCTURE IMPACT

No impact.

Thaddeus McCormack  
City Manager

Attachment(s):

Updated Pre-Qualified Bidder's List

**Valley View Avenue Grade Separation  
Updated List of Pre-Qualified Bidders  
February 16, 2012**

The Following Contractors Have Successfully Completed the Pre-Qualification Process			Passing Score 150 Points
			Overall Score Achieved
1	Atkinson Construction	27422 Portola Parkway, Suite 250	211
		Foothill Ranch, CA 92610	
2	Balfour Beatty	10397 Alder Avenue	182
		Bloomington, CA 92316	
3	C. A. Rasmussen Inc.	28548 Livingston Avenue	182
		Valencia, CA 91355	
4	CC Myers Inc.	1822 S. Lewis Street	218
		Anaheim, CA 92805	
5	Flatiron	1770 La Costa Meadows Drive	214
		San Marcos, CA 92078	
6	Griffith Company	12200 Bloomfield Avenue	205
		Santa Fe Springs, CA 90670	
7	KEC Engineering	200 N. Sherman	242
		Corona, CA 92882	
8	Ortiz Enterprises	6 Cushing Way, Suite 200	186
		Irvine, CA 92618	
9	MCM Construction, Inc.	6413 32nd Street P.O. Box 620	186
		North Highlands, CA 95660	
10	SEMA	6 Orchard, Ste 150	222
		Lake Forest, CA 92630	
11	Skanska	1995 Aqua Mansa Road	211
		Riverside, CA 92509	
12	Steve P. Rados Inc.	2002 E. McFadden Avenue, Ste 200	213
		Santa Ana, CA 92709	
13	Sully-Miller Contracting Co.	135 S. State College Blvd., Suite 400	223
		Brea, CA 92821	



# City of Santa Fe Springs

City Council Meeting

February 16, 2012

## NEW BUSINESS

### Valley View Avenue Grade Separation Project - Recertification of the Pre-Qualified Contractor List

#### RECOMMENDATION

That the City Council Recertify the Pre-Qualified Contractor List for the Valley View Avenue Grade Separation Project.

#### BACKGROUND

The Public Contract Code allows a city to require licensed contractors to "pre-qualify" for the right to bid on public works projects. In July 2010, the City Council authorized the pre-qualification process to be used to screen potential bidders for the Valley View Avenue Grade Separation Project. That action was taken to ensure companies bidding on this particular project would have the experience, resources and financial strength to undertake a project of this size. A total of fifteen (15) companies responded to the City's request and on October 14, 2010 the City Council approved the staff recommendation that fourteen (14) of the companies be Pre-Qualified to submit bids on the Valley View Avenue Grade Separation Project. The companies pre-qualified at that time are shown on Attachment 1 to this report.

#### Recertification of the List

The City is nearly ready to advertise the project and staff is recommending that the initial list be updated and recertified at this time. All fourteen companies previously pre-qualified by the City in October 2010 have been requested to confirm that no changes have taken place that would affect the ability of their company to undertake and complete the Project. Attachment 2 is the letter that was sent to those companies. The City has asked that the companies respond by 5:00 p.m. on February 15. Staff will provide the City Council with a supplemental report once responses have been received from all fourteen (14) companies.

#### FISCAL IMPACT

There is no fiscal impact to this action. Recertification of the list will ensure that bids will only be submitted by companies that have previously demonstrated that they have the financial resources to complete a project of this size.

#### INFRASTRUCTURE IMPACT


No impact.

  
Thaddeus McCormack  
City Manager

#### Attachment(s):

1. Approved Pre-Qualified Contractor List
2. Letter Sent to Pre-Qualified Contractors

Report Submitted By:

Don Jensen, Director   
Department of Public Works

Date of Report: February 8, 2012

15

**Valley View Avenue Grade Separation  
Approved List of Pre-Qualified Bidders  
October 14, 2010**

The Following Contractors Have Successfully Completed the Pre-Qualification Process			Passing Score 150 Points
			Overall Score Achieved
1	Atkinson Construction	27422 Portola Parkway, Suite 250 Foothill Ranch, CA 92610	211
2	Balfour Beatty	10397 Alder Avenue Bloomington, CA 92316	182
3	C. A. Rasmussen Inc.	28548 Livingston Avenue Valencia, CA 91355	182
4	CG Myers Inc.	1822 S. Lewis Street Anaheim, CA 92805	218
5	Flatiron	1770 La Costa Meadows Drive San Marcos, CA 92078	214
6	Griffith Company	12200 Bloomfield Avenue Santa Fe Springs, CA 90670	205
7	KEO Engineering	200 N. Sherman Corona, CA 92882	242
8	Ortiz Enterprises	6 Cushing Way, Suite 200 Irvine, CA 92618	186
9	MCM Construction, Inc.	6413 32nd Street P.O. Box 620 North Highlands, CA 95660	186
10	Riverside Construction Inc.	4225 Garner Road Riverside, CA 92501	240
11	SEMA	6 Orchard, Ste 150 Lake Forest, CA 92630	222
12	Skanska	1995 Aqua Mansa Road Riverside, CA 92509	211
13	Steve P. Rados Inc.	2002 E. McFadden Avenue, Ste 200 Santa Ana, CA 92709	213
14	Sully-Miller Contracting Co.	135 S. State College Blvd., Suite 400 Brea, CA 92821	223





# City of Santa Fe Springs

City Council Meeting

May 24, 2012

## **NEW BUSINESS**

Slurry Sealing of Various Streets (FY 2011/2012) – Authorization to Execute Contract Change Order

### **RECOMMENDATION**


That the City Council authorize the City Engineer to execute a contract change order in order to include additional streets into the contract for an amount not to exceed \$165,000.

### **BACKGROUND**

The City Council, at their meeting of May 10, 2012, authorized the City Engineer to award a contract to Roy Allan Slurry Seal Inc. of Santa Fe Springs, California, in the amount of \$191,528.23. In addition, the City Engineer was authorized to identify additional streets to be included to the contract in order to maximize the grant funding on this project. The bid amount is far below the amount of funding procured for this project. This is an opportunity to repair more streets than originally anticipated. Staff anticipates adding approximately \$135,000 to \$145,000 more in construction costs with the proposed streets identified in Exhibit "A" and Exhibit "B". In addition, with the addition of streets to the project, additional funds will be needed for traffic control. Staff estimates for traffic control are approximately \$15,000 to \$20,000. Therefore, staff recommends executing a contract change order with Roy Allan Slurry Seal Inc. for an amount not to exceed \$165,000.

### **FISCAL IMPACT**

The total estimated cost for this project, including construction, engineering, inspection, overhead, and contingency is \$400,000. The City of Santa Fe Springs will be reimbursed up to \$400,000 by the State Department of Transportation per Proposition 1B Local Streets and Roads funding. Local funds will be needed only to make initial payments. Therefore, Staff recommends adding additional streets to maximize reimbursement of this grant funding.

  
Thaddeus McCormack  
City Manager

Attachment(s):  
Exhibits "A" and "B"

Report Submitted By:

Don Jensen, Director  
Department of Public Works

Date of Report: May 16, 2012

PROPOSED ADDITIONAL STREETS			
SLURRY SEAL VARIOUS CITY STREETS (FY 2011/2012 PROGRAM)			
No.	ON STREET	START	END
1	Hamden St	Houghton Ave	Jersey Ave
2	Willins St	Houghton Ave	Jersey Ave
3	Folssmoor Rd	Houghton Ave	Jersey Ave
4	Willake St	Houghton Ave	Jersey Ave
5	Claymore St	Houghton Ave	Jersey Ave
6	Jersey Ave	Telegraph Rd	Pioneer Blvd
7	Alburtis Ave	Telegraph Rd	Pioneer Blvd
8	Alley	Houghton Ave	Jersey Ave
9	Alley	Pioneer Blvd	Houghton Ave
10	Alley	Whiteland St	Flossmoor Rd
11	Alley	Flossmoor Rd	Telegraph Rd
12	Flossmoor Rd	Orr & Day Rd	Houghton Ave
13	Whiteland/Houghton	Orr & Day Rd	Pioneer Blvd
14	Houghton Ave	Whiteland St	Flossmoor Rd
15	Houghton Ave	Flossmoor Rd	Telegraph Rd
16	Telegraph Service Road	Houghton Ave	Jersey Ave
17	Telegraph Service Road	Orr & Day Rd	Houghton Ave
18	Alley	Charlesworth Rd	Houghton Ave
19	Alley	Houghton Ave	Jersey Ave
20	Pioneer Service Road	Broaded St	Southerly
21	Pioneer Service Road	Blue Jay Ln	Southerly
22	Pioneer Service Road	Blue Jay Ln	Northerly
23	Pioneer Blvd	Orr & Day Rd	Houghton Ave
24	Pioneer Blvd	Houghton Ave	Jersey Ave
25	Pioneer Blvd	Jersey Ave	Alburtis Ave
26	Pioneer Blvd	Alburtis Ave	Arlee Ave
27	Pioneer Blvd	Arlee Ave	Telegraph Rd
28	Willake St (Commercial)	W/Pioneer Blvd	Cul-de-sac
29	Hamden Pl (Commercial)	E/Pioneer Blvd	Cul-de-sac

# SITE PLAN





# City of Santa Fe Springs

City Council Meeting

May 24, 2012

## NEW BUSINESS

Gus Velasco Neighborhood Center Renovation and Modernization Project -  
Authorization to Purchase Interior and Exterior Furniture

### RECOMMENDATION

That the City Council take the following actions:

1. Authorize the Director of Purchasing Services to issue purchase orders for a total amount not to exceed \$242,000 to Interior Office Solutions to purchase and install interior furniture; and
2. Determine that, pursuant to City Code Section 34.19, a negotiated purchase of exterior furniture from Landscape Forms is in the best interests of the City and will result in a cost to the City not greater than the projected cost of a purchase after bidding; and
3. Authorize the Director of Purchasing Services to negotiate the purchase of specified exterior furniture directly from Landscape Forms for an amount not to exceed \$32,000.

### BACKGROUND

Staff has been working with the interior designer (LPA) over the past five (5) months to develop specifications for the interior and exterior furniture that will be needed to support anticipated uses of the Gus Velasco Neighborhood Center once the project has been completed.

As part of this process, staff consulted with the following major office furniture dealers regarding their ability to provide the type and quality of furniture that will be needed:

1. Tangram
2. Knoll
3. Interior Office Solutions (IOS)

The objective of that effort was to examine the furniture lines of each dealer with respect to the furniture specifications developed by LPA. After careful deliberation and analysis, staff believes that Interior Office Solutions (IOS) should be selected as the furnishing dealer based on product durability, warranty and pricing. Staff has confirmed that IOS can purchase and install the specified furniture in accordance with the project schedule.

Report Submitted By:

Don Jensen, Director  
Department of Public Works

Date of Report: May 16, 2012

On May 9, 2012 staff reviewed the proposed office furniture specifications with the Council Subcommittee for the Gus Velasco Neighborhood Center Renovation and Modernization Project. They were informed of the process used by staff and the reasons for the staff recommendations.

#### Interior Furniture

With respect to interior furniture, the prices for furniture procured through IOS will be based on existing government contracts with furniture manufacturers, including California Multiple Awards Schedule (CMAS), County of Los Angeles and Government Services Administration (GSA) contracts. Staff believes this procurement process will provide the City with the best pricing and the process used by those entities is consistent with the City's procurement procedures. The cost for the interior furniture to be procured through IOS is approximately \$242,000, including a 5% contingency.

#### Exterior Furniture

With respect to exterior furniture, staff is concerned that a traditional bid process may not be in the City's best interests for the following reasons:

1. Going out to bid for exterior furniture would result in bids from furniture dealers who would purchase at net price and include a mark-up in their bid.
2. Specifications for exterior furniture made of teak would result in bid prices for a wide range in product quality and not necessarily consistent with the City's standards.

Staff is recommending that, in accordance with City Code Section 34.19, the City Council determine that: a) a negotiated purchase is in the best interests of the City; b) that it will result in a cost to the City not greater than the projected cost of a purchase after bidding; and c) dispense with the normal bidding process.

Staff and LPA are further recommending that exterior furniture for the Gus Velasco Neighborhood Center be purchased from Landscape Forms. Like most exterior furniture manufacturers, Landscape Forms sells directly to end users. LPA has used Landscape Forms to provide the furniture for numerous public sector and private sector projects and is familiar and confident with the quality of their products, their customer service and product warranties.

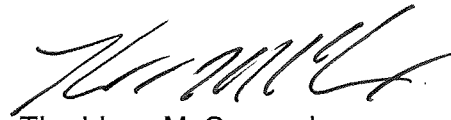
Although Landscape forms has a CMAS contract for most of its exterior furniture lines, the City's specified exterior furniture is not on their CMAS list at this time. Landscape Forms has offered the City a 6% discount off their net price. This price is equal to the price that will be available to government agencies when it is included in the CMAS contract in the future. The cost of the specified exterior furniture is approximately \$32,000 including a 5% contingency.

FISCAL IMPACT

This project is included in the Six-Year Capital Improvement Program FY 2006-07 through FY 2011-12. Funds have been appropriated from unallocated CDC Tax-Exempt Bond Funds to the Project Account No. 484-R545. Funds for this project are included in Resolution No. OB-SA-2012-001 and Resolution No. OB-SA-2012-002 and were approved on April 25, 2012 by the Oversight Board of the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs.

INFRASTRUCTURE IMPACT

Authorization to purchase and install the specified furniture in the Gus Velasco Neighborhood Center will provide the necessary furnishing's to provide functional and essential service to the community.



Thaddeus McCormack  
City Manager

Attachment(s):

None



# *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

## **NEW BUSINESS**

### Approval of Out-of-State Travel for Boxing Coach Francisco Gomez

#### **RECOMMENDATION**

That the City Council approval out-of-state travel for Boxing Coach Francisco Gomez to coach boxer George Acosta during the 2012 USA Boxing Junior Olympic Regional Championships in Reno, Nevada.

#### **BACKGROUND**

The City's Boxing program had three participants qualify for the Junior Olympic District Championships. One of the three, George Acosta, further qualified for the 2012 USA Boxing Junior Olympic Regional Championships in Reno, Nevada.

The competition will take place on Saturday, May 26, and if successful George may advance to the National Championships in Mobile, Alabama in June.

#### **FISCAL IMPACT**

There should be no fiscal impact to the City. All costs associated with the competition will be reimbursed by the Boxing Club's fundraising account.

Thaddeus McCormack  
City Manager



## **PRESENTATION**

### Introduction of the 2012 Memorial Scholarship Program Recipients

## **BACKGROUND**

The Memorial Scholarship Program began in the year 1985, primarily through the efforts of Ms. Thelma Montgomery, the former Principal of Santa Fe High School, in an effort to remember the contributions and legacy of Councilmember Armando Mora. Through the years, the program has expanded to include two additional Councilmembers who have also passed away: Lorenzo Sandoval and Albert L. Sharp. This year, the Memorial Scholarship Program celebrates its 27<sup>th</sup> anniversary by continuing to recognize outstanding young men and women in our community who wish to fulfill their dream of continuing their education beyond high school.

The three Memorial Scholarships each present two recipients with a \$1,000 award to be used towards the cost of their college education. Students applying for the Memorial Scholarships must meet the basic requirements: 1) Reside in the City of Santa Fe Springs; 2) Be a senior in high school attending Santa Fe, St. Paul, or Pioneer High Schools; and 3) Currently maintain a 3.0 grade point average (GPA). In addition, the Memorial Scholarships each have a particular area of focus as determined by the respective families, as follows:

### **Armando Mora Service Memorial Scholarships**

The Armando Mora Scholastic & Service Memorial Scholarship identifies high school seniors attending Santa Fe, St. Paul, or Pioneer High Schools who maintain above average grades while providing and promoting outstanding service to their high school and community. The aspects of service to community and education was of particular interest to Councilmember Mora as he dedicated himself to serving his community and promoted youth development through service to others.

### **Lorenzo Sandoval Athletic Memorial Scholarships**

The Lorenzo Sandoval Athletic Memorial Scholarship rewards Santa Fe High School seniors who work diligently to maintain a 3.0 or better GPA and are participants in varsity athletics. Not only do the applicants play on a team, but they must also be leaders and describe their leadership traits, but how they came to foster and utilize them. High school athletics was a genuine love of Councilmember Sandoval as he was a high school principal and promoted athletic involvement by community youth throughout the City.



**Albert L. Sharp Memorial Scholarships**

The Albert L. Sharp Memorial Scholarship seeks to identify and reward Santa Fe High School seniors that are not only strong performers in the classroom and in the athletic arena, but is also dedicated to improving their community through involvement in school service groups and/or student government. A connection between theory and application through business was of interest to Councilmember Sharp, as promoted in the Albert Sharp Memorial Scholarship criteria.

A total of sixteen applicants were interviewed by the respective representatives of the Memorial Scholarships families with the support Mayor Rounds and Councilmember González, as well as representatives from the high schools. The final candidate interviews were conducted on May 15, 16, and 17.

The recipients, along with their families and high school administrators, have been invited to tonight's meeting to be recognized for their academic accomplishments, athletic achievements, leadership, and service to the community.

The Mayor may wish to call upon Management Assistant Wayne Bergeron, who also serves as the Program Coordinator for the Memorial Scholarship Program, to assist with the presentation of the Memorial Scholarships recipients.



Thaddeus McCormack  
City Manager

Attachment(s)  
None



# *City of Santa Fe Springs*

City Council Meeting

May 24, 2012

## **PRESENTATION**

Presentation to Joey Davis in Recognition of Athletic Achievements

## **RECOMMENDATION**

The Mayor may wish to call upon Management Assistant Wayne Bergeron to assist with this presentation.

## **BACKGROUND**

As a member of the Santa Fe High School Wrestling Team, Joey Davis has received national recognition for his outstanding achievements. Highlights of his career include two state titles and two national titles in the past two years. Joey was also was selected as the Whittier Daily News All-Area Wrestler of the Year.

Joey has been invited to tonight's Council meeting to be recognized by the City Council for his outstanding achievements.

Thaddeus McCormack  
City Manager

## **Attachments**

None



# City of Santa Fe Springs

City Council Meeting

May 24, 2012

## APPOINTMENT TO BOARDS, COMMITTEES, COMMISSIONS

Below is a list of current vacancies:

Committee	Vacancy	Councilmember
Beautification	2	González
Beautification	1	Moore
Beautification	3	Serrano
Community Program	3	González
Community Program	3	Rounds
Community Program	3	Serrano
Community Program	5	Trujillo
Historical	2	Rounds
Historical	1	Serrano
Historical	2	Trujillo
Parks & Recreation	2	González
Parks & Recreation	1	Trujillo
Senior Citizens Advisory	1	González
Senior Citizens Advisory	1	Moore
Senior Citizens Advisory	2	Rounds
Senior Citizens Advisory	1	Serrano
Senior Citizens Advisory	1	Trujillo
Sister City	3	González
Sister City	1	Moore
Sister City	2	Rounds
Sister City	2	Serrano
Sister City	1	Trujillo
Youth Leadership	1	González

Jimmy Mendoza submitted an application for the Family & Human Services Committee. Jesus Mendoza submitted an application for the Parks & Recreation Committee.

Thaddeus McCormack  
City Manager

### Attachments:

Committee Lists

Prospective Member List

Report Submitted By: Anita Jimenez,  
Deputy City Clerk

Date of Report: May 15, 2012

## Prospective Members for Various Committees/Commissions

Beautification

Community Program

Family & Human Services

Jimmy Mendoza, Jr.

Heritage Arts

Historical

Personnel Advisory Board

Parks & Recreation

Jesus Mendoza

Planning Commission

Senior Citizens Advisory

Sister City

Traffic Commission

Youth Leadership

## BEAUTIFICATION COMMITTEE

Meets the fourth Wednesday of each month, except July, Aug, Dec.

9:30 a.m., Town Center Tall

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
<b>Gonzalez</b>	Juanita Montes	(12)
	Irene Pasillas	(12)
	Vacant	(12)
	May Sharp	(13)
	Vacant	(13)
<b>Moore</b>	Juliet Ray	(12)
	Paula Minnehan	(12)
	Annie Petris	(13)
	Guadalupe Placencia	(13)
	Vacant	(13)
<b>Rounds</b>	Sadie Calderon	(12)
	Rita Argott	(12)
	Annette Ledesma	(13)
	Marlene Vernava	(13)
	Debra Cabrera	(13)
<b>Serrano</b>	Vacant	(12)
	Vacant	(12)
	Vacant	(12)
	Vada Conrad	(13)
	Sally Gaitan*	(13)
<b>Trujillo</b>	Sylvia Takata	(12)
	Eleanor Connelly	(12)
	Margaret Bustos*	(12)
	Rosalie Miller	(13)
	A.J. Hayes	(13)

\*Asterisk indicates person currently serves on three committees

## COMMUNITY PROGRAM COMMITTEE

Meets the third Wednesday in Jan., May, and Sept., at 7:00 p.m., in City Hall.

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
<b>Gonzalez</b>	Jeanne Teran	(12)
	Miguel Estevez	(12)
	Vacant	(12)
	Vacant	(13)
	Vacant	(13)
<b>Moore</b>	Rosalie Miller	(12)
	Margaret Palomino	(12)
	Mary Jo Haller	(13)
	Lynda Short	(13)
	Bryan Collins	(13)
<b>Rounds</b>	Mark Scoggins*	(12)
	Marlene Vernava	(12)
	Vacant	(12)
	Vacant	(13)
	Vacant	(13)
<b>Serrano</b>	Vacant	(12)
	Mary Anderson	(13)
	Dolores H. Romero*	(13)
	Vacant	(12)
	Vacant	(13)
<b>Trujillo</b>	Vacant	(12)
	Vacant	(12)
	Vacant	(12)
	Vacant	(13)
	Vacant	(13)

*\*Asterisk indicates person currently serves on three committees*

## FAMILY & HUMAN SERVICES ADVISORY COMMITTEE

Meets the third Wednesday of the month, except Jul., Aug., Sept., and Dec., at 5:30 p.m., Neighborhood Center

Membership: 15 Residents Appointed by City Council  
5 Social Service Agency Representatives Appointed by the Committee

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Mercedes Diaz	(12)
	Josephine Santa-Anna	(12)
	Angelica Miranda	(13)
Moore	Arcelia Miranda	(12)
	Laurie Rios*	(13)
	Margaret Bustos*	(13)
Rounds	Annette Rodriguez	(12)
	Janie Aguirre*	(13)
	Ted Radoumis	(13)
Serrano	Lydia Gonzales	(12)
	Manny Zevallos	(13)
	Gilbert Aguirre*	(13)
Trujillo	Dolores H. Romero*	(12)
	Gloria Duran*	(12)
	Alicia Mora	(13)

Organizational Representatives: Nancy Stowe  
Evelyn Castro-Guillen  
Elvia Torres  
(SPIRRIT Family Services)

*\*Asterisk indicates person currently serves on three committees*

## HERITAGE ARTS ADVISORY COMMITTEE

Meets the Last Tuesday of the month, except Dec., at 9:00 a.m., at the Library  
Community Room

Membership:      9 Voting Members  
                         6 Non-Voting Members

APPOINTED BY	NAME	TERM EXP.
Gonzalez	Laurie Rios*	6/30/2012
Moore	May Sharp	6/30/2014
Rounds	A.J. Hayes	6/30/2012
Serrano	Paula Minnehan	6/30/2012
Trujillo	Amparo Oblea	6/30/2014

### Committee Representatives

Beautification Committee	Marlene Vernava	6/30/2013
Historical Committee	Larry Oblea	6/30/2013
Planning Commission	Frank Ybarra	6/30/2013
Chamber of Commerce	Tom Summerfield	6/30/2013

### Council/Staff Representatives

Council	Richard Moore
City Manager	Thaddeus McCormack
Director of Library & Cultural Services	Hilary Keith
Director of Planning & Development	Paul Ashworth

*\*Asterisk indicates person currently serves on three committees*



## HISTORICAL COMMITTEE

Meets Quarterly - The second Tuesday of Jan. and the first Tuesday of April, July, and Oct., at 5:30 p.m., Carriage Barn

Membership: 20

APPOINTED BY	NAME	TERM EXPIRATION YR.
<b>Gonzalez</b>	Ed Duran	(12)
	Gilbert Aguirre*	(13)
	Janie Aguirre*	(13)
	Sally Gaitan*	(13)
<b>Moore</b>	Astrid Gonzalez	(12)
	Tony Reyes	(12)
	Amparo Oblea	(13)
	Francine Rippy	(13)
<b>Rounds</b>	Vacant	(12)
	Vacant	(12)
	Mark Scoggins*	(13)
	Janice Smith	(13)
<b>Serrano</b>	Gloria Duran*	(12)
	Hilda Zamora	(12)
	Vacant	(13)
	Larry Oblea	(13)
<b>Trujillo</b>	Vacant	(12)
	Alma Martinez	(12)
	Merrie Hathaway	(13)
	Vacant	(13)

*\*Asterisk indicates person currently serves on three committees*

## PARKS & RECREATION ADVISORY COMMITTEE

Meets the First Wednesday of the month, except Jul., Aug., and Dec., 7:00 p.m.,  
Council Chambers.

Subcommittee Meets at 6:00 p.m., Council Chambers

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
<b>Gonzalez</b>	Jennie Carlos	(12)
	Frank Leader	(12)
	Vacant	(13)
	Raul Miranda, Jr.	(12)
	Vacant	(13)
<b>Moore</b>	Jimmy Mendoza	(12)
	John Salgado	(12)
	Janet Rock	(13)
	David Gonzalez	(13)
	Sheila Archuleta	(13)
<b>Rounds</b>	Kenneth Arnold	(12)
	Richard Legarreta, Sr.	(12)
	Luigi Trujillo	(12)
	Angelica Miranda	(13)
	Mark Scoggins*	(13)
<b>Serrano</b>	Lynda Short	(12)
	Bernie Landin	(12)
	Joe Avila	(12)
	Sally Gaitan*	(13)
	Fred Earl	(13)
<b>Trujillo</b>	Miguel Estevez	(12)
	Andrea Lopez	(12)
	Christina Maldonado	(13)
	Vacant	(13)
	Arcelia Miranda	(13)

*\*Asterisk indicates person currently serves on three committees*

## PERSONNEL ADVISORY BOARD

Meets Quarterly on an As-Needed Basis

Membership: 5 (2 Appointed by City Council, 1 by Personnel Board, 1 by Firemen's Association, 1 by Employees' Association)

Terms: Four Years

APPOINTED BY	NAME	TERM EXPIRES
Council	Angel Munoz	6/30/2015
	Ron Biggs	6/30/2013
Personnel Advisory Board	Jim Contreras	6/30/2013
Firemen's Association	Wayne Tomlinson	6/30/2013
Employees' Association	Anita Ayala	6/30/2015

## PLANNING COMMISSION

Meets the second and fourth Mondays of every Month at 4:30 p.m.,  
Council Chambers

Membership: 5

### APPOINTED BY

### NAME

**Gonzalez**

Laurie Rios

**Moore**

Manny Zevallos

**Rounds**

Susan Johnston

**Serrano**

Michael Madrigal

**Trujillo**

Frank Ybarra

## SENIOR CITIZENS ADVISORY COMMITTEE

Meets the Second Tuesday of the month, except Jul., Aug., Sep., and Dec., at 10:00 a.m., Neighborhood Center

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
<b>Gonzalez</b>	Gloria Duran*	(12)
	Josephine Santa-Anna	(12)
	Vacant	(13)
	Janie Aguirre*	(13)
	Ed Duran	(13)
<b>Moore</b>	Yoshi Komaki	(12)
	Yoko Nakamura	(12)
	Paul Nakamura	(12)
	Vacant	(13)
	Pete Vallejo	(13)
<b>Rounds</b>	Vacant	(12)
	Vacant	(12)
	Gloria Vasquez	(13)
	Lorena Huitron	(13)
	Berta Sera	(13)
<b>Serrano</b>	Vacant	(12)
	Louis Serrano	(12)
	Mary Bravo	(12)
	Amelia Acosta	(13)
	Jessie Serrano	(13)
<b>Trujillo</b>	Julia Butler	(12)
	James Hogan	(12)
	Gilbert Aguirre*	(13)
	Margaret Bustos*	(13)
	Vacant	(13)

\*Asterisk indicates person currently serves on three committees

## SISTER CITY COMMITTEE

Meets the First Monday of every month, except Dec., at 6:30 p.m., Town Center Hall, Mtg. Room #1. If the regular meeting date falls on a holiday, the meeting is held on the second Monday of the month.

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
<b>Gonzalez</b>	Vacant	(12)
	Kimberly Mette	(12)
	Jimmy Mendoza	(13)
	Vacant	(12)
	Vacant	(13)
<b>Moore</b>	Martha Villanueva	(12)
	Vacant	(12)
	Mary K. Reed	(13)
	Peggy Radoumis	(13)
	Jeannette Wolfe	(13)
<b>Rounds</b>	Manny Zevallos	(12)
	Susan Johnston	(12)
	Vacant	(12)
	Ted Radoumis	(13)
	Vacant	(13)
<b>Serrano</b>	Charlotte Zevallos	(12)
	Vacant	(12)
	Laurie Rios*	(13)
	Doris Yarwood	(13)
	Vacant	(13)
<b>Trujillo</b>	Alicia Mora	(12)
	Andrea Lopez	(12)
	Dolores H. Romero*	(13)
	Marcella Obregon	(13)
	Vacant	(13)

\*Asterisk indicates person currently serves on three committees.

# TRAFFIC COMMISSION

Meets the Third Thursday of every month, at 7:00 p.m., Council Chambers

Membership: 5

APPOINTED BY	NAME
Gonzalez	Ruben Madrid
Moore	Lillian Puentes
Rounds	Ted Radoumis
Serrano	Sally Gaitan
Trujillo	Greg Berg



## YOUTH LEADERSHIP COMMITTEE

Meets the First Monday of every month, at 6:30 p.m., Council Chambers

Membership: 20

APPOINTED BY	NAME	TERM EXPIRATION YR.
<b>Gonzalez</b>	Dominique Walker	()
	Victoria Molina	()
	Vacant	()
	Marilyn Llanos	(12)
<b>Moore</b>	Destiny Cardona	(14)
	Gabriela Rodriguez	(13)
	Wendy Pasillas	(13)
	Daniel Wood	(13)
<b>Rounds</b>	Drew Bobadilla	(13)
	Siboney Ordaz	(12)
	Alexandra Vergara	(12)
	Lisa Baeza	(13)
<b>Serrano</b>	Christain Garcia	(12)
	Julio Correa	(12)
	Marisa Gonzalez	(15)
	Ariana Gonzalez	(13)
<b>Trujillo</b>	Maxine Berg	()
	Martin Guerrero	(13)
	Omar Rodriguez	(12)
	Kevin Ramirez	(13)