



AGENDA

ADJOURNED MEETING OF THE SANTA FE SPRINGS WATER UTILITY AUTHORITY AND THE REGULAR MEETING OF THE CITY COUNCIL

JUNE 14, 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.

WATER UTILITY AUTHORITY

3. Water Well No. 12 (13939 Borate Street) Construction of Storm Drain Improvements – Award of Contract

Recommendation: That the Water Utility Authority: 1) De-appropriate \$300,000 from Arsenic Treatment Facility (453-B008) and appropriate \$300,000 to the Water Well No. 12 project (453-B007) to construct storm drain improvements; 2) Accept the bids; and 3) Award a contract to O'Duffy Bros, Inc. of Romoland, California, in the amount of \$229,000.

HOUSING SUCCESSOR

4. JOINT PUBLIC HEARING - Sale of Residential Property.

Joint Public Hearing on the sale of a Housing Successor owned property acquired and to be renovated for sale under the Housing Acquisition and Rehabilitation Program (HARP) located at 9735 Bartley Avenue, approval of City Council Resolution No. 9372 and Housing Successor Resolution No. HS-2012-002.

Recommendation: That the City Council acting as Housing Successor to the Community Development Commission: 1) Open the Public Hearing and receive comments; 2) Find that the proposed sale of the subject property is pursuant to and in furtherance of the Redevelopment Plan for which environmental documents were previously prepared; 3) Find that the sale of the subject property is for affordable housing purposes and that said sale price is consistent with Redevelopment Law; 4) Approve Housing Successor Resolution No. HS-2012-002; and, 5) Approve City Council Resolution No. 9372.

CITY COUNCIL

5. CITY MANAGER REPORT

6. 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 May 8, 2012 Adjourned City Council Meeting

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

- B. Minutes of the May 10, 2012 Regular City Council Meeting

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

Conference and Meeting Reports

- C. Councilmember González's Attendance at the California Cities Annual Seminar

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

- D. Mayor Pro Tem Moore's Attendance at the California Cities Annual Seminar

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

- E. Councilmember Trujillo's Attendance at the ICSC Conference

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

- F. Mayor Rounds' Attendance at the ICSC Conference

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

7. JOINT PUBLIC HEARING - Sale of Residential Property.

Joint Public Hearing on the sale of a Housing Successor owned property acquired and to be renovated for sale under the Housing Acquisition and Rehabilitation Program (HARP) located at 9735 Bartley Avenue, approval of City Council Resolution No. 9372 and Housing Successor Resolution No. HS-2012-002.

Recommendation: That the City Council acting as Housing Successor to the Community Development Commission: 1) Open the Public Hearing and receive comments; 2) Find that the proposed sale of the subject property is pursuant to and in furtherance of the Redevelopment Plan for which environmental documents were previously prepared; 3) Find that the sale of the subject property is for affordable housing purposes and that said sale price is consistent with Redevelopment Law; 4) Approve Housing Successor Resolution No. HS-2012-002; and, 5) Approve City Council Resolution No. 9372.

NEW BUSINESS

8. Introduction and Discussion of Preliminary FY 2012-2013 City Budget

Recommendation: That the City Council give staff direction regarding revenue and expenditure issues in preparation for upcoming Budget Subcommittee and Council Budget Study Sessions.

9. Proposition 1B Funds FY 2009/10 - Identification of Project

Recommendation: That the City Council 1) Amend the City's Capital Improvement Program to include Gridley Road Reconstruction and adopt this project for potential funding with Proposition 1B Bond proceeds; 2) Allocate \$155,000 in Proposition 1B funds for Gridley Road Reconstruction; and, 3) Authorize staff to apply to the State Department of Finance for release of Proposition 1B funds for this project.

10. Solid Waste Collection Rate Adjustment

Recommendation: That the City Council approve a 2.0% increase on the annual residential rate, effective July 1, 2012.

11. Gus Velasco Neighborhood Center Renovation and Modernization – Approval of Contract Change Order No. 8

Recommendation: That the City Council: 1) Approve Contract Change Order No. 8 in the amount of \$197,823; and 2) Authorize the Director of Public Works to execute Contract Change Order No. 8.

12. Federal Transit Administration Grant CA-04-0141 – Authorization to Execute an Amendment to the Memorandum of Understanding for Grant Administration Services with the City of Norwalk

Recommendation: That the City Council authorize the City Manager to execute an amendment to the Memorandum of Understanding between the City of Santa Fe Springs and the City of Norwalk to provide grant administration services for an amended Federal Transit Administration Grant CA-04-0141 in the amount of \$975,000 for the Norwalk/Santa Fe Springs Transportation Center Parking Improvements Project Phase 2.

13. Valley View Grade Separation – Authorization to Issue Task Order No. 2 to AECOM Technical Services, Inc.

Recommendation: That the City Council authorize the Director of Public Works to issue Task Order No. 2 to AECOM Technical Services, Inc. in the amount of \$5,282,785 to provide Project and Construction Management Services during the construction phase of the project.

14. Valley View Avenue Grade Separation – Reimbursement of Property Acquisition Costs Incurred by the City of La Mirada

Recommendation: That the City Council authorize the Director of Finance and Administrative Services to reimburse the City of La Mirada in the amount of \$6,000 for right-of-way costs incurred to construct the Valley View Avenue Grade Separation Project.

15. Valley View Grade Separation – Approval to Lease Office Space in the Valley View Commerce Center for the Construction Management Team

Recommendation: That the City Council: 1) Approve the terms of the proposed lease between the City of Santa Fe Springs and the Valley View Commerce Center, LLC for office space located at 14545 Valley View Avenue, Suite “R”; and, 2) Authorize the City Manager to execute the proposed lease and related documents.

16. Resolution Nos. 9373 and 9374 – Approval of Engineer’s Report (FY 2012/13) in Conjunction with Annual Levy of Assessments for Street Lighting District No. 1

Recommendation: That the City Council: 1) Adopt Resolution No. 9373, approving the Engineer’s Report (FY 2012/13) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and 2) Adopt Resolution No. 9374, declaring the City of Santa Fe Springs’ intention to provide for an annual levy and collection of assessments for Lighting District No. 1, and setting the Public Hearing for the Council meeting of July 10, 2012.

17. Approval of Parcel Map No. 71494 (Northwest Corner of Norwalk Blvd/Smith Avenue)

Recommendation: That the City Council: 1) Find that Parcel Map No. 71494, together with the provisions for its design and improvement, is consistent with the City’s General Plan; 2) Approve Parcel Map No. 71494; and, 3) Authorize the City Engineer and Deputy City Clerk to sign Parcel Map No. 71494.

18. Award Bid to E.H. Wachs for a Water Valve Operating Machine

Recommendation: That the City Council award a bid to E.H. Wachs and authorize the Director of Purchasing Services to issue a purchase order to process the transaction in the amount of \$39,022.73.

Please note: *Item Nos. 19 –31 will commence in the 7:00 p.m. hour.*

City of Santa Fe Springs

Adjourned WUA/ Regular City Council Meeting

June 14, 2012

19. INVOCATION

20. PLEDGE OF ALLEGIANCE

INTRODUCTIONS

21. Representatives from the Youth Leadership Committee

22. Representatives from the Chamber of Commerce

23. ANNOUNCEMENTS

PRESENTATIONS

24. Kirk Kranzer to Give Overview of Lake Center Washington, D.C. Trip

25. To the 2012 Teachers of the Year

26. Older American Nominee Presentation

27. Presentation by Rio Hondo College President Dr. Ted Martinez

APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

28. Committee Appointments

29. 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.

30. EXECUTIVE TEAM REPORTS

31. 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

June 7, 2012
Date



City of Santa Fe Springs

Water Utility Authority Meeting

June 14, 2012

NEW BUSINESS

Water Well No. 12 (13939 Borate Street) Construction of Storm Drain Improvements – Award of Contract

RECOMMENDATION

That the Water Utility Authority take the following actions:

1. De-appropriate \$300,000 from Arsenic Treatment Facility (453-B008) and appropriate \$300,000 to the Water Well No. 12 project (453-B007) to construct storm drain improvements;
2. Accept the bids; and
3. Award a contract to O'Duffy Bros, Inc. of Romoland, California in the amount of \$229,000.

BACKGROUND

The Water Utility Authority at their meeting of April 26, 2012 authorized staff to advertise for construction bids for storm drain improvements for Water Well No. 12 (13939 Borate Street).

Bids were opened on May 31, 2012 and a total of ten (10) bids were received. The Department of Public Works has reviewed the bids and determined that all bids are in compliance with the requirements in the Project Specifications. The lowest responsive and responsible bidder for the project was O'Duffy Bros, Inc. of Romoland, California in the amount of \$229,000 and is 49% below the Engineer's Estimate of \$450,000.

The primary difference between the low bid and the Engineer's Estimate was in the price to construct the 24-inch reinforced concrete pipe storm drain. The City's estimate was based on a unit price of \$320 per linear foot and the low bid reflects a price of \$160 per linear foot. This accounts for a difference of \$192,000 in the cost of the project.

The following represents the bids received and the amount of each bid:

<u>Company Name</u>	<u>Total Bid Amount</u>
O'Duffy Bros, Inc.	\$ 229,000.00
GCI Construction, Inc.	\$ 246,584.00
SRD Engineering, Inc.	\$ 290,800.00

Report Submitted By: Don Jensen, Director
Department of Public Works

Date of Report: June 7, 2012

<u>Company Name</u>	<u>Total Bid Amount</u>
Mike Prlich & Sons, Inc.	\$ 293,252.00
Nikola Corporation	\$ 300,175.00
VCI Construction	\$ 305,609.00
Garcia Juarez Construction, Inc.	\$ 322,600.00
Paulus Engineering, Inc.	\$ 336,300.00
Vasily Company, Inc.	\$ 336,996.00
Perry C. Thomas Construction, Inc.	\$ 379,386.00

FISCAL IMPACT

De-appropriate \$300,000 from Arsenic Treatment Facility (453-B008) and appropriate \$300,000 to Water Well No. 12 (453-B007) to construct storm drain improvements.



Thaddeus McCormack
Executive Director

Attachment(s):

None.



City of Santa Fe Springs

City Council/Housing Successor

June 14, 2012

JOINT PUBLIC HEARING - Sale of Residential Property.

Joint Public Hearing on the sale of a Housing Successor owned property acquired and to be renovated for sale under the Housing Acquisition and Rehabilitation Program (HARP) located at 9735 Bartley Avenue, approval of City Council Resolution No. 9372 and Housing Successor Resolution No. HS-2012-002.

RECOMMENDATIONS

1. That the City Council acting as Housing Successor to the Community Development Commission open the Public Hearing and receive comments.
2. That the City Council acting as Housing Successor to the Community Development Commission find that the proposed sale of the subject property is pursuant to and in furtherance of Redevelopment Plan for which environmental documents were previously prepared.
3. That the City Council acting as Housing Successor to the Community Development Commission find that the sale of the subject property is for affordable housing purposes and that said sale price is consistent with Redevelopment Law.
4. That the City Council acting as Housing Successor to the Community Development Commission approve Resolution No. HS-2012-002.
5. That the City Council approve Resolution No. 9372.

BACKGROUND

As a result of the State Supreme Court's decision, the Community Development Commission of the City of Santa Fe Springs was dissolved as of February 1, 2012. The City Council acting as the Housing Successor (HS) has retained the housing assets and functions of the Community Development Commission.

Pursuant to Section 33431 of the California Health and Safety Code, a Public Hearing before the City Council, acting as Housing Successor, prior to the sale or lease of land acquired either directly or indirectly with tax increment funds is required. Since this is a Joint Public Hearing, this staff report appears on the City Council Agenda.

The subject property, located at 9735 Bartley Avenue, was acquired by the CDC on May 24, 2011. An extensive renovation of the home was recently completed,

allowing the property to be available for sale to an income-eligible low or moderate income household under the City's HARP first-time homebuyer program.

The subject two-bedroom, one-bathroom dwelling was acquired in "As is" condition for \$280,000. The property required extensive renovations to the dwelling to bring it up to HARP standards. The combined acquisition and renovation costs totaled approximately \$417,000. HUD guidelines establish the maximum allowable sale price of the property for a family of two to be \$225,000, resulting in a Housing Successor subsidy of approximately \$192,000.

The buyer, Cecilia A. Pasos, has one child, and is the fifth income eligible family on the HARP Lottery List (the first four clients on the eligibility list were unable to qualify to purchase the home). Cecilia A. Pasos has lived in the City for more than the required three-year period, and this will be her first home purchase. As a result, Cecilia A. Pasos meets both the income and residency requirements of the HARP Program. Cecilia A. Pasos has agreed to live in the home as her primary residence and maintain it in accordance with the HARP Sale Agreement, a copy of which is attached. In addition, Cecilia A. Pasos has been advised of State law establishing affordability restrictions and resale conditions that are tied by recorded covenant to the property.

FISCAL IMPACT

The funds used for this project were from the Low and Moderate Income Housing Fund, which were budgeted and approved for affordable housing purposes prior to the elimination of Redevelopment, and will result in a slightly higher assessed valuation on the property than previously existed.

INFRASTRUCTURE IMPACT

Selling the subject property to an income-eligible household will not have an adverse impact on the City's infrastructure.



Thaddeus McCormack
City Manager

Attachments:

Housing Successor Resolution No. HS-2012-002
City Council Resolution No. 9372
Sale Agreement
Covenant
Location Map

RESOLUTION NO. HS 2012 - 002

**A RESOLUTION OF THE CITY COUNCIL ACTING AS HOUSING SUCCESSOR TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS
AUTHORIZING ENTRY INTO A SALE AGREEMENT WITH CECILIA A. PASOS,
FOR THE SALE OF PROPERTY PURSUANT TO THE REDEVELOPMENT PLAN.**

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission of the City of Santa Fe Springs has proposed to sell property (the "Proposed Sale") acquired with tax increment moneys, for affordable housing purposes pursuant to the Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission has held a properly noticed public hearing in accordance with the requirements of the State of California Health and Safety Code, {s} 33431 and 33433 for the sale of a small housing project as defined in {s} 33013; and

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission has provided all interested persons with an opportunity to be heard during the course of this public hearing; and

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission has duly considered all testimony, oral and written, offered during, or prior to, this public hearing; and

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission, after consideration of said testimony, finds, determines and declares that the Proposed Sale is a sale of property for purposes of redevelopment and affordable housing, and that the Proposed Sale is necessary to effectuate the purposes of the Redevelopment Plan, in particular the provision of housing affordable to low and moderate income persons; and

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission further finds and determines that the Proposed Sale is an activity within the scope of the Redevelopment Plan, for which an Environmental Impact Report (the "EIR") was certified; and

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission in adopting this Resolution has considered the EIR; and

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission further finds and determines that, pursuant to Cal. Admin. Code, tit. 14, {s} 15162, no new significant environmental effects could occur as a result of the Proposed Sale beyond those considered in the EIR, and no new mitigation measures would be required by the Proposed Sale beyond those discussed in the EIR, in that:

(1) The Proposed Sale does not propose any substantial changes to the Redevelopment Plan which would require major or minor revisions of the EIR due to the involvement of new significant environmental impacts not considered in the EIR; and

(2) No substantial changes have occurred with respect to the circumstances under which the Redevelopment Plan is being undertaken which, due to the involvement of new significant environmental impacts not considered in the EIR, would require major or minor revisions of the EIR; and

(3) No new information has become available, which was not known and could not have been known at the time the EIR was certified as complete, showing either (a) that the Redevelopment Plan or Proposed Sale will have any significant environmental effect not discussed previously in the EIR, or (b) that significant environmental effects previously examined in the EIR will be substantially more severe than the EIR, or (c) that environmental mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce any significant environmental effects of the Redevelopment Plan or Proposed Sale, or (d) that environmental mitigation measures or alternatives which were not previously considered in the EIR would substantially lessen any significant environmental effect of the Redevelopment Plan or Proposed Sale; and

WHEREAS, the City Council of the City of Santa Fe Springs has adopted a resolution approving the Proposed Sale and authorizes the City Council acting as Housing Successor to the Community Development Commission to open escrow with Cecilia A. Pasos for the sale of the property located at 9735 Bartley Avenue, Santa Fe Springs, CA;

**NOW, THEREFORE THE CITY COUNCIL ACTING AS HOUSING SUCCESSOR TO
THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS
DOES RESOLVE AND ORDER AS FOLLOWS:**

SECTION 1: The City Council acting as Housing Successor to the Community Development Commission approves entry into an escrow with Cecilia A. Pasos, and authorizes the City Manager to execute said escrow.

SECTION 2: The City Council acting as Housing Successor to the Community Development Commission shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 14th day of June, 2012.

William K. Rounds, Chairperson

ATTEST

City Clerk: _____

RESOLUTION NO. 9372

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA FE SPRINGS APPROVING THE SALE OF PROPERTY OWNED BY
THE CITY COUNCIL ACTING AS HOUSING SUCCESSOR TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS FOR
AFFORDABLE HOUSING PURPOSES PURSUANT TO THE REDEVELOPMENT PLAN**

WHEREAS, the City Council acting as Housing Successor to the Community Development Commission of the City of Santa Fe Springs has proposed to sell property (the "Proposed Sale") acquired with tax increment moneys, for affordable housing purposes pursuant to the Redevelopment Plan (the "Redevelopment Plan"); and

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, {s} 33431 and 33433 for the sale of a small housing project as defined in {s} 33013; and

WHEREAS, the City Council has provided all interested persons with and 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 further finds and determines that the Proposed Sale is an activity within the scope of the Redevelopment Plan, in particular the provision of housing affordable to low and moderate income persons, for which an Environmental Impact Report (the "EIR") was certified; and

WHEREAS, the City Council in adopting this Resolution has considered the EIR; and

WHEREAS, the City Council further finds and determines that the EIR adequately describes the Proposed Sale for the purposes of the California Environmental Quality Act; and

WHEREAS, the City Council further finds and determines that, pursuant to Cal. Admin. Code, tit. 14, {s} 15162, no new significant environmental effects could occur as a result of the Proposed Sale beyond those considered in the EIR, and no new mitigation measures would be required by the Proposed Sale beyond those discussed in the EIR, in that:

(1) The Proposed Sale does not propose any substantial changes to the Redevelopment Plan which would require major or minor revisions of the EIR due to the involvement of new significant environmental impacts not considered in the EIR; and

(2) No substantial changes have occurred with respect to the circumstances under which the Redevelopment Plan is being undertaken which, due to the involvement of new significant environmental impacts not considered in the EIR, would require major or minor revisions of the EIR; and

(3) No new information has become available, which was not known and could not have been known at the time the EIR was certified as complete, showing either (a) that the Redevelopment Plan or Proposed Sale will have any significant environmental effects not discussed previously in the EIR, or (b) that significant environmental effects previously examined in the EIR will be substantially more severe than the EIR, or (c) that environmental mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce any significant environmental effects of the Redevelopment Plan or Proposed Sale, or (d) that environmental mitigation measures or alternatives which were not previously considered in the EIR would substantially lessen any significant environmental effect of the Redevelopment Plan or Proposed Sale;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES RESOLVE AS FOLLOWS:

SECTION 1: The City Council approves the sale of property proposed by the City Council acting as Housing Successor to the Community Development Commission of the City of Santa Fe Springs, and authorizes the City Council acting as Housing Successor to the Community Development Commission of the City of Santa Fe Springs to open escrow with BUYER Cecilia A. Pasos, for the sale of the property located at 9735 Bartley Avenue, Santa Fe Springs, California.

SECTION 2: The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 14th day of June, 2012.

William K. Rounds, MAYOR

ATTEST:

CITY CLERK

Recording requested by and
when recorded return to:

City Clerk
11710 E. Telegraph Road
Santa Fe Springs, California 90670

AGREEMENT

This Agreement is made as of the 14th day of June, 2012, by and between the City Council acting as Housing Successor for the Community Development Commission of the City of Santa Fe Springs ("HS"), and Cecilia A. Pasos ("Buyer").

This Agreement is made with reference to the following facts:

- A. HS is the owner of the property (the "Property") located at 9735 Bartley Avenue, Santa Fe Springs, California, and legally described as follows:

Lot 624 of Tract 16194, in the City of Santa Fe Springs, County of Los Angeles, State of California, as per map recorded in Book 370, Page(s) 14 of maps, in the Office of the County Recorder of said County.

- B. CDC purchased the Property in a substandard condition and, between acquisition cost and rehabilitation, expended in excess of \$417,000 in bringing the Property to its present first-class condition.
- C. Buyer is the winner of a lottery (HARP) held by CDC to determine the right to purchase the Property for the price set forth below in Section 1. In order to qualify for the lottery, Buyer has demonstrated to HS that Buyer's household income does not exceed 115% of the area median income as established by HUD and that the Buyer has resided, for the preceding three years, in the City of Santa Fe Springs.
- D. HS wishes to sell the Property to qualified persons who will maintain it in a first-class condition, who qualify financially as set forth above, and who will agree to certain covenants and conditions regarding the resale of the Property, for a period of 45 years from the date of close of escrow for the sale of the Property from HS to Buyers (the Covenant Period), in accordance with applicable provisions contained in the California Community Redevelopment Law (the CRL).
- E. HS is willing to subsidize the sale to Buyer, as set forth herein, because of Buyer's acceptance of the foregoing goals and agreement to cooperate in carrying them out.

NOW, THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. HS agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from the HS for a total sum of \$225,000. The parties agree to enter into an appropriate escrow for said sale. HS will pay both parties' escrow expenses, including all non-recurring closing costs, and the cost of a CLTA Title Insurance Policy in the amount of the purchase price. A 30-day escrow is

contemplated, but escrow may close sooner or be extended longer by mutual consent.

2. Buyer shall pay the purchase price into escrow as follows:
 - a. A cash down payment of not less than \$2,500, payable at the opening of escrow.
 - b. Buyer shall obtain financing for the acquisition of the property, and is hereby granted the right to give a lender a first deed of trust on the Property to secure said loan (the Lender's Loan).
 - c. HS will provide Buyer with a \$20,000 loan, secured by a second deed of trust, to be paid back as follows:
 - Interest will accrue at 6% per year on the outstanding principal balance.
 - No payments of either interest or principal will be due for the first ten (10) years from the date of close of escrow. However, Buyer may make payments at any time without penalty.
 - On the tenth anniversary of the close of escrow, Buyer must elect to either pay off the second deed of trust in full or commence on a regular monthly payment schedule designed to pay off principal and interest in five (5) years. A late payment penalty of 6% will be assessed on all payments received ten (10) or more days late.
3. At all times during the Covenant Period, Buyer shall maintain the exterior of the Property (dwelling and accessory structures) to the standards required by the Property Maintenance Ordinance (Chapter 17A) contained in the City Code of the City of Santa Fe Springs, as such Chapter presently exists or is hereafter amended (the PMO).
4. Because of HS's potential right to repurchase the Property during the Covenant Period, Buyer shall maintain the interior of the Property to standards of normal use, including routine maintenance and upkeep. In the event that HS repurchases the Property as set forth below, HS's actual costs of repair and rehabilitation will be deducted from the repurchase price set forth below. Items for which deductions will be made include but are not limited to:
 - a. Holes, cracks, gouges or other punctures/indentures in wall, ceiling or roof area.
 - b. Lack of proper maintenance of painted or varnished surfaces of wall, ceilings, etc.; cracked and peeling painted surfaces; discoloration of painted surfaces; stains, markings or graffiti on walls, floors or ceilings.
 - c. Broken glass, debris, garbage, human or animal waste on the floors, or holes in the carpet or floors.

- d. Broken, removed, disconnected and/or clogged plumbing fixtures.
 - e. Broken, removed and/or non-workable doors, windows, cabinets, cupboards, closets and shelves.
 - f. Acts of vandalism or malicious mischief.
5. If, during the Covenant Period, there is any violation of the PMO which results in a City Manager hearing (Section 95), the City Manager, or the City Council on appeal from the City Manager's decision, may order that Buyer sell the Property back to HS. Such repurchase by HS shall be at the price set forth below in Section 10.
6. During the Covenant Period, the Property shall be the principal residence of Buyer and Buyer's children only. It may not be leased or rented under any circumstances without HS's prior written approval, which will be given only in case of extreme hardship beyond the control of Buyer, as determined at the sole discretion of HS.
7. Buyer shall not place any encumbrance on the Property, other than the encumbrance evidencing a first deed of trust at the time of purchase as described in section 2(c), above, nor shall Buyer increase the amount of said allowed encumbrance or any other allowed encumbrance, without obtaining the prior written consent of HS, which consent shall not be unreasonably withheld.
8. Should Buyer propose to sell or otherwise transfer (sale) the Property at any time during the Covenant Period, such sale shall be to an income eligible person (or persons), for an affordable price, as defined in the applicable provisions of the CRL, pursuant to the schedules in effect at the time of such proposed sale. Prior to any proposed sale, Buyer shall provide to HS such information as HS deems necessary so that HS may evaluate the eligibility of the proposed buyer and sale. HS shall inform Buyer of its decision regarding such eligibility within 10 business days of HS's notice to Buyer that HS has received all necessary information to make such evaluation. **ANY SALE OR TRANSFER MADE WITHOUT COMPLIANCE WITH THE PROVISIONS OF THIS SECTION SHALL BE PROHIBITED AND VOID.**
9. In the event that Buyer desires to sell the Property, and despite their best efforts cannot locate an eligible buyer within 45 days after Buyer begins to actively market the Property, HS may, but is not obligated to, repurchase the Property from Buyer.
10. In the event that HS repurchases the Property pursuant to any provision set forth in this Agreement, the purchase price shall be the lesser of: (a) The fair market value of the Property at the time of such purchase, as determined by an appraisal to be done by an independent appraiser to be selected by HS, less any deductions as described herein; or (b) the maximum affordable price, as defined in the applicable provisions of the CRL, pursuant to the schedules in effect at the time of such purchase, less any deductions

described herein.

11. In the event of violation or threatened violation by Buyer of any of the provisions of this Agreement, HS shall be deemed to be an interested party and shall have the right to seek appropriate judicial relief for the purpose of eliminating or preventing the violation.
12. Any default by Buyer on the Lender's Loan, whether by non-payment or otherwise, shall trigger HS's right to repurchase the Property for the amount set forth above in Section 11. In the event that HS repurchases the Property based on a default on the Lender's Loan, the parties shall deduct from the purchase price all expenses incurred by HS as a result of said default, in addition to any other deductions relating to any other provision of this Agreement.
13. Should any provision of this Agreement be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of the Agreement shall remain in full force and effect unimpaired by the holding.
14. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective heirs, successors and assigns of the parties hereto.
15. This Agreement shall be governed by the laws of the State of California. Any legal action pertaining to this Agreement shall be filed in the Los Angeles Superior Court, Southeast District. In any such legal action, the prevailing party shall be entitled to recover its reasonable litigation expenses, including attorneys' fees.

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

BUYER:

SELLER:

CITY OF SANTA FE SPRINGS ACTING AS HOUSING
SUCCESSOR AGENCY FOR THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY OF
SANTA FE SPRINGS

Cecilia A. Pasos

By: _____
Thaddeus McCormack, City Manager

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Attn.: Planning Department

Space above this line for Recorder's use.

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

THIS NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY ("Notice") is given pursuant to California Health and Safety Code Section 33334.3, dated as of _____, 2012 with reference to that certain real property located at 9735 Bartley Avenue in the City of Santa Fe Springs, California, described as Lot 624 of Tract 16194 in the City of Santa Fe Springs, County of Los Angeles, State of California, as per map recorded in Book 370, Pages 14 of maps, in the Office of the County Recorder of said County, and also known as Assessor's Parcel No. 8006-022-006, and as described in the Legal Description set forth in Exhibit A attached hereto (the "Property").

1. The City Council acting as Housing Successor to the Community Development Commission of the City of Santa Fe Springs (the "HS") and Cecilia A. Pasos (the "Owner") have entered into that certain Agreement dated _____, 2012 establishing, among other things, a Covenant Period during which the HS may repurchase the Property and also establishing said Affordability Restriction on Transfer of Property ("Resale Restriction") that will expire in forty-five (45) years after _____, 2012 otherwise known as the date on which this document was recorded in the Office of the Los Angeles County Recorder as Instrument No. _____.

2. The Resale Restriction requires the Property to be sold or otherwise transferred only to an income eligible Moderate-Income household at a restricted resale price, and requires payment to the HS of sale proceeds in excess of the restricted price. In addition, pursuant to the Resale Restriction provisions, the Owner is required to notify the HS

of any intended sale or transfer of the Property, and the HS has the first-right option to purchase the Property upon receipt of such notice. The HS also has the option to purchase the Property upon the occurrence of certain defaults under the Resale Restriction provisions, including without limitation, the sale or other transfer of the Property in violation of the Resale Restriction provisions.

3. The restrictions set forth in this Notice and as established by the Agreement will be in effect for a period of forty-five (45) years, commencing on _____, 2012 and terminating on _____, 2057.

4. Notwithstanding any other provision of law, the covenants and restrictions set forth in this Notice and the Agreement shall run with the land and shall be enforceable against any owner of the subject property during the restricted covenant period.

This Notice is intended to provide notice of documents that affect title to the Property. Reference should be made to the Agreement between the HS and Owner for a more detailed description of all matters described in this Notice. In the event of any conflict between the terms of this Notice and the terms of the Agreement, the Resale Restrictions as set forth in the California Community Redevelopment Law shall prevail.

IN WITNESS WHEREOF, HS and Owner have executed this Notice as of the date first written above.

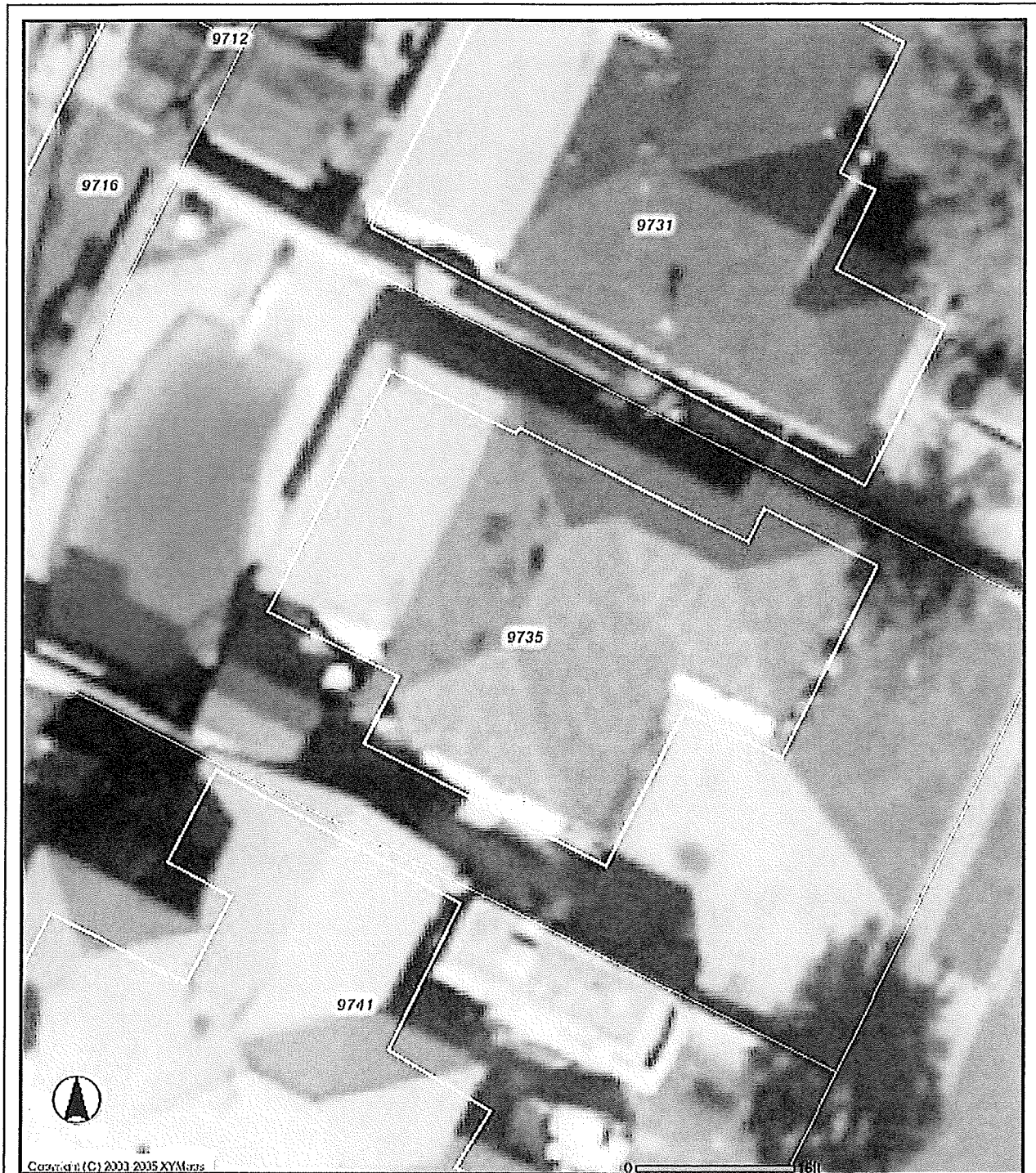
City Council acting as Housing
Successor to the Community
Development Commission
of the City of Santa Fe Springs,
a public body, corporate and politic

Owner: _____
Cecilia A. Pasos

By: _____

Steven N. Skolnik

Its: Commission Counsel



City of Santa Fe Springs
9735 Bartley Avenue

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

MAY 8, 2012

1. CALL TO ORDER

Mayor Rounds called the Adjourned City Council meeting to order at 4:47 p.m.

2. ROLL CALL

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

Also present: Thaddeus McCormack, City Manager; Paul Ashworth, Director of Planning & Community Development; Don Jensen, Director of Public Works; Dino Torres, Director of Police Services; Maricela Balderas, Director of Family & Human Services; Jose Gomez, Director of Finance & Administrative Services; Alex Rodriguez, Fire Chief; Anita Jimenez, Deputy City Clerk

PLEDGE OF ALLEGIANCE – Led by Wayne Morrell

3. ORAL COMMUNICATIONS

Mayor Rounds opened Oral Communications at 4:50 p.m.

There being no one wishing to speak, Mayor Rounds closed Oral Communications at 4:51 p.m.

4. CITY BUDGET STUDY SESSION

City Budget Study Session: Programmatic Review

Principal Planner Wayne Morrell presented the programmatic budget review for the Planning Department. The City's Housing Element needs to be updated due to the elimination of the Redevelopment Agency. It was recommended that an Economic Development Strategy Study be performed.

Mayor Pro Tem Moore stated that the Council's main concern is that services are performed in a timely manner.

Director of Finance & Administrative Services Jose Gomez presented the programmatic budget review for the Finance Department.

Director of Public Works Don Jensen presented the programmatic budget review for the Public Works Department.

Councilmember González asked if the City is reimbursed for all costs related to the freeway projects. Mr. Jensen replied that some of the costs are reimbursed, but not all.

Mr. Jensen reported that water usage was up slightly this year which brings in more revenue, and that the outside agencies from which the City purchases water may not increase prices as much as previously proposed.

Mayor Rounds remarked that the number of water main breaks seemed to have dropped compared to previous years. Mr. Jensen stated that the reduction was probably due to the fact that \$800,000 had been spent to replace old pipes.

Councilmember Trujillo asked if other cities were requesting that we take on their signal maintenance. Mr. Jensen stated that there had been some requests, but that the City needed to find a City that was of a size that could be accommodated by our staff and equipment. Councilmember González asked if this was an opportunity for the City to hire or keep more staff. The City Manager stated that perhaps hiring part-time staff was an option, however if full-time staff were hired and the contract ended, we might be forced to lay-off those employees. Mayor Pro Tem Moore suggested that the subject should be discussed further. Councilmember Trujillo agreed that it made sense to look for opportunities to bring work to the City if possible.

Director of Parks & Recreation Services Carole Joseph presented the programmatic budget review for the Parks & Recreation Division

Councilmember Serrano suggested that the Department enlist the help of Council when asking for support from businesses for City programs. The City Manager stated that staff would update the Council on the status of donations for program support.

Councilmember Serrano suggested that staff look to see if it is possible for the Aquatic Center to stay open longer for Recreational Swim. The City Manager stated that this could be addressed in one of the Council Subcommittee meetings.

Mayor Pro Tem Moore asked staff to look for ways to increase revenues.

Councilmember González stated that residents are taxed and charged enough already and would not like to see fees raised to achieve greater revenues.

Mayor Rounds cautioned that raising fees could decrease usage resulting in less revenue.

Mayor Pro Tem Moore asked if the area north of Santa Fe Springs Park was being utilized. The City Manager stated that this is one site that was being considered for a possible Dog Park.

Director of Family & Human Services Maricela Balderas presented the programmatic budget review for the Family & Human Services Division.

Councilmember González asked how much is paid by the City to subsidize the Child Care program. The City Manager stated that \$180,000 of General Fund money was used to pay

for the program annually which equates to approximately \$900 per child per year. That figure does not include the cost of the Family Center lease (\$150,000).

Councilmember González commended Maricela Balderas, Judi Smith, and the Child Care staff for the excellent programs that they run. The City Manager stated that Judi Smith was working with the Superintendent of Little Lake City School District to find ways to continue the School-Aged Child Care Programs. Mayor Pro Tem Moore stated that the Case Management Services at the Neighborhood Center were excellent and commended Eddie Ramirez for his work with the seniors. The City Manager suggested that a Community Health Assessment be performed. He also commended Maricela Balderas for her success in bringing in outside agencies to assist residents through the Neighborhood Center.

Librarian Joyce Ryan presented the programmatic budget review for the Library & Cultural Services Division.

Councilmember González asked how much money the City spent on Public Art. No General Fund money is spent on Public Art. All construction and maintenance fees are paid for through developer fees. Councilmember Trujillo asked if there were any rented art pieces in the Library. There are no longer any rented art pieces in the Library. Mayor Pro Tem Moore stated that the Heritage Arts Committee is trying to bring in exhibits by local artists. He also stated that Library staff has done an excellent job utilizing volunteers. He would like all departments to look at expanding in this area.

Director of Police Services Dino Torres presented the programmatic budget review for the Police Services Department.

Mayor Pro Tem Moore asked if it would be possible to utilize cadets from Rio Hondo College to assist in the department. Mr. Torres stated that he was looking into that now. Lead Public Safety Officer Cee Del Toro stated that she is currently working on training volunteers to assist her. Mayor Rounds asked if calls to the Police Center were answered when the facility was not open. Mr. Torres stated that calls are answered at the Police Services Center from 6:00 a.m.-2:00 a.m., and transferred to Whittier dispatch from 2:00 a.m.-6:00 a.m.

Program Coordinator Rick Brown stated that by moving the Family & Youth Intervention program he felt staff was better able to interact with students at Lake Center and Santa Fe High School. He felt their presence deterred violence, graffiti, and negative activity on the facility.

Mayor Pro Tem Moore asked if the City received any money from the school for our participation on SART. The City Manager stated that we did not. Councilmember González added that it was difficult to put a cost-savings amount on the deterrence of the negative activities as a result of SART. Mayor Pro Tem Moore stated that the President of the Hispanic Outreach Taskforce (HOT) was very impressed with the presentation given by Rick Brown about the Family & Youth Intervention Programs. Councilmember González stated that the long-term affects of these programs are very powerful on the community. Councilmember Trujillo praised Mr. Brown for his dedication to the Community. Mayor Pro Tem Moore asked if the staffing level of sworn officers would be affected. With the exception of the elimination of the School Resource Officer, the staffing level of sworn

officers would remain the same. Councilmember González requested an organizational chart for the Whittier Police staff.

Fire Chief Alex Rodriguez presented the programmatic budget review for the Department of Fire-Rescue.

Councilmember González thanked the department for the excellent job they do. He praised the Fire Chief for the amount of grant money secured by the department, and for him taking on the responsibilities of several key positions that have been eliminated. Mayor Rounds also thanked the department for their involvement in the community.

Councilmember González stated that Mayor Rounds was doing a great job during these difficult times.

The City Manager stated that the next step in the Budget process would be to bring a Preliminary Proposed Budget to the Council. It is anticipated that this will occur in the next 2-3 weeks. Then, the Council Subcommittees would meet to discuss the budget.

5. ADJOURNMENT

Mayor Rounds adjourned the meeting at 7:50 p.m.

ATTEST:

William K. Rounds
Mayor

Anita Jimenez, Deputy City Clerk

Date

CITY OF SANTA FE SPRINGS
MINUTES OF THE REGULAR MEETING
OF THE
CITY COUNCIL
MAY 10, 2012

1. CALL TO ORDER

Mayor Rounds called the meeting to order at 6:09 p.m.

2. ROLL CALL

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

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

CITY COUNCIL

3. CITY MANAGER REPORT

No report.

4. CONSENT AGENDA

A. Approval of Minutes of the April 12, 2012 Regular City Council Meeting

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

Councilmember González moved the approval of Item 4A; Councilmember Serrano seconded the motion, which carried unanimously.

5. COUNCIL REQUESTED ITEM – ORDINANCE FOR INTRODUCTION

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 introduce Ordinance No. 1031 which would amend section 30.02 of the City's Municipal Code pertaining to Appointments or Removals.

The City Attorney read the Ordinance by title. Mayor Pro Tem Moore moved the approval of Item 5; Councilmember Serrano seconded the motion, which carried unanimously.

6. PUBLIC HEARING

Consideration of the Adoption of Resolutions of Necessity Nos. 9369 and 9370 Amending Resolution Nos. 9224, 9321, 9225, and 9322 by Increasing the Terms of the Previously Identified Temporary Construction Easements in Said Resolutions for Public Purposes for the Valley View Grade Separation Project

Recommendation: That the City Council: (1). Separately consider each of the following Resolutions: (a). Resolution No. 9369 – A Resolution of Necessity of the City of Santa Fe Springs amending Resolution Nos. 9224 and 9321 by increasing the terms of the previously identified temporary construction easements and declaring certain real property interests located at 14515-14565 Valley View Avenue, and further identified as Assessor's Parcel Number 8069-006-042, necessary for public purposes and authorizing the acquisition thereof, in connection with the Valley View Grade Separation Project; (b). Resolution No. 9370 – A Resolution of Necessity of the City of Santa Fe Springs amending Resolution Nos. 9225 and 9322 by increasing the terms of the previously identified temporary construction easement and declaring certain real property interests located at 14027 and 14103 Borate Street and 14100 Borate Street (14911 Valley View Avenue), and further identified as Assessor's Parcel Number 8069-008-031, 032 and 033, necessary for public purposes and authorizing the acquisition thereof, in connection with the Valley View Grade Separation Project; (2). Open and conduct a Public Hearing on the adoption of the proposed Resolutions of Necessity, receive from staff the evidence stated and referred to in this Agenda Report ("Report"), take testimony from any person wishing to be heard on issues A, B, C, and D as stated in the Report, and consider all evidence to determine whether to adopt each proposed Resolution of Necessity, each of which requires the City Council's separate consideration and determination; (3). If the City Council finds, based upon the evidence contained and referred to in this Report, the testimony and comments received at this hearing, and all written testimony submitted to the City Council, that the evidence warrants the necessary findings with respect to each of the proposed Resolutions of Necessity, then staff recommends that the City Council, in the exercise of its discretion, adopt proposed Resolution Nos. 9369 and 9370 (each of which requires a 4/5 vote of the entire Council) and authorize the City Attorney's office to file an eminent domain proceeding to acquire the following property: (a). Portions of 14515 – 14565 Valley View Avenue (Assessor's Parcel Number 8069-006-042) for a partial fee take, permanent street easement, permanent utility easement, and temporary construction easements; (b). Portions of 3 contiguous parcels on Borate Street, identified as follows: (i). 14027 Borate Street (Assessor's Parcel Number 8069-008-031) for a permanent utility easement; and (ii). 14103 Borate Street (Assessor's Parcel Number 8069-008-032) for permanent utility easements; and (iii). 14100 Borate Street (commonly known as 14911 Valley View Avenue) (Assessor's Parcel Number 8069-008-033) for permanent utility easements and a temporary construction easement. These

real property interests are referred to collectively as "Subject Property Interests" and are described more particularly in the Exhibits attached to each Resolution of Necessity. Each Resolution also contains a drawing depicting the location of the Subject Property Interests in relation to the Valley View Avenue Grade Separation Project. Said Resolutions together with their exhibits are attached hereto and incorporated in this Report by this reference; (4). With respect to each Resolution of Necessity that is approved, authorize the City Attorney's office and City staff to take all necessary steps to deposit with the Court the amount of probable compensation required by law for issuance of the Order for Possession; and (5). Authorize the City Manager, or his designee, to execute all necessary documents.

The City received a letter from Woodruff, Spradlin & Smart, who represent Valley View-Santa Fe Springs, LLC, stating their objection to the Proposed Adoption of Resolutions of Necessity for Extension of Acquisition of a Portion of Certain Real Property Identified as Assessor Parcel Number 8069-006-042, also Identified as 14515-14565 Valley View Avenue, Santa Fe Springs, California, for Valley View Grade Separation Project. The City Attorney introduced Regina Danner, Esq., who represents the City in eminent domain matters and informed the Council that she could answer questions they may have regarding this issue.

Mayor Rounds opened the Public Hearing at 6:14 p.m. There being no one wishing to speak, Mayor Rounds closed the Public Hearing at 6:15 p.m.

Councilmember González moved the approval of Resolution 9369; Councilmember Trujillo seconded the motion which carried by the following roll call vote: Ayes – González, Serrano, Trujillo, Moore, Rounds; Noes – None; Absent – None; Abstain – None.

Mayor Pro Tem Moore moved the approval of Resolution 9370; Councilmember Trujillo seconded the motion, which carried by the following roll call vote: Ayes – González, Serrano, Trujillo, Moore, Rounds; Noes – None; Absent – None; Abstain – None.

NEW BUSINESS

7. Valley View Avenue Grade Separation Project - Resolution 9371 – Approval of Program Supplement Agreement N002 (Revision 1) for Federal Aid Project No. DEMLO2-5340 (011)

Recommendation: That the City Council: (1). Adopt Resolution No. 9371 approving Program Supplement Agreement N002 (Revision 1) for the Valley View Avenue Grade Separation Project; and (2). Authorize the Director of Public Works to execute the agreement.

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

8. Gus Velasco Neighborhood Center Renovation and Modernization Project – Authorization to Amend LPA Contract to Provide Additional Contract Administration and Construction Management Services

Recommendation: That the City Council authorize the Director of Public Works to execute a contract amendment with LPA for an amount not to exceed \$120,000 to perform additional contract administration and construction management services.

Councilmember Serrano moved the approval Item 8; Councilmember González seconded the motion which carried unanimously.

9. Interstate 5 Water Main Relocation for the Carmenita Road Segment – Approval of Pipeline Crossing Agreement with Union Pacific Railroad Company

Recommendation: That the City Council: (1) Approve the Pipeline Crossing Agreement with UPRR for the Interstate 5 Water Main Relocation for the Carmenita Road Segment; and (2) Authorize the Director of Public Works to execute the Pipeline Crossing Agreement.

Councilmember Serrano moved the approval Item 9; Mayor Pro Tem Moore seconded the motion which carried unanimously.

10. Slurry Sealing of Various Streets (FY 2011-2012) – Award of Contract

Recommendation: That the City Council: (1) Accept the bids; (2) Authorize the City Engineer to identify additional streets to be included in the contract; and (3) Award a contract to Roy Allan Slurry Seal Inc. of Santa Fe Springs, California, in the amount of \$191,528.23

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

11. Valley View Grade Separation Project – Reimbursement of Property Acquisition Costs Incurred by the City of La Mirada

Recommendation: That the City Council authorize the Director of Finance and Administrative Services to reimburse the City of La Mirada in the amount of \$2,241,967.00 for right-of-way acquired from APN 8069-009-020 to construct the Valley View Avenue Grade Separation Project.

Councilmember Trujillo moved the approval of Items 11 and 12; Mayor Pro Tem Moore seconded the motion which carried unanimously.

12. Valley View Avenue Grade Separation Project – Authorization to Execute Temporary Construction Easements and Permanent Easements

Recommendation: That the City Council authorize the City Manager to execute all Temporary Construction Easements and Permanent Easements for the Valley View Avenue Grade Separation Project.

See Item 11.

13. Release for Property Damage with Veolia ES Industrial Services, Inc.

Recommendation: That the City Council authorize the City Manager or his designee to execute any and all documents necessary to complete the release for property damage with Veolia ES Industrial Services, Inc. in relation to the illegal dumping incident on November 1, 2011.

Mayor Pro Tem Moore moved the approval Item 13; Councilmember Serrano seconded the motion which carried unanimously.

14. CLOSED SESSION
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 to go into Closed Session at 6:19 p.m.

Mayor Rounds reconvened the meeting at 7:07 p.m.

There was no report from the Closed Session.

15. INVOCATION
Mayor Pro Tem Moore gave the invocation

16. PLEDGE OF ALLEGIANCE
The Pledge of Allegiance was led by the Youth Leadership Committee.

INTRODUCTIONS

17. Members of the Youth Leadership Committee introduced themselves.

18. Mayor Rounds introduced Wendy Meador of Tangram Interiors and Larry Clanton of Cosby Oil.

19. ANNOUNCEMENTS
Mayor Rounds called on Carole Joseph for community announcements.

PRESENTATIONS

20. Proclaiming May 20-26, 2012, as National Public Works Week
Mayor Rounds called on Don Jensen to assist with the presentation. The Deputy City Clerk read the proclamation. Mayor Rounds presented the proclamation to Assistant Director of Public Works Noe Negrete and Public Works Employee Bill Dill.

21. Introduction of the 2012 Destiny Scholarship & Powell Grant Recipients
Mayor Rounds called on Santa Fe Springs Youth Enrichment Fund Board Member Lisa Boyajian to introduce the winners. Paul Galvan received the Destiny Scholarship (\$20,000) and Mary Ann Talino received the Powell Grant (\$5,000).

22. Introduction of the 2012 Youth Leadership Scholarship Recipients
Mayor Rounds called on Management Assistant Wayne Bergeron to assist with the presentation. The following scholarships were presented:
Excellence in Citizenship - \$750 Award - Ignacio Herrera III, Santa Fe High School; Siboney Ordaz, Santa Fe High School; Faith Rowell, Santa Fe High School
Outstanding Citizenship - \$500 Award - Alys Arcas, Santa Fe High School; Guillermo Gutierrez, Santa Fe High School; Victoria Ramirez, Santa Fe High School
Service in Citizenship - \$250 Award - Vanessa Aranda, Santa Fe High School; Carina González, UC – Riverside; Priscilla Moreno, Santa Fe High School

APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

23. Mayor's Appointments to Council of Government's (COG) Subcommittees

Recommendation: That the Mayor appoint alternates to the COG Subcommittees in order that they may conduct regularly scheduled business in a timely manner.

Mayor Rounds appointed Councilmember Trujillo as the Alternate to the 91/605/405 Committee and Mayor Pro Tem Moore as the Alternate to the Committee on Homelessness.

24. Committee Appointments
None.

25. ORAL COMMUNICATIONS

Mayor Rounds opened Oral Communications at 7:37 pm.

City Attorney Steve Skolnik informed the speakers that they were allowed to speak for three minutes each and specified that Council cannot take any action on items not on the agenda.

The following submitted cards and addressed the Council regarding the City's Child Care Programs: Lilia Rodriguez-Paniagua, Elise Esparza, Luz Doss, Randy Roach, Eileen Sepulveda, Jovan Ballesteros, Margie Arellano

There being no one else wishing to speak, Mayor Rounds closed Oral Communications at 7:48 p.m.

26. EXECUTIVE TEAM REPORTS

Don Jensen reported that seven bids for the Valley View Grade Separation

Project had been received and all were lower than expected. He recommended that the contract be awarded at the next meeting.

Dino Torres wished all the mothers a Happy Mother's Day.

Alex Rodriguez reported that the "Fill the Boot" fundraiser will be held May 23-25.

Councilmember Serrano stated that Mother's Day is celebrated in Mexico on this day and wished all the mothers a Happy Mother's Day.

Mayor Pro Tem Moore commended Thaddeus on the tremendous job he did on the child care issue. He also thanked the Historical Committee for their work on the book *Images of America: Santa Fe Springs*.

Councilmember Serrano reported that three homes sold in the Villages last week and 13 are currently in escrow.

27. ADJOURNMENT

Mayor Rounds adjourned the meeting in memory of Kathleen Rounds (Meyer).

William K. Rounds
Mayor

ATTEST:

Anita Jimenez, Deputy City Clerk

Date



City of Santa Fe Springs

City Council Meeting

June 14, 2012

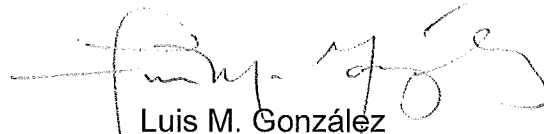
CONFERENCE AND MEETING REPORT

Councilmember González's Attendance at the California Contract Cities Annual Seminar

RECOMMENDATION

That the City Council receive and file the report.

Councilmember González attended the California Contract Cities Annual Seminar in Indian Wells, CA – May 18-20, 2012. The conference focused on the impact of the dissolution of Redevelopment Agencies on cities.


Luis M. González
Councilmember



City of Santa Fe Springs

City Council Meeting

June 14, 2012

CONFERENCE AND MEETING REPORT

Mayor Pro Tem Moore's Attendance at the California Contract Cities Annual Seminar

RECOMMENDATION

That the City Council receive and file the report.

Mayor Pro Tem Moore attended the California Contract Cities Annual Seminar in Indian Wells, CA – May 18-19, 2012. The conference focused on the impact of the dissolution of Redevelopment Agencies on cities.

A handwritten signature in black ink, appearing to read "Rich Moore", is positioned above the printed name.

Richard J. Moore
Mayor Pro Tem



City of Santa Fe Springs

City Council Meeting

June 14, 2012


CONFERENCE AND MEETING REPORT

Councilmember Trujillo's Attendance at the International Council of Shopping Centers (ICSC) Conference

RECOMMENDATION

That the City Council receive and file the report.

Councilmember Trujillo attended the International Council of Shopping Centers (ICSC) Conference in Las Vegas, NV – May 20-22, 2012. The conference provided networking opportunities for shopping center developers, real estate agents, and government officials seeking development expansion.



Juanita Trujillo
Councilmember



City of Santa Fe Springs

City Council Meeting

June 14, 2012

CONFERENCE AND MEETING REPORT

Mayor Rounds' Attendance at the International Council of Shopping Centers (ICSC) Conference

RECOMMENDATION

That the City Council receive and file the report.

Mayor Rounds attended the International Council of Shopping Centers (ICSC) Conference in Las Vegas, NV – May 20-22, 2012. The conference provided networking opportunities for shopping center developers, real estate agents, and government officials seeking development expansion.

William K. Rounds
Mayor



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Introduction and Discussion of Preliminary FY 2012-2013 City Budget

RECOMMENDATION

That the City Council give staff direction regarding revenue and expenditure issues in preparation for upcoming Budget Subcommittee and Council Budget Study Sessions.

Background

It is my pleasure to present the Fiscal Year (FY) 2012-13 Proposed Preliminary Budget. This budget operationalizes the City Council's priorities as set forth last year, which provides an unwavering commitment to making Santa Fe Springs a safe and great place to live, work and play. The Proposed Preliminary Budget incorporates the budget modifications authorized by the City Council in February 2012 in response to the State's elimination of Redevelopment, and, finally, represents the City's financial plan for the coming fiscal year, which furthers the City's mission to deliver exemplary municipal services responsive to our entire community and consistent with our history, culture and unique character.

To recap, on December 29, 2011, the State Supreme Court issued a ruling that effectively put the City's Redevelopment Agency out of business for good, as of February 1, 2012. The City's Redevelopment Agency, also known as the Community Development Commission (CDC), was the economic development and public improvement arm of the City. The CDC brought \$32 million of funding to the City annually, which literally helped build the Santa Fe Springs that we all know and love. In addition to the scores of public improvements and thousands of jobs created through Redevelopment/CDC, it also funded a significant portion of the City's operations, including a significant portion of labor, programs and services. Tragically, the State's actions took away 25% of the funding that would generally support the City's operational budget. In dollar figures, the net impact of Redevelopment's elimination on the City's annual budget is \$13.4 million, out of an approximate \$55 million overall budget.

The City has gone to great lengths to make sure that Redevelopment-related budget cuts were spread across the organization, so as to minimize the impact on any one stakeholder group. Some of the budget modifications, such as the reduced City staffing levels (due to layoffs), are more conspicuously felt, while others, such as modest changes to programs, events, and services, are less so. Nonetheless, every part of the organization has been affected by the massive budget shortfall created by Redevelopment's elimination and the requisite budget modifications. In making these difficult decisions, the City did so with the vision of creating stability for the organization and thus the community, so that it could remain fiscally strong and move forward to continue to be the great Santa Fe Springs that we all know.



City of Santa Fe Springs

City Council Meeting

June 14, 2012

FY 2012-13 Proposed Preliminary Budget

We are preliminarily estimating a General Fund deficit of \$2,566,600 for FY 2012-13. It is the result of approximately \$53.8 million in revenues and \$56.4 million in expenditures. It includes a modest overall increase in revenues and a reduction in City-wide expenditures by fully implementing the Council-approved post-redevelopment plan. While the preliminary budget is in a deficit position, it is not unexpected and serves as a starting point as we commence our budget discussions.

Sources:

General Revenues	\$ 39,448,000
<u>Applied Revenues</u>	<u>14,367,100</u>
Total Sources	53,815,100

Uses:

Department Exp.	\$ 52,871,200
<u>Non-Operating</u>	<u>3,510,500</u>
Total Uses	56,381,700

Projected Deficit	<u>\$ (\$2,566,600)</u>
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Revenues

During the upcoming year we are expecting all City revenues to total \$65.9 million. At \$39.5 million, General Fund revenues comprise 60% of all the revenues. This amount is \$637,000 more than the current year, largely due to anticipated increases in the Utility User's Tax (\$1.5 million), Sales & Use Tax (\$1.3 million), Property Tax (\$1.1 million) offsetting \$3.3 million in one-time revenues during the prior year.

Sales Tax Revenue – Historically, the City has benefitted greatly from the large business community and the sales tax revenue generated. While anticipated revenue is below levels seen in a more robust economy, modest gains in recent years indicate a favorable trend upward. Additionally, the addition of the Utility User's Tax in late 2010 provided much-needed revenue diversification that reduces the City's reliance on Sales Tax Revenue and the disproportionate impact an economic downturn has on the City of Santa Fe Springs compared to other communities.

See charge below (on next page):

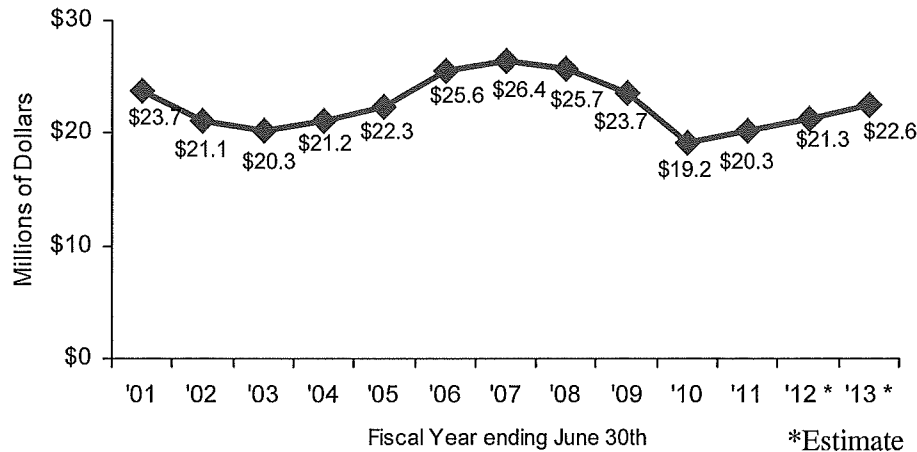


City of Santa Fe Springs

City Council Meeting

June 14, 2012

FY 2012-13 – Estimated Sales Tax Revenue \$22.6 Million



The loss of the CDC severely impacted our General Fund as it eliminated the primary restricted funding source for the City. Nonetheless, the Water Utility and Waste Management activities are examples of sound operations within the City's operational structure that compensate the General Fund for internal administrative and overhead charges.

Expenditures

During Fiscal Year 2012-13 we are expecting General Fund expenditures to total approximately \$56.4 million. This is about \$3.2 million more than in the prior year. While the loss of the CDC resulted in significant expenditure cutbacks organizationally, General Fund expenditures grew as it is now funding remaining programs and costs that were deemed necessary in a post-CDC organization. This includes (most notably) capital improvement projects (\$2.8 million in General Fund), as well as operational expenditures such as code enforcement and graffiti removal.

Department expenditures are estimated at \$52.9 million. The three largest expenditure components by department are Fire (36%), Police (18%), and Public Works (17%). Combined, the \$27.7 million spent on public safety (Police and Fire-Rescue Departments) accounts for slightly more than half of the City's operating expenditures.

Conclusion

In closing, over the last three years, the City has confronted the most challenging budget situation in the City's history. We have confronted this challenge forthrightly and have not shied away from making difficult but necessary decisions. We have both addressed our annual budget shortfalls and made



City of Santa Fe Springs

City Council Meeting

June 14, 2012

significant progress in reducing our City's long-term structural deficit. We have succeeded because of the strong partnerships we have with residents, businesses and employees, as well as our collective commitment to shared responsibility and shared sacrifice. And, now, through the adoption of the FY 2012-13 budget, we have the opportunity to attain a level of stability that the organization has not experienced in quite some time.

I am confident that the prudent and fiscally responsible pathway that the Council has laid out over the last few years (especially over the last few months in the wake of the elimination of Redevelopment) has paved the way for a Fiscal Year 2012-13 budget that takes the City back to a place where it can, once again, live within its means. Our continued partnership with community stakeholders and the City Council's continued strong sense of resolve positions the City for success on into the future.

Thaddeus McCormack
City Manager

(If the title of your report is long, please start here)
Title of Report

Page 5 of 5



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Proposition 1B Funds FY 2009/10 – Identification of Project

RECOMMENDATION

It is recommended that the City Council take the following actions:

1. Amend the City's Capital Improvement Program to include Gridley Road Reconstruction and adopt this project for potential funding with Proposition 1B Bond proceeds;
2. Allocate \$155,000 in Proposition 1B funds for Gridley Road Reconstruction; and
3. Authorize staff to apply to the State Department of Finance for release of Proposition 1B funds for this project.

BACKGROUND

In 2006, California voters approved Proposition 1B (Transportation Bond) authorizing the sale of over \$2 billion in bonds for infrastructure improvements. Proposition 1B specified that a portion of the bond proceeds be allocated directly to cities for infrastructure repairs.

The allocation for each city is determined by the State Controller's Office (SCO) based on the total population of the city in relation to all cities in the State. Cities must apply for the release of these funds and funds will not be released until the application has been accepted.

The allocation for the City of Santa Fe Springs will be \$155,000. In order to apply for the funds, the City Council must adopt a list of project(s) and amend the City's adopted Capital Improvement Program to reflect the inclusion of Proposition 1B funding. In summary, guidelines state that funds can only be used to complete the following:

- Pavement maintenance and rehabilitation
- Street extensions, lane additions and new streets
- Landscaping, signage, safety and ADA improvements
- Bridge repair, replacement and new construction
- Transit related improvements

Public Works believes that the Proposition 1B funds allocated to the City of Santa Fe Springs should be used to support the Gridley Road reconstruction project. The limits of this project are from Dunning Street to Clarkman Street. The existing

Report Submitted By: Don Jensen, Director
Public Works Department

Date of Report: June 7, 2012

condition of the pavement on Gridley Road is poor with numerous alligator cracks present. In addition, the asphalt is losing its binder, causing potholes on the street. The street was unable to be slurry sealed in 2008 due to its poor condition and at that time it was determined full reconstruction of the street was necessary.

The estimated cost of the project is approximately \$400,000. Additional funding will be necessary for this project; however an allocation of Proposition 1B funding will reduce the amount of local funding required. Staff anticipates requesting the additional funding once it becomes evident what amount of Capital Improvement Program funding is available due to the elimination of the Redevelopment Agency (Community Development Commission). Legislative provisions state that Proposition 1B funds must be spent within three (3) years and cannot be used to cover costs already incurred. Therefore, there is time to determine how to appropriate additional funding.

FISCAL IMPACT

The actions recommended by staff will result in an amendment of the City's Adopted Capital Improvement Program and the commitment of \$155,000 in Proposition 1B funds to the Gridley Road Reconstruction project.

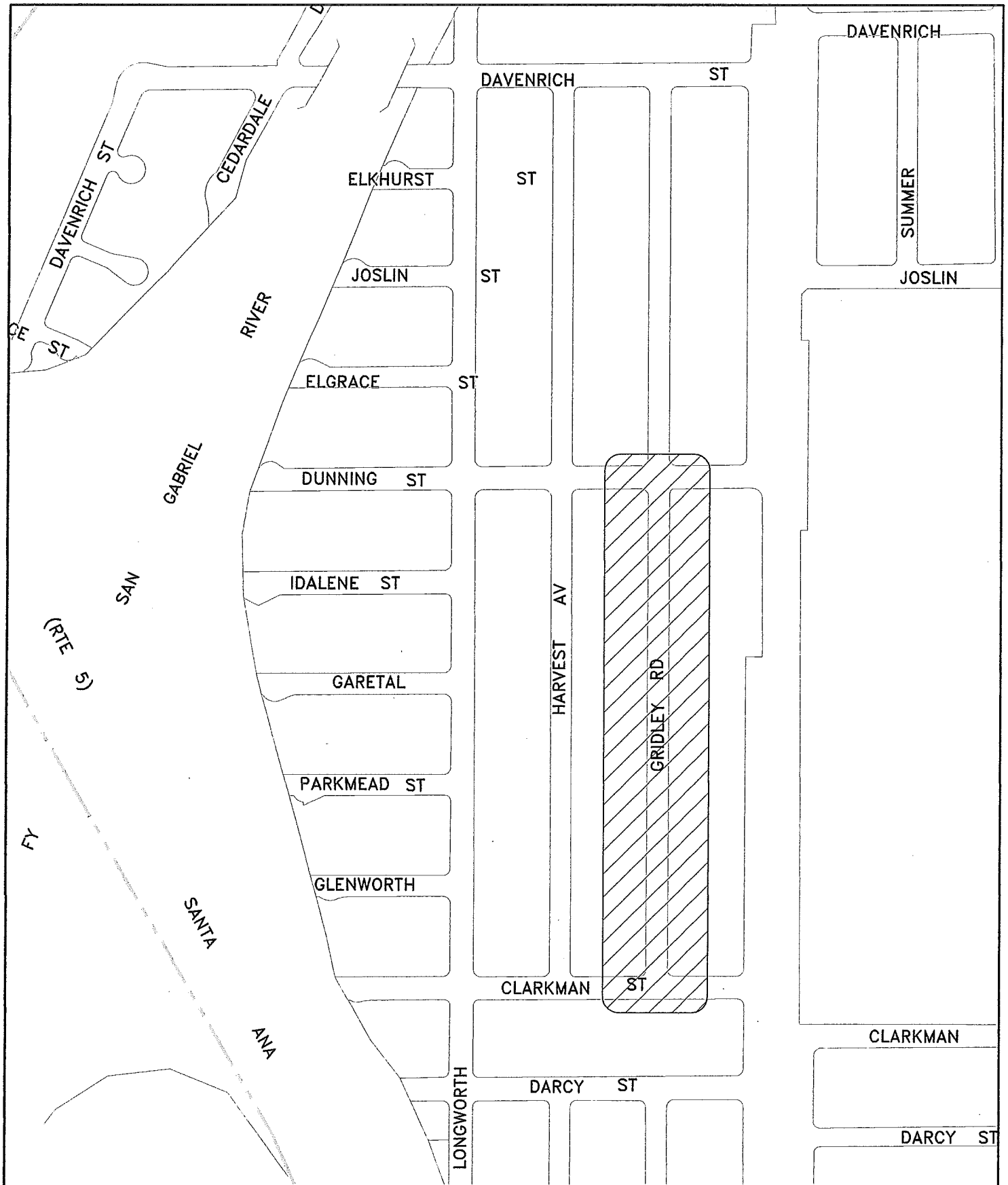
INFRASTRUCTURE IMPACT

Although this action does not have a direct impact on City infrastructure, the allocation of Proposition 1B funds will eventually result in the necessary repairs of Gridley Road in the near future.

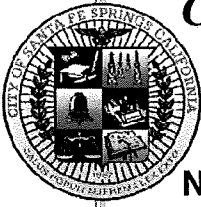


Thaddeus McCormack
City Manager

Attachment(s)
Location Map



LOCATION MAP



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Solid Waste Collection Rate Adjustment

RECOMMENDATION:

That the City Council approve a 2.0% increase on the annual residential rate, effective July 1, 2012.

BACKGROUND

In accordance with Resolution No. 9323 adopted June 6, 2011, the Waste Haulers are entitled to a Consumer Price Index (CPI) increase of 2.0 % in collection rates effective July 1, 2012. This is based on the CPI change for the March to March All Urban Consumers Index for the Los Angeles/Anaheim/Riverside area. In fact, Council approval is not required unless the Haulers seek rate adjustments in excess of the CPI, which is not the case this year.

In 2006, the Haulers asked for and were granted by the City Council the ability to automatically pass through future changes in landfill tipping fees to Commercial and Industrial (C&I) customers by increasing C&I solid waste collection rates imposed by the County Sanitation District at such time that tipping fee increases go into effect, which is almost always in January. This negated the haulers need to seek higher rate increases in July in order to make up for the loss of revenue vis-à-vis the increased cost of doing business from January to July. The down side has been that C&I customers receive two rate increases during the year.

In 2011, to alleviate the double-hit that businesses face, the Haulers proposed and the council approved splitting up the timing of rate adjustments between residents and businesses. It is necessary to impose residential rate increase in July because the rates are collected through property taxes and must be "put on the tax roll" in August. Therefore, the Haulers suggested that residential rates continue to be subject to rate adjustments in July, but that rate adjustments for C&I customers be dealt with in January, so as to capture both CPI and Tipping fee adjustment at the same time.

Residential rates will increase effective July 1 based on CPI and in accordance with previous Council Action, from \$241.78 per year (\$20.15/mo) to \$246.62 per year (\$20.55). C&I rates will not be subject to change again until January of 2013.

Thaddeus McCormack
City Manager



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Gus Velasco Neighborhood Center Renovation and Modernization Project –
Approval of Contract Change Order No. 8

RECOMMENDATION

That the City Council take the following actions:

1. Approve Contract Change Order No. 8 in the amount of \$197,823; and
2. Authorize the Director of Public Works to execute Contract Change Order No. 8.

BACKGROUND

Significant progress has been made during the last six (6) months in the construction of improvements to the Gus Velasco Neighborhood Center. Basic infrastructure components have been installed, including but not limited to the heating and air conditioning system, plumbing for water and waste disposal, fire sprinklers, electrical conduits, structural framing, and installation of the windows and most of the doors.

Since the last change order was approved by the City Council, additional changes have been necessary for the purposes of addressing value engineering and unforeseen conditions and additional improvements. This change order work is generally summarized below:

1. Electrical Service Panel. As previously reported, the electrical service panel requires retrofitting to meet the connectivity requirements of the facility. The aggregated cost of the electrical work related to this retrofit and other related electrical work, including low voltage electrical work, is \$29,680.
2. Parking Lot Lighting. It was determined that the most cost-effective option to bring the parking lot lighting up to current standards was to use the existing light poles and install new wiring and light fixtures. The cost for this improvement is \$10,502.
3. Courtyard Lighting. Pursuant to Subcommittee direction, additional lighting is being installed in both courtyards to provide improved illumination for functions in these areas (including lighting for the Gus Velasco plaque). The cost of these improvements is \$19,421.
4. Landscape - Irrigation. The original plans included limited improvements to the irrigation system. However, extensive changes to the infrastructure required the installation of a new irrigation system, including new wiring and controllers. The cost for the new irrigation system is \$89,822.

Report Submitted By: Don Jensen, Director
Department of Public Works

Date of Report: June 6, 2012

5. Framing. Additional framing work included a soffit for electrical conduits in the north courtyard, framing and covering the ridge beams and ceilings in both lobbies, and installing drywall in a storage room to protect the HVAC plumbing. The aggregate cost for these framing improvements is \$18,237.
6. Cement Work. Concrete slab retrofit work was performed to accommodate the doors and windows to be installed for a cost of \$9,274.
7. Relocation of sculpture. Pursuant to Subcommittee approval, the "Los Abuelitos" sculpture is being relocated to a more prominent location. The cost to remove the sculpture is \$6,460.
8. General Improvements. Two (2) HVAC condensation pumps were installed, tubular steel fencing was installed in the northeast area for security, a small HVAC unit was relocated, two (2) hose bibs were installed in the courtyards, and additional disposal fees were paid for concrete disposal, revised locksets were specified for 3 doors, glass laminates were upgraded for security purposes and interior signage revisions were made. The aggregate cost for this change order work, including a credit of \$945 for the elimination of the north courtyard fountain is \$14,427.

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.

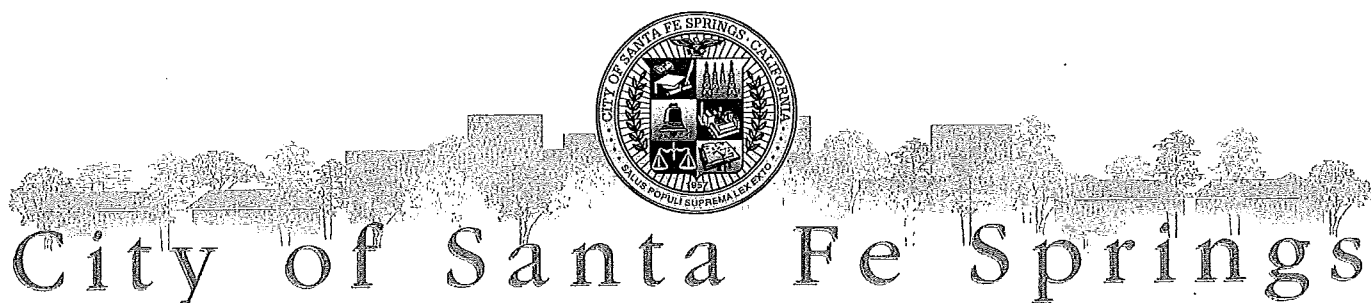
INFRASTRUCTURE IMPACT

Authorization to make the various improvements recommended in Contract Change Order No. 8 are consistent with the planned modernization and renovation of the Gus Velasco Neighborhood Center, and will complete the project to preserve the existing facility, achieve ADA compliance, increase operations and maintenance efficiencies, provide for increased functional work space, and enhance service to the community.



Thaddeus McCormack
City Manager

Attachment(s):
Contract Change Order No. 8



11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • www.santafesprings.org

June 15, 2012

First National Insurance Company of America
RJP Construction, Inc. Consulting Services
18101 Von Karman
3rd Floor, Irvine, CA 92612

Attention: Attention: Rodney Tompkins, Jr.

Subject: Gus Velasco Neighborhood Center Renovation and Modernization Project
Contract Change Order No. 8

Dear Mr. Tompkins:

Contract Change Order No. 8 shall constitute full compensation for all changes from negotiations between The City of Santa Fe Springs (City) and First National Insurance Company of America (Surety), for purposes of addressing unforeseen site conditions, value engineering, and requests by the Contractor.

It is proposed that the Contractor furnish all labor, materials, and equipment necessary to perform the following work as identified in the attached supporting documentation.

The City herein incorporates into Change Order No. 8 the attached cost quotes from Sun Group and the City's acceptance documentation which identifies the cost assigned to the City for each work item and a total assigned cost of \$197,823.00.

- | | |
|---|-------------|
| 1. RFQ 42.0 (N) COR No. 16100-13 - Parking Lot Lighting Conduit | \$1,815.00 |
| 2. RFQ 43.0 (N) COR No. 16100-11- Relocate Circuit Breakers and Associated Electrical Loads from 800 Amps Meter to 400 Amps meter | \$5,471.00 |
| 3. RFQ 44.0 (N) COR 16100-12- Provide and Install Mechanical Lug Kits in 800 Amps Panel | \$ 706.00 |
| 4. RFQ 46.0 (N) COR 16100-09-Provide and Install Electrical Wire from Existing 175 Amps Panel to Electrical Room No. 179 | \$4,611.00 |
| 5. RFQ 47.0 (N) COR No. 2552.-01- Credit for Courtyard Fountain | (\$ 945.00) |

Gus Velasco Neighborhood Center Renovation and Modernization Project
Contract Change Order No. 8
The Sun Group
June 15, 2012
Page 2

6. RFQ 48.0 (N) COR No. 9100-02-rev-1-Furnish and Install Exterior 1-Hour Rated Soffit	\$6,113.00
7. RFQ 49.0 (N) COR No. 15700-04-Additional Condensate Pumps	\$ 381.00
8. RFQ 50.0(N) COR No. 5100-05-Additional Tubular Steel Fencing at Northeast Exit-Area	\$1,443.00
9. RFQ 51.0(N) COR No. 16100-08-rev-1-Additional Low Voltage Conduits	\$8,906.00
10. RFQ 52.0(N) COR No. 1000-06-Additional Disposal Fees	\$1,976.00
11. RFQ 53.1(N) COR No. 3100-02-Concrete Slab Retrofit Work to Accommodate Doors and Windows	\$9,274.00
12. RFQ 54.0(N) COR No. 16100-15-Conduit and Pull Box for Time Warner Cable	\$1,677.00
13. RFQ 55.0(N) COR No. 15700-05Relocation of HVAC Mini Split Head	\$ 309.00
14. RFQ 56.0(N) COR No. 15400-06- Install Hose Bibs in Courtyards	\$1,876.00
15. RFQ 57.0(N) COR No. 1000-08-Exterior Soffit Access Panel	\$ 135.00
16. RFQ 58.0 (N) COR No. 8400-01-Install Laminated Glass in Window Q in Lobby 100	\$ 0
17. RFQ 59.0 (N) COR No. 8100-02-Revised Locksets for Doors 168A, 174A and 175A	\$ 344.00
18. RFQ 60.0 (N) COR No. 16100-17-Pedestrian Light in Front of PIH Clinic	\$2,317.00
19. RFQ 61.0 (N) COR No. 16100-20-Add a Light Fixture in Hall A1	\$ 741.00
20. RFQ 62.0 (N) COR No. 16100-19-Light Fixtures for Illumination of Gus Velasco Plaque	\$2,505.00
21. RFQ 63.0 (N) COR No. 16100-18-Additional Lighting Fixtures in Courtyards A and B	\$16,916.00
22. RFQ 64.0 (N)-COR No. 16100-16-rev-1-Replace Parking Lot Lights	\$10,502.00

Gus Velasco Neighborhood Center Renovation and Modernization Project
Contract Change Order No. 8
The Sun Group
June 15, 2012
Page 3

23. RFQ 65.0 (N)-COR No. 10440-01-Signage Revisions	\$ 1,600.00
24. RFQ 66.0 (N) COR No. 5100-06-Changes to Counter Support Brackets in Restrooms 111 and 113	\$ 1,598.00
25. RFQ 67.0 (N) COR No. 1000-09-Removal of Base for Existing "Los Abuelitos" Sculpture	\$6,460.00
26. RFQ 68.0 (N) COR No.5100-07-Metal Cover for Rolling Gate	\$ 888.00
27. RFQ 69.0 (N) COR No. 2800-01-rev-1-Revisions to Landscape Plan-Irrigation System	\$89,822.00
28. RFQ 70.0 (N) COR No. 9100-05-Install Framing and Drywall in Storage Room 130	\$ 896.00
29. RFQ 71.0 (N) COR No.1000-10-Install HVAC Equipment Pad	\$3,458.00
30. RFQ 72.0 (N) COR No.9100-03-rev-1-Install Framing and Siding on the Interior Ridge Beams in Lobby 100 and Lobby 160	\$5,493.00
31. RFQ 73.0 (N) COR No. 16100-21-Install 2 Additional Conduits	\$2,764.00
32. RFQ 74.0 (N) COR No. 8400-03-rev-1-Interlayer Glass for Window Q	\$ 722.00
33. RFQ 75.0 (N) COR No. 8400-02-Interlayer Glass for Door A1	\$ 777.00
34. RFQ 76.0 (N) COR No. 9100-04-Change Wood Material in Lobby 100 and Lobby 160 Ceilings	\$5,600.00
35. RFQ 77.0 (N) COR 16100-22-Additional Electrical and Voice/Data Conduits in Room 172	\$ 672.00

The City of Santa Fe Springs accepts the individual bid amounts and total bid amount of \$197,823.00 as full compensation for all the changes identified above as constituting Contract Change Order No.8. This sum constitutes full compensation, including markups, for the work of this change.

A total of fifteen (15) additional working days will be granted for all work identified in the change order work listed above as Contract Change Order No. 8. The completion date for this Contract is August 22, 2012 as shown below.

Gus Velasco Neighborhood Center Renovation and Modernization Project
Contract Change Order No. 8
The Sun Group
June 15, 2012
Page 4

FIRST WORKING DAY.....	December 5, 2011
Working days specified in Contract.....	114 working days
ORIGINAL COMPLETION DATE.....	May 14, 2012
Administrative Delay.....	0
Non-working days due to weather delays by previous Change Orders.....	0
Non-working days due to weather delays by this Change Order.....	0
Contract Time Extensions by previous Change Orders.....	55
Contract Time Extensions by this Change Order.....	15 working days
Total Contract Time Extensions Including this Change Order.....	70 working days
REVIS	
ED COMPLETION DATE.....	August 22, 2012

Please confirm your approval of this Contract Change Order by signing below. Should you have any questions, please contact Noe Negrete, Assistant Director of Public Works, at (562) 409-7540.

SUBMITTED BY:

ACCEPTED BY:

CITY OF SANTA FE SPRINGS

THE SUN GROUP

Noe Negrete
Assistant Director of Public Works

Date

APPROVED BY:

FIRST NATIONAL INSURANCE
COMPANY OF AMERICA

Donald K. Jensen
Director of Public Works

Date

Date

DKJ/nn/mc

xc: Al Fuentes, Project Manager



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Federal Transit Administration Grant CA-04-0141 - Authorization to Execute an Amendment to the Memorandum of Understanding for Grant Administration Services with the City of Norwalk

RECOMMENDATION

That the City Council authorize the City Manager to execute an amendment to the Memorandum of Understanding between the City of Santa Fe Springs and the City of Norwalk to provide grant administration services for an amended Federal Transit Administration Grant CA-04-0141 in the amount of \$975,000 for the Norwalk/Santa Fe Springs Transportation Center Parking Improvements Project Phase 2.

BACKGROUND

Previously, the City and former Community Development Commission, with the help and leadership of Congresswoman Grace Napolitano, were able to secure funding for the purchase and construction of additional Transportation Center parking on the former Neville Chemical Company, known for purposes of the project as Parcels A and B. Construction on Parcel A was completed last year, which added 292 parking spaces to the facility.

On November 9, 2009, the City Council approved an agreement between the Cities of Santa Fe Springs and Norwalk that authorized the City of Norwalk to provide Grant Administration Services for a Federal Transit Administration Grant CA-04-0411, which provides \$475,000 to fund Site preparation work required for construction of 140 additional parking spaces on Parcel B.

The City has been informed by FTA that an additional \$500,000 is available for additional funding for the Norwalk/Santa Fe Springs Transportation Center Parking Improvements Project - Phase 2, pending submittal of a grant application by June 29, 2012 by the City of Norwalk. This additional funding is an amendment to FTA Grant CA-04-0141 for a total grant amount of \$975,000. There is a matching contribution as part of this FTA grant. The matching contribution will be provided by Metro grant LAF 3402 (local proposition C funding). Therefore, no local funds will be necessary as a matching contribution.

Staff recommends that the City Council authorize the City Manager to execute an amendment to the MOU between the City of Santa Fe Springs and the City of Norwalk to provide grant administration services in connection with the funding amendment to FTA Grant CA-04-0141, including a 5% fee for these services. All Santa Fe Springs staff time allocated to project oversight will be reimbursed by the grant. This grant does not commit the City to construct the Transportation Center Parking Improvements Project - Phase 2; it only secures the funding for the project.

Report Submitted By:

Don Jensen, Director
Department of Public Works

Date of Report: June 7, 2012

FISCAL IMPACT

There is no fiscal impact on the City of Santa Fe Springs. The proposed amendment to the MOU provides for an administrative fee of 5% for services that will be performed by Norwalk Transit Agency staff. All Santa Fe Springs staff time allocated to project oversight will be reimbursed by the grant.

INFRASTRUCTURE IMPACT

The recommended action is part of the Transportation Center Parking Improvements Project-Phase 2 which will provide additional parking spaces for Transportation Center patrons.



Thaddeus McCormack
City Manager

Attachment(s):

None.



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Valley View Avenue Grade Separation – Authorization to Issue Task Order No. 2 to AECOM Technical Services, Inc.

RECOMMENDATION

That the City Council authorize the Director of Public Works to issue Task Order No. 2 to AECOM Technical Services, Inc. in the amount of \$5,282,785 to provide Project and Construction Management Services during the construction phase of the Project.

BACKGROUND

On October 27, 2011, the City Council awarded a contract to AECOM Technical Services, Inc. (AECOM) in the amount of \$5,956,398 to provide Project and Construction Management Services for the Valley View Avenue Grade Separation Project. The contract agreement states that services are to be provided by AECOM under specific Task Orders as follows:

Task Order No. 1: Pre-Construction	\$ 379,838.00
Task Order No. 2: Construction	\$ 5,282,785.00
Task Order No. 3: Post-Construction	\$ 277,673.00
Total Contract Amount	\$ 5,956,398.00

Task Order No. 1 for Pre-Construction services was authorized by the City Council on October 27, 2011. The services covered by Task Order No. 1 are described in Attachment 1 and were related to the City's efforts to finalize the plans and specifications for bidding, get the project approved by Caltrans, complete the advertisement phase, evaluate bids and get a contract for construction awarded.

The staff report for the meeting of October 27, 2011 indicated that Task Order No. 2 would not be issued until a construction contract had been awarded. The construction contract was awarded by the City Council on May 24, 2012.

Action Being Requested

At this time, staff is requesting approval to issue Task Order No. 2 in the amount of \$5,282,785. Issuance of this task order will authorize AECOM to begin providing the project and construction management services that will be needed during the construction phase of the project. The services to be provided under Task Order No. 2 are described in Attachment 1.

The construction phase of the project will begin upon execution of a contract between the City and the construction contractor. This activity is in progress and staff expects the contract to be executed by Griffith Company by June 15, 2012.

Report Submitted By:

Don Jensen, Director
Department of Public Works

Date of Report: June 6, 2012

In accordance with the contract agreement, compensation for project and construction management services is to be provided under an "Actual Cost Plus Fixed Fee" contract. This means work will be paid for based on the actual costs for labor, overhead and indirect costs, with a not-to-exceed provision. The fixed fee will remain fixed for the duration of the contract between the City and the Consultant.

FISCAL IMPACT

Project costs, including the cost of project and construction management services, are eligible for reimbursement. Local funds are needed to make initial payments.



Thaddeus McCormack
City Manager

Attachment(s):

Scope of Services for Task Order Nos. 1 and 2

**VALLEY VIEW AVENUE GRADE SEPARATION
PROJECT AND CONSTRUCTION MANAGEMENT
SCOPE OF SERVICES
TASK ORDER NOS. 1 AND 2**

EXHIBIT A
SCOPE OF WORK
PROJECT & CONSTRUCTION MANAGEMENT SERVICES
VALLEY VIEW AVENUE GRADE SEPARATION PROJECT

CONSULTANT is being retained to provide Project & Construction Management (PM/CM) Services for the Valley View Avenue Grade Separation Project. Work will be ordered and controlled through the issuance of Task Orders for CONSULTANT Services and work may occur in parallel, may overlap, or may occur in sequence. The specific scope for each Task Order is defined below.

Task Order No. 1: Pre-Construction Services

Under this task order, CONSULTANT shall provide or perform the following services:

- 1.1 Project Management and Administration:** Provide and perform all regular and customary Project management services needed to facilitate the successful completion of the Project; coordinate and administer the construction contract on behalf of CITY. This sub-task shall include, but is not limited to, the following:
 - a. Meetings & Conferences:** Coordinate with CITY, conduct and participate in meetings and conferences as needed to facilitate the overall management of the Project and resolution of Project-related issues. This includes, but is not limited to, the following meetings:
 - Monthly Project Team meetings
 - Third-party coordination meetings
 - Meetings with CITY
 - b. Master Project Schedule:** Develop and maintain a Master Project Schedule to track all aspects of the Project and update the schedule on a monthly frequency, or as needed to reflect significant changes.
 - c. Monthly Project Status Report:** Prepare a Monthly Project Status Report that documents the overall status of the Project.
- 1.2 Constructability Review:** Review all design and construction documents for any discrepancies, deficiencies or omissions that are reasonably ascertainable and that, in the CONSULTANT's opinion, need to be addressed before the Project is advertised for bids. This includes plans, specifications, reports, right-of-way documents, calculations, construction phasing concepts and value engineering. CONSULTANT shall also develop a preliminary construction schedule for completing work within the time required in the contract documents considering interim milestones, phasing and constraints. In providing such review and recommendations, CONSULTANT shall not be responsible for having control over the design, design requirements, design criteria or the substance of the design documents and such reviews and recommendations are advisory only to CITY.

- 1.3 **Utility Coordination:** CITY is in the process of executing Utility Agreements for all utilities that need to be relocated to complete the Project. CONSULTANT shall assist CITY in resolving technical issues related to affected utilities and with getting agreements executed so utilities in conflict with the Project can be relocated in a timely manner.
- 1.4 **Project Management Transition:** Participate in meetings as needed and assist CITY with actions needed to facilitate the transition of Project Management responsibility from URS to CONSULTANT.
- 1.5 **Develop Project Management and Construction Management Procedures:** Develop and implement a comprehensive plan for the overall management of the Project and construction.
- 1.6 **Bid Support & Analysis:** Assist CITY with bidding of the Project. This shall include, but not be limited to, the following:
 - a. **Bid Documents:** Assist CITY with packaging of the plans and specifications for bidding.
 - b. **Bid Support:** Track, manage and respond to inquiries from potential bidders.
 - c. **Bid Analysis:** Assist CITY in reviewing and evaluating bids received and the formulation of a recommendation for contract award.
 - d. **Pre-Bid Meeting:** Conduct a mandatory Pre-Bid meeting with prime contractors, subcontractors, and other interested parties in accordance with the most current edition of the Construction Mandatory Pre-Bid Meeting Guide as issued by Caltrans. This meeting is to be held at least fourteen (14) calendar days prior to the date bids are to be submitted.
- 1.7 **Contract Award:** Assist CITY with formulating a recommendation for contract award and presentation of that recommendation to the City Council for CITY.
- 1.8 **Agreements Review:** Review Project-related agreements entered into by CITY to establish a basis of knowledge about project funding, deadlines and other associated requirements.
- 1.9 **Funding and Reimbursement:** Assist CITY in preparing documents needed to request reimbursements from the various sources of funding used to cover the Project cost. During the construction phase reimbursement requests shall need to be submitted on a monthly frequency.
- 1.10 **Website Development and Management:** A website has been established for the Project and can be found at www.vvgs.org. CONSULTANT shall maintain the website through the completion of construction.

- 1.11 **Coordination with Other Consultants and Agencies:** Coordinate with the design and right-of-way consultants, BNSF, Caltrans, LA County, utility companies and other agencies as needed to facilitate resolution of Project-related issues.
- 1.12 **Document Control:** Maintain hardcopy files and a Primavera Contract Management System (CMS) based correspondence control register for all documents including correspondence, contract drawings, RFIs, submittals, standard forms and reports.
- 1.13 **Public Affairs:** Assist CITY with community outreach activities related to construction activity.
- 1.14 **Pre-Condition Survey:** Document the existing condition of the Project work site. Documentation shall be done before any construction activities begin and shall include a detailed photographic and videographic survey of the work site.

Task Order No. 2: Construction Services

Under this task order, CONSULTANT shall provide or perform the following services:

- 2.1 **Project Management and Administration:** Provide and perform all regular and customary Project management services needed to facilitate the successful completion of the Project; coordinate and administer the construction contract on behalf of CITY. This sub-task shall include, but is not limited to, the following:
 - a. **Master Project Schedule:** Maintain a Master Project Schedule to track all aspects of the Project and shall update the schedule on a monthly frequency, or as needed to reflect significant changes.
 - b. **Monthly Project Status Report:** Prepare a Monthly Project Status Report that documents the overall status of the Project.
- 2.2 **Construction Start-Up:** Upon award of the construction contract and execution of the contract, perform services necessary for the start of construction, including, but not limited to the following:
 - a. **Pre-Construction Meeting:** Prior to the beginning of construction CONSULTANT shall arrange for and conduct a Pre-Construction meeting with the Contractor, CITY, BNSF and other interested parties to go over the expectations, responsibilities matrix, change order procedures, document management system, schedules and updates, third party coordination, community outreach, and the emergency response process, etc.
 - b. **Notice to Contractor:** Prepare notices to the Contractor to begin work. This shall include the Administrative Notice to Proceed (ATP) and Construction Notice to Proceed (NTP).

- c. **Contractor Insurance:** CITY shall receive and evaluate the Contractor's initial certificates of insurance. Prior to issuing the construction Notice to Proceed, the insurance files will be turned over to CONSULTANT who shall track the policies and confirm that the Contractor renews policies as needed to comply with CITY requirements.

2.3 Progress Management: Take appropriate action to see that the Contractor follows the Project Schedule and accomplishes the work on time. Some elements of work included in this task are as follows:

- a. Monitor the status of permits, review and approval of submittals, shop drawings, material procurement and delivery.
- b. Identify potential schedule slippages, notify the Contractor, review and discuss their recovery plans, and make recommendations to CITY regarding corrective action plans.
- c. Assist the Contractor in coordination and issue resolution with agencies, the designer and utilities.
- d. Monitor corrective action taken by the Contractor to fix work that is not in compliance with the Contract Documents.

2.4 Contractor's Construction Schedule: Review, comment on, and approve the Contractor's baseline construction schedule and subsequent updates. Perform Time Impact Analyses, review and approve Recovery Schedules, and review and approve the As-Built Schedules. These schedules shall be reviewed for accuracy including work accomplished, reasonableness of forecasted completion durations based on production rates achieved to date, and compliance with the Contract Documents including milestones. Develop a Cost Loaded Schedule analysis on a monthly basis for use in the claims support services required by CITY.

2.5 Project Meetings: Arrange for, coordinate and conduct all meetings and conferences necessary to facilitate the progress the work. This shall include, but shall not be limited to, the following:

- Monthly Project Team meetings/presentations.
- Weekly progress/issue-resolution meetings
- Readiness Review meetings (as needed)
- Weekly and monthly safety meetings
- Third-party coordination meetings
- Weekly Statement of Working Days report

2.6 Change Order and Claims Management and Administration: Recommend and implement change order and claim avoidance practices. This includes preparing a cost estimate, negotiating with the Contractor, and processing changes and claims in accordance with procedures approved by CITY.

2.7 Submittals and RFI Management:

- a. **Shop Drawings, Materials and Samples:** Establish and implement procedures for the review of shop drawings, materials, samples and other submittals by the Contractor and monitor the construction schedule to verify that submittals are made in accordance with the construction schedule. The review and processing of submittals is a priority activity. CONSULTANT shall make reasonable efforts to return submittals within two (2) weeks of receipt from the Contractor.
- b. **Requests for Information (RFI):** Arrange for and process such drawings and written memoranda as are necessary to clarify the intent of the Contract Documents, and/or complete the same, between the Contractor, Design Consultant and CITY. CONSULTANT shall log and track all RFI submitted by the Contractor. The review and processing of RFI is a priority activity. CONSULTANT shall make every effort to respond to RFI within three (3) business days of receipt from the Contractor.
- c. **Management of Submittals and RFI:** Process and track all Contractor submittals and RFI using the current version of Primavera Expedition™, suitable for this purpose.
- d. **Non-Conformance Reports:** Generate and process Non-Conformance Reports for quality completion of the work.

2.8 Reports, Records and Document Control: Organize and track project information as required in Primavera Expedition™, and as needed to accomplish the following:

- a. Prepare a Monthly Summary Status Report that documents the progress of construction and the status of the construction cost and budget.
- b. Maintain daily job diaries, field change notices, drawing registers/drawing control logs, and other records to document the progress of work. At a minimum, the daily job diaries shall include work accomplished; materials accepted and basis for acceptance; personnel, equipment and subcontractors present on site; and deficiencies noted.
- c. Maintain progress and record photographs.
- d. Document changed conditions, requests for information, requests for deviations, non-compliant and non-conforming materials, and potential claims. All such requests shall be communicated to CITY and resolved by CONSULTANT expeditiously.
- e. Prepare reports, including Submittal Logs, Weekly Progress Meeting Reports, Monthly Manpower Reports, Delay Reports, Deficiency Logs, Contract Status Reports, Evaluation of Claims, Evaluation of Requests for Change Orders, and reports covering other project-relevant matters.

- f. Prepare meeting minutes to document issues discussed, assignment of action items, due dates and solutions to issues.
- g. Maintain all Stop Notices and Preliminary 20-day Notices submitted by contractors. CONSULTANT shall provide copies of all the notices to CITY within five (5) calendar days after receipt of such notices.

2.9 Coordination with Other Consultants and Agencies: It is the intent of coordination to proactively cause the work to be progressed in an efficient and effective manner in accordance with the contract provisions, anticipate, avoid or mitigate conflicts and adverse impacts, and minimize the cost of the work to each entity including CITY. CONSULTANT shall perform Project coordination with respect to the following entities:

- a. Design and right-of-way consultants, BNSF, Caltrans, LA County, utility companies, property owners, tenants, residents and other agencies as needed to resolve Project-related issues.
- b. Railroad Force Account: Coordinate railroad force account activity required for the Project and be responsible for recording force account work, including crew size, equipment and materials, and use that data to review BNSF bills to confirm that charges are appropriate.
- c. Coordinate Flagpersons and Watchpersons: Coordinate and effectively schedule BNSF flagpersons and watchpersons to provide protection to work crews and equipment on the worksite.
- d. Coordinate with the Construction contractor, all sub-contractors retained by the Construction contractor, and all other contractors or sub-contractors that are involved in completing the Project.

2.10 Progress Payments: Review and approve/reject the Contractor's monthly progress payment requests in accordance with the General Provisions of the Contract Documents and California statutes. Within seven (7) calendar days of receiving a progress payment request from the Contractor, CONSULTANT shall review and either approve or reject the progress payment request. Should the request be rejected, CONSULTANT shall return the request to the Contractor for revision. Upon approval of the request, CONSULTANT shall forward the progress payment request to CITY for payment. The CONSULTANT shall also recommend withholdings or back-charges. CONSULTANT shall also maintain a schedule of earnings for the record file.

2.11 Project Accounting and Cost Control: Monitor Project costs, including but not limited to the following sub-tasks:

- a. Track Contractor's monthly progress payments.
- b. Track proposed and final changes to the construction contract.

- c. Review Contractor's monthly quantity and cost breakdowns with the Contractor's cost loaded schedule and provide comments and recommendations to CITY.
- d. Track Contractor's monthly quantities with respect to the approximate quantities in the Bid Proposals.
- e. Monitor and segregate costs for state or federally funded elements of the Project.
- f. Track Contractor's daily time and material sheets to confirm costs of changes do not exceed authorized amounts
- g. Provide CITY with estimating and cost engineering support in the areas of budget control, construction cost forecasting, progress payment processing, change and claim analysis, and trend/variance analysis.

2.12 Photographic and Video Documentation of Progress: Compile a digital file of Project progress and record photos and videos at appropriate times including those supplied by the Contractor and/or other parties. Digital files shall be stored in formats and file sizes using file-naming conventions deemed appropriate by CITY. Electronic files shall be provided to CITY at the completion of the Project.

2.13 Site Representations & Inspections: This sub-task shall include, but is not limited to, the following:

a. Inspection of Work: Provide all general and specialized inspection needed for the duration of construction. Some elements of the work include:

- Review and inspect the Contractor's daily work for compliance with the Contract Documents.
- Monitor corrective action taken by the Contractor to address work that is not in compliance with the Contract Documents.
- Maintain field inspection diaries and daily reports.
- Compile digital photos of work in progress.
- Review the Contractor's compliance with all regulatory permits and mitigation measures
- Review the Contractor's compliance with workplace safety and health standards and notification to CITY of non-compliance.
- Inspect each stage of construction with CITY and the Contractor prior to acceptance by CITY or beneficial occupancy for the completed stage of work. Prepare a report to document the results of the

inspection, and prepare a Notice of Substantial Completion or Beneficial Occupancy for each completed phase. Attend the final inspection and shall report the results and make appropriate recommendations to CITY concerning beneficial occupancy of the Project or any part thereof. In cooperation with CITY and Contractor, Observe and report with regard to the checking of utilities, operating systems, and equipment for readiness.

- b. **Materials Testing and Support Services:** Make all arrangements and secure all materials testing services needed for quality assurance of the work. CONSULTANT shall follow the CITY Quality Assurance Program (QAP) in providing these services. The testing laboratory selected by CONSULTANT shall provide certification to CITY affirming that it is capable of performing testing in conformance with the CITY QAP. Additionally, the testing laboratory's Quality Assurance Program shall be subject to review and approval by CITY. CONSULTANT shall provide assistance to witness such testing, when required and shall take appropriate action to endeavor to make sure the Contractor complies with the materials testing requirements and reviews the results to confirm acceptability.

- 2.14 **Safety Compliance Monitoring:** Develop and implement a programmatic Safety and Health Plan for the Project and shall provide the services of a Safety Officer. The Construction Contractor shall be required to prepare a contract-specific Safety Plan in accordance with the programmatic Safety Plan. CONSULTANT shall review the Contractor's Safety Plan, recommend changes, and when complete, recommend approval by CITY. CONSULTANT shall monitor the Contractor's compliance with the Contractor's safety program, and shall stop the work whenever, in its reasonable opinion, safety conditions warrant. Notwithstanding the foregoing, neither the authority to stop work or a decision made in good faith shall give rise to a duty or responsibility to Contractor or its subcontractors. CONSULTANT shall document safety concerns and corrective actions taken. In the event of an accident, the Safety Officer designated by CONSULTANT shall prepare accident reports as required in the Project Safety and Health Plan. This is in addition to any accident reports required of the Contractor. CONSULTANT shall be responsible for confirming compliance with all BNSF safety regulations, and shall confirm that all workers are current on Roadway Worker Safety training.
- 2.15 **Environmental Compliance Monitoring:** Take appropriate action to confirm the Contractor complies with environmental permits, regulatory requirements, construction environmental controls, and mitigation measures. CONSULTANT shall confirm that sound environmental management practices (including, but not limited to, dust, noise, vibration, and erosion control) are being followed by the Contractor.
- 2.16 **Record Drawings:** Take appropriate action to confirm the Contractor maintains as-built drawings in accordance with the contract requirements and that they are, to the best of CONSULTANT's knowledge and belief,

complete. CONSULTANT shall review all design changes reflected in the Contractor's as-built drawings.

- 2.17 Hazardous Materials Management:** If the Contractor encounters hazardous substances or contaminated soils, CONSULTANT shall take appropriate action to confirm that the Contractor complies with applicable Health and Safety Plans and follows Federal, State and Local laws and regulations regarding the removal, transportation and disposal of the hazardous material. If the City of Santa Fe Springs or City of La Mirada is determined to be the "generator" of these materials, CONSULTANT shall prepare and/or monitor any required manifests (which shall be signed by the "generator", not CONSULTANT) and provide support to the affected agency with compliance with applicable laws and regulations.
- 2.18 Surveying Quality Assurance:** The Project Specifications require the Contractor to provide all surveying needed to complete the Project. CONSULTANT shall provide the following services with regard to surveying:
- a. Resident engineering and quality assurance inspection services to verify that the work is being performed, constructed and coordinated in accordance with the Contract Documents and applicable permits.
 - b. Verify that materials incorporated into the work comply with the specifications. For example, steel material must be accompanied by certificates of origin to demonstrate compliance with Buy America Act.
 - c. Monitor the Contractor's compliance with surveying requirements in the Project specifications (especially pre-placement surveys) and take appropriate action to verify the Contractor's layouts and controls, spot check reference points and finished work, and monitor settlement or movement of existing facilities.
- 2.19 Labor Compliance and DBE Monitoring:** Monitor all labor compliance and DBE monitoring and take all actions needed to make sure the Contractor provides all of the documents required for both labor compliance and DBE compliance reports. This includes obtaining certified payrolls from the Contractor and reviewing them for compliance with applicable prevailing wage requirements. CONSULTANT shall be knowledgeable about the Contractor's DBE program and the scope of work for each DBE subcontractor. CONSULTANT shall monitor the job progress to ensure that the DBEs are actually performing the work in their scope.
- 2.20 Construction Management:**
- a. **Right of Way Management:** Monitor the Construction Contractor's work and take appropriate action to see that work is done within the limits of permanent and temporary construction easements that have been acquired by CITY.

- b. **Compliance with Applicable Specifications:** Monitor work and take appropriate action to see that work is done in accordance with the Project specifications. With respect to some utility work, the Project specifications may require work to be done in accordance with BNSF specifications, the "Green Book", the "Gray Book" and Caltrans Standard Specifications.
- c. **Traffic Control and Traffic Handling Plans:** Review traffic control and traffic handling plans prepared by the Contractor prior to forwarding them to CITY or the City of La Mirada for approval. Coordinate with CITY and/or La Mirada to resolve technical issues with respect to the review process.

2.21 Construction Responsibility: Nothing herein or elsewhere in this Agreement shall require that CONSULTANT assume any of the responsibilities of the Contractor or CITY's engineer for the Project. The Contractor shall be solely responsible for means, methods, techniques and procedures used in the construction of the Project and for the safety of the Project. The engineer shall be solely responsible for verifying that the design requirements and design criteria of the Project are met.

Task Order No. 3: Post-Construction Services

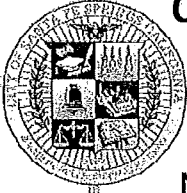
Under this task order, CONSULTANT shall provide or perform the following services:

- 3.1 **Project Closeout Administration:** Expeditiously complete the Contract Closeout process, which controls the physical and contractual completion of the contract. This shall include:
 - Orderly and timely transfer of key records and documents.
 - Final inspection, testing, and release of the facility or system for operation.
 - Resolution of outstanding contractual issues, changes, claims, and deficiency reports.
 - Assessment of liquidated damages.
 - Final payment processing.
 - Preparation and transfer of as-built contract specifications and drawings as well as field records to appropriate agency for centralized storage and protection.
 - Preparation and transfer of Project Closeout Exhibits from Chapter 17 of the Caltrans Local Assistance Procedures Manual.
- 3.2 **Project Funding and Reimbursement:** Assist CITY in preparing documents needed to request reimbursements from the various sources of funding used to cover the Project cost.
- 3.3 **Report of Expenditures and Final Closeout Report:** Provide CITY with a comprehensive report that includes sufficient detail on actual and final Project-related expenditures in order to support efforts by CITY to obtain reimbursement from state and federal funding sources.

- 3.4 Contract and Permit Closeout:** Provide contract closeout services which shall include, but are not limited to, the following:
- a. Coordinate, schedule and participate in a final inspection of the Project;
 - b. Review preliminary and final punch lists prepared by the Design Consultant and coordinate with the Contractor to complete all items.
 - c. Obtain and verify the completeness of the Contractor's record drawings;
 - d. Obtain, coordinate and transmit to CITY, Contractor-provided information such as guarantees, warranties, certifications, final permits, releases, affidavits, operation and maintenance manuals and other items required by the Contract Documents.

Task Order No. 4: Optional Services

As directed by CITY, CONSULTANT shall carry out any special work assignment that may include an increase to the level of effort in providing expanded Project and Construction Management services. The parties shall make reasonable efforts to minimize any impact to the project schedule. The budget for this task shall be used only after CITY has issued written authorization to CONSULTANT and shall be tracked separately with proper identification of the changes in level of effort required. CONSULTANT shall prepare a scope and associated cost and obtain written approval from CITY prior to commencement of any special work assignment.



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Valley View Avenue Grade Separation - Reimbursement of Property Acquisition Costs Incurred by the City of La Mirada

RECOMMENDATION

That the City Council authorize the Director of Finance and Administrative Services to reimburse the City of La Mirada in the amount of \$6,000 for right-of-way costs incurred to construct the Valley View Avenue Grade Separation Project.

BACKGROUND

The Valley View Avenue Grade Separation Project (Project) is a joint effort of the Cities of Santa Fe Springs and La Mirada. The purpose of the Project is to improve safety and traffic flow along Valley View Avenue, which is presently impacted by the existing Burlington Northern Santa Fe Railway (BNSF) crossing.

Under the terms of a cooperative agreement that was initially executed by the two cities in March 2006, the City of Santa Fe Springs is the Lead Agency and each City is to acquire the property needed within their respective City to complete the Project. The agreement also obligates the City of Santa Fe Springs to reimburse the City of La Mirada for its property acquisition costs.


In May 2012, it became necessary for Santa Fe Springs and La Mirada to extend the durations of temporary construction easements needed to complete the Project. As a result of that action, the City of La Mirada was required to deposit \$6,000 with the Court and is now seeking reimbursement of those costs.

FISCAL IMPACT

After reimbursing the City of La Mirada, the City of Santa Fe Springs will be able to request reimbursement from outside funding sources for payments made to the City of La Mirada for property acquired to complete the Project.

INFRASTRUCTURE IMPACT

This action does not have a direct impact on City infrastructure.


Thaddeus McCormack
City Manager

Attachment(s):

Letter from the City of La Mirada

Report Submitted By: Don Jensen, Director
Public Works Department



Date of Report: June 6, 2012



CITY OF LA MIRADA
DEDICATED TO SERVICE

13700 La Mirada Boulevard
La Mirada, California 90638
P.O. Box 828
La Mirada, California 90637-0828
Phone: (562) 943-0131 Fax: (562) 943-1464
www.cityoflamirada.org

May 29, 2012

Donald Jensen, Public Works Director
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, California 90670

RE: VALLEY VIEW GRADE PROJECT

Dear Mr. Donald Jensen:

I have attached invoice no. 2631 in the amount of \$6,000 for payment incurred for the Valley View Grade Project.

If you have any questions, please don't hesitate to contact Assistant to the City Manager Jeff Boynton at (562) 943-0131.

Sincerely,

CITY OF LA MIRADA

Melissa Pascual
Accountant II





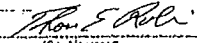

Invoice Date	Invoice No.
05/18/2012	2631
Customer Number	
4235	
Invoice Total Due	
6,000.00	

FOR/LOCATION
VALLEY VIEW GRADE PROJECT

Please make checks payable to City of La Mirada. Thank You.

Bank of America  Higher Standards

Bank of America Direct

City of La Mirada 13700 La Mirada Blvd. La Mirada, CA 90638 City Account				Vendor Number 6981	Check Date 05/09/2012	Check Number 3546404	16-66/1220
				VOID AFTER 120 DAYS			
						\$ 6,000.00	
--- Pay Six-Thousand Dollars and 00 cents ***** ---							
To The Order Of		LOS ANGELES SUPERIOR COURT CLERK					
Bank of America NT & SA					City Manager  Treasurer 		
⑈3546404⑈ ⑆12200066⑆ 44619⑈50149⑈							
FOR DEPOSIT ONLY-LA COUNTY TTC							
ENDORSE HERE							

Check Info		Electronic Endorsements	
Account:	1461950149	05/23/2012	BANK OF AMERICA, NA (BOFD)
Amount:	6,000.00	R/T:	111310346
Check #:	3546404	Seq #:	000000492075177
Posted Date:	05/23/2012		

BOFD - Bank of First Deposit

Bank of America, N.A. Member FDIC.
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VENDOR NO. 4981

MAKE CHECK
PAYABLE TO

Los Angeles Superior Court Clerk

ADDRESS



PHONE NUMBER

DATE May 8, 2012

DESCRIPTION OF PURCHASE	Org	Object	Project	Amount
Adopted Resolution No. 12-24 and sending certified copies to the Los Angeles Superior Court Clerk. The reference case number is BC425738.	3144454	5641	C7005	46,000.00
REASON FOR MANUAL REQUEST				
Use space below to explain why check is needed outside the normal warrant register				

The deadline to submit the certified Resolution No. 12-24 and check is Friday, May 13, to the Los Angeles Superior Court.

APAD

Mail <input type="checkbox"/> Will Call <input type="checkbox"/> Deliver to: Jeff Boynton	TOTAL AMOUNT OF PURCHASE Requesting Department/Director Approval 	ASSISTANT CITY MANAGER APPROVAL  5/8/12
---	---	--

Attach Supporting Documentation

From: Kevin D. Prelgovisk
Sent: Tuesday, May 08, 2012 8:58 AM
To: Christine Santana
Cc: Melissa Pascual; Jeff Boynton
Subject: FW: La Mirada v. Applebaum

Chris,

Please let Jeff know ASAP.

Thx,

KP

From: Jeff Boynton
Sent: Tuesday, May 08, 2012 8:52 AM
To: Anne Haraksin; Kevin D. Prelgovisk
Subject: FW: La Mirada v. Applebaum

PAID

Kevin and Anne,

Please see the email below from our Attorney's office regarding Resolution No. 12-24. This is related to the Valley View Grade Separation project.

Can we get two signed resolutions and a check in the amount of \$6,000 by Thursday?

Jeff

From: Maricela E. Marroquin [<mailto:MMarroquin@rwglaw.com>]
Sent: Monday, May 07, 2012 5:37 PM
To: Jeff Boynton
Cc: Michael F. Yoshiba
Subject: La Mirada v. Applebaum

Hi Jeff. If the City Council adopts Resolution No. 12-24, we will need to obtain two certified copies of the resolution. We will also need a check made payable to the Los Angeles Superior Court Clerk in the amount of \$6,000. The check should reference case number BC425738. We would like to receive the resolution and check by Friday. Please let me know if this is possible. Thanks.

Maricela Marroquin
Richards Watson & Gershon
355 S. Grand Avenue, 40th Floor
Los Angeles, California 90071-3101
Telephone: (213) 626-8484
Facsimile: (213) 626-0078

RESOLUTION NO. 12-24

A RESOLUTION OF NECESSITY OF THE CITY OF LA MIRADA AMENDING RESOLUTION NOS. 09-52 AND 11-16 BY INCREASING THE TERM OF ONE OF THE TEMPORARY CONSTRUCTION EASEMENTS AND DECLARING CERTAIN REAL PROPERTY INTERESTS NECESSARY FOR PUBLIC PURPOSES AND AUTHORIZING THE ACQUISITION THEREOF, IN CONNECTION WITH THE VALLEY VIEW GRADE SEPARATION PROJECT

THE CITY OF LA MIRADA DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City of La Mirada is a municipal corporation, in the County of Los Angeles, State of California.

SECTION 2. The real property interests described in Section 3 of this Resolution are to be taken for a public use, namely for the construction and maintenance of a grade separation project known as the Valley View Grade Separation Project ("Project"), and all purposes necessary and convenient thereto. The real property interests will be taken from property located at 14830 Valley View Avenue in the City of La Mirada ("City") also identified as Assessor's Parcel Number 8069-009-021 ("Subject Property") in connection with the Project. The City has the authority to acquire the property interests for the Project pursuant to the authority conferred upon the City to acquire real property eminent domain by California Constitution, Article I, Section 19, California Government Code Sections 37350, 37350.5, 37351, 40401, and 40404, California Code of Civil Procedure Section 1230.010 *et seq.* (Eminent Domain Law), including, but not limited to Sections 1240.010, 1240.020, 1240.110, 1240.120, 1240.510, 1240.610, 1240.650, 1245.250, and other provisions of law.

SECTION 3. On October 27, 2009, the City adopted Resolution No. 09-52, a Resolution of Necessity, to acquire a 2,925 square foot permanent roadway easement, a 260 square foot permanent subsurface utility easement, a 9,747 square foot temporary construction easement for a period of 30 months and a 5,669 square foot temporary construction easement for a period of 30 months from the Subject Property for the construction of the Project. On June 14, 2011, the City adopted Resolution No. 11-16 amending Resolution No. 09-52 to increase the terms of the temporary construction easements by 14 months for a total of 44 months for each temporary construction easement. The City now seeks to acquire a 5 month extension to the 9,747 square foot temporary construction easement for a total period of 49 months for the construction, maintenance, repair and replacement of subsurface utilities and Valley View Avenue and all uses necessary or convenient thereto.

The 2,925 square foot permanent roadway easement is legally described in Exhibit "1A" and depicted in Exhibit "1B" to the Resolution of Necessity. The 260 square foot permanent subsurface utility easement is legally described in Exhibit "2A" and depicted in Exhibit "2B" to the Resolution of Necessity. The 9,747 square foot temporary

construction easement is legally described in Exhibit "3A" and depicted in Exhibit "3B" to the Resolution of Necessity. The 5,669 foot temporary construction easement is legally described in Exhibit "4A" and depicted in Exhibit "4B" to the Resolution of Necessity. Said exhibits are attached hereto and incorporated herein by this reference. The aforementioned property interests will be referred to collectively as Subject Property Interests.

SECTION 4. The Project is a joint project between the Cities of Santa Fe Springs and La Mirada in cooperation with Caltrans, Division of Rail and the Burlington Northern and Santa Fe Railway Company (BNSF) railroad. The purpose of the Project is to improve safety and traffic flow along Valley View Avenue that is interrupted by the existing BNSF railroad crossing.

The Project requires a grade separation along Valley View Avenue to facilitate construction of a railroad bridge with three tracks across the Valley View Avenue right-of-way in order to eliminate the existing at-grade crossing. The primary element of the Project will involve lowering the intersection of Valley View Avenue and Stage Road by approximately 21 feet so that Valley View traffic will be able to drive under the railroad bridge. However, while all 4 quadrants adjacent to this intersection will be impacted, no buildings will need to be acquired or modified, nor does the Project require any existing businesses to be relocated in order to complete construction. Additionally, appropriate mitigation measures will be implemented to address impacts on affected parking areas, access to private property and disruption of private utility services.

The widths of Valley View Avenue and Stage Road will be unchanged. However, to allow for the lowering of the intersection of Valley View Avenue and Stage Road, temporary sheeting and permanent retaining walls will be constructed within the adjacent properties via permanent road and slope easements. The limits on Valley View Avenue where work will be done are approximately 750 feet north of Stage Road and extend to 900 feet south of Stage Road. The lowest point of elevation on Valley View Avenue will be 21 feet below before condition street grade and 16 feet below the bottom of the steel bridge of the railroad at the BNSF railroad crossing. The Project will necessitate the modification and, in some cases, the relocation of driveways along Valley View Avenue and the north side of Stage Road west of Valley View Avenue that are within the limits of the Project, to meet the new street grade. The Project will also require extensive relocation, removal and reconstruction of all affected utility lines, including public water, sewer and drainage lines.

The existing at-grade crossing will need to be isolated in order to construct the new railroad bridge and grade separation. After evaluating various options, the Cities concluded that the most feasible solution was to construct the detour road to the west of the existing crossing. There will be two lanes for each direction in order to accommodate current traffic volumes on Valley View Avenue. The detour road will impact adjacent private property on both the northwest and southwest quadrants of the Project; however, no structures will be affected. This detour road will be needed for a period of 30 months. All damaged site improvements within the temporary construction easement areas will be repaired or replaced in-kind as part of the construction in the manner proposed.

The Los Angeles-San Diego Rail Corridor is the second busiest intercity passenger rail system in the nation. The corridor serves not only BNSF freight traffic; it is

also a key artery for Metrolink commuter service and Amtrak intercity services to and from Orange, San Diego and Riverside counties. Approximately 100 trains per day use this congested corridor, often causing blocking delays to traffic traveling on surface streets with the existing at-grade crossings, which in turn translate into significant economic losses. Additionally, the projected increases in the frequency of freight services, as well as future increases of commuter rail services and intercity train services as an alternative mode of transportation, indicate that there will be more blocking delays to traffic traveling on streets with at-grade crossings.

The Project is being implemented to achieve one immediate objective. The grade separation will substantially enhance safety and traffic flow on surface streets along this segment of the rail corridor by increasing the separation between trains and motor vehicle traffic. In addition, it is anticipated that the Project will reduce air and noise pollution emanating from idling vehicles waiting for trains to pass through at-grade crossings and to reduce noise pollution created by air horn and warning signals. These concerns are identified in both the Land Use and Circulation Elements of the Cities of Santa Fe Springs and La Mirada. The Project is identified as a means of enhancing public safety and traffic flow. It is further identified as a means of reducing air and noise pollution within the City.

SECTION 5. After careful review, Caltrans concluded that the Project was exempt from CEQA and issued Categorical Exemption number CE 200508014. The Categorical Exclusion found that the Project did not individually or cumulatively have a significant environmental effect and was excluded from the requirement to prepare an Environmental Assessment or Environmental Impact Statement. This determination was executed by Caltrans on August 31, 2005. It further required FHWA determination that the Project met the criteria of and was properly classified as a Categorical Exclusion. The FHWA determination was made on September 12, 2005.

SECTION 6. Pursuant to California Government Code Section 7262 *et seq.*, the City obtained a fair market value appraisal of the Subject Property Interests that used a date of value of June 5, 2008. The City set just compensation in accordance with the appraised fair market value, and in September 2008 extended a written offer to the owner of record to purchase the Subject Property Interests pursuant to Government Code Section 7267.2. In October 2008, the City revised its proposed plans for the relocation of various above-ground utilities for the Project. The City determined that additional easements were needed for the Project. The City had the appraisal reports updated and in August 2009, the City reset just compensation in accordance with the updated appraisals and extended a revised written offer to the owner of record. The City's offer letter included an informational pamphlet describing the eminent domain process and the owner's rights. The City further offered to pay the owner of record the reasonable costs, up to \$5,000.00, for an independent appraisal of the Subject Property Interests pursuant to Code of Civil Procedure Section 1263.025.

In March 2011, the City determined that the terms of the temporary construction easements would have to be extended due to the State's failure to release funding committed to this Project. The City had the same appraiser determine the value of the extended terms of the temporary construction easements. The City Council set just compensation based on the appraiser's determination and in April 2011, an offer letter was

sent to the owner of record seeking to purchase the additional terms of the temporary construction easements.

In March 2012, the City determined that the term of one of the temporary construction easements would have to be further extended due to the delay in securing an authorization from Caltrans and the Federal Highway Administration to proceed with construction. The City had the same appraiser determine the value of the extended term of the temporary construction easement. The City Council set just compensation based on the appraiser's determination and on April 16, 2012, an offer letter was sent to the owner of record for the additional term of the temporary construction easement. The owner of record has not responded to the City's offer letter.

SECTION 7. On April 23, 2012, the City provided written notice to the owner of record of the City Council's intent to consider the adoption of the proposed Resolution of Necessity at its May 8, 2012 meeting as required by Code of Civil Procedure Section 1245.235.

SECTION 8. The City Council of the City of La Mirada hereby finds and determines that:

- A. The public interest and necessity require the Project;
- B. The Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
- C. The property interests described in Exhibits "1A through 4A" hereto and depicted on Exhibits "1B through 4B" hereto are necessary for the Project; and
- D. The City made the offer required by section 7267.2 of the Government Code to the owner of record.

SECTION 9. The findings and declarations contained in this Resolution are based upon the record before the City Council on May 8, 2012, including the Agenda Report dated May 8, 2012 and all documents referenced therein, all of which are incorporated herein by this reference. These documents include the Notice of Determination, the General Plan, and all the file documents relating to the Project. The findings and declarations in this Resolution are also based upon any testimony, records and documents produced at the hearing, all of which are incorporated herein by this reference.

SECTION 10. The City Council of the City of La Mirada hereby authorizes and directs the law firm of Richards, Watson & Gershon, to take all steps necessary to commence and prosecute legal proceedings in a court of competent jurisdiction to acquire by eminent domain the Subject Property Interests described in Exhibits "1A through 4A" and depicted on Exhibits "1B through 4B" to this Resolution.

SECTION 11. The City Council of the City of La Mirada hereby authorizes the City Manager to execute all necessary documents in connection with the eminent domain proceeding.

SECTION 12. This Resolution shall take effect upon adoption.

APPROVED and ADOPTED this 8th day of May, 2012.

Gabriel P. Garcia, Mayor

ATTEST:

I, Anne Haraksin, City Clerk of the City of La Mirada, do hereby certify that the foregoing Resolution No. 12-24 was adopted at a regular meeting of the City Council of the City of La Mirada held on the 8th of May 2012 by the following roll call votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Anne Haraksin, City Clerk



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Valley View Avenue Grade Separation - Approval to Lease Office Space in the Valley View Commerce Center for the Construction Management Team

RECOMMENDATION

It is recommended that the City Council take the following actions:

1. Approve the terms of the proposed lease between the City of Santa Fe Springs and the Valley View Commerce Center, LLC for office space located at 14545 Valley View Avenue, Suite "R"; and
2. Authorize the City Manager to execute the proposed lease and related documents.

BACKGROUND

On May 24, 2012, the City awarded a contract for construction of the Valley View Avenue Grade Separation Project. The contract execution phase has been initiated and work is expected to start in July and continue through October 2014. During this period of time, it will be necessary for the Construction Management Team (CMT) to have a field office close to the construction site.

A suitable office space has been located within the Valley View Commerce Center which is located on the northwest corner of the intersection of Valley View Avenue and Stage Road. Within that complex, staff has identified Suite "R" in the building identified as 14545 Valley View Avenue as the space it would like to lease. This unit is 3,071 square feet in size and is configured appropriately for use by the CMT.

The term of the lease will be two years and the lease would become effective on July 1, 2012 and terminate on June 30, 2014. The City will also have the option to extend the lease on a month-to-month basis in order to coincide with the construction schedule for the project. It is anticipated that construction will take between 28 and 30 months.

Based on the size of the unit, the monthly rent would be \$3,470.23, plus common area expenses of \$307.10 for a total of \$3,777.33 (\$1.23/SF). It will also be necessary to make certain improvements to equip this space for use by the CMT. The property management company has estimated that tenant improvements will cost about \$19,200 and that cost will be spread over the two-year term of the lease. It is estimated that electricity and janitorial costs will be \$400 per month. Therefore, the total estimated lease cost will be approximately \$4,200 per month.

The proposed lease is attached to this report. It is a standard short form lease and it has been reviewed and approved by the City Attorney and would be executed by the City Manager if this action is approved by the City Council.

Report Submitted By: Don Jensen, Director
Department of Public Works

Date of Report: June 6, 2012

FISCAL IMPACT

Assuming the lease is needed for no more than 30 months, the total cost, including the lease, common area expenses, tenant improvements and utilities, is projected to be no more than \$126,000. Project costs, including the cost of the proposed lease, will be reimbursed from Federal and State funds that have been allocated to the project. Local funds will be needed only to cover the initial monthly payments.



Thaddeus McCormack
City Manager

Attachment(s):
Agreement

LEASE SUMMARY

1. **TENANT:** The City of SANTA FE SPRINGS, A Municipal Corporation .
2. **PREMISES:** 14545 Valley View Ave., Suite "R"
3. **RENTABLE AREA:** Approximately 3,071 sq. feet
4. **BASE RENT:** \$ 3,470.23 + \$307.10 CAM = \$3,777.33
5. **TERM:** (2) two year(s)
6. **COMMENCEMENT DATE:** July 1, 2012
7. **TENANTS SHARE:** Fixed monthly CAM charge
8. **SECURITY DEPOSIT:** \$3,930.88
9. **USE:** Administrative Office for Consulting Company (Construction).
10. **ADDRESS FOR PAYMENTS AND NOTICES:**

Landlord:	Valley View Commerce Center, LLC. 14515 Valley View Ave., Suite J Santa Fe Springs, CA 90670
Tenant:	The City of Santa Fe Springs 14545 Valley View Ave., Suite "R" Santa Fe Springs, CA 90670
11. **BROKER(S):** Tenant represents and warrants to Landlord that Tenant has not dealt with any Real Estate Broker or Agent in connection with this Lease.
12. **PARKING SPACES:** Free of charge (6) Six spaces; free of charge, unreserved, unassigned.
13. **UTILITIES & SERVICES:**

(A) Provided by Landlord:	Water & Trash
(B) Provided by Tenant:	Electricity & Janitorial
14. **INDUCEMENTS:**
 - (a) **EARLY POSSESSION:** Landlord shall grant Tenant an "Early Possession" for Tenant to set up business and install all (F,F, & E's) fixtures, furnishings, and equipment upon completion of Tenant Improvements. Early Possession shall be granted provided Tenant furnishes all required Insurance criteria depicted in Article 8 of this Lease. Tenant shall be responsible for utilities (Edison) electric, and telephone (Verizon). Lease shall be in FULL FORCE and EFFECT.
 - (b) **TENANT IMPROVEMENTS:** Landlord agrees to deliver "Premises" in "TURN-KEY" condition per agreed space plan NOT to exceed (\$20,000.00) twenty thousand dollars. Any Tenant Improvement work to be performed by Tenant is subject to Landlords reasonable written approval.

STANDARD INDUSTRIAL LEASE -- MULTI-TENANT

1. Parties. This Lease, dated, for reference purposes only June 6, 2012 is made by and between VALLEY VIEW COMMERCE CENTER, LLC (herein called "Lessor") and The City of Santa Fe Springs, A Municipal Corporation (herein called "Lessee").

2. Premises, Parking and Common Areas.

2.1 Premises. Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all of the conditions set forth herein, real property situated in the County of Los Angeles, State of California commonly known as Valley View Commerce Center, LLC and described as 14545 Valley View Ave., Suite "R", Santa Fe Springs, Ca 90670 herein referred to as the "Premises", as may be outlined on an Exhibit attached hereto, including rights to the Common areas as hereinafter specified but not including any rights to the roof of the Premises or to any Building in the Industrial Center. The Premises are a portion of a building, herein referred to as the "Building." The Premises, the Building, the Common Areas, the land upon which the same are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Industrial Center."

2.2 Vehicle Parking. Lessee shall be entitled to (6) Six vehicle parking spaces, unreserved and unassigned, on those portions of the Common Areas designated by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used only for parking by vehicles no larger than full size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."

2.2.1 Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be located, unloaded, or parked in areas other than those designated by Lessor for such activities.

2.2.2 If Lessee permits or allows any of the prohibited activities described in paragraph 2.2 of this Lease, then Lessor shall have the right, without notice, in addition to such other rights or remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.3 Common Areas - Definition. The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Industrial Center that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and of other lessees of the Industrial Center and their respective employees, suppliers, shippers, customers and invitees, including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas.

2.4 Common Areas - Lessee's Rights. Lessor hereby grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Industrial Center. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.5 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations with respect thereto. Lessee agrees to abide by and conform to all such rules and regulations, and to cause its employees, suppliers, shippers, customers, and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said rules and regulations by other lessees of the Industrial Center.

2.6 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways; (b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available; (c) To designate other land outside the boundaries of the Industrial Center to be a part of the Common Areas; (d) To add additional building and improvements to the Common Areas; (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Industrial Center, or any portion thereof; (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Industrial Center as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

2.6.1 Lessor shall at all times provide the parking facilities required by applicable law and in no event shall the number of parking spaces that Lessee is entitled to under paragraph 2.2 be reduced.

3. Term.

3.1 Term. The term of this Lease shall be for (2) Two year(s) commencing on July 1, 2012 ("Commencement Date") and ending on June 30, 2014 unless sooner terminated pursuant to any provision hereof.

3.2 Delay in Possession. Notwithstanding said commencement date, if for any reason Lessor cannot deliver possession of the Premises to Lessee on said date, Lessor shall not be subject to any liability therefore, nor shall such failure affect the validity of this Lease or the obligations of Lessee hereunder or extend the term hereof, but in such case, Lessee shall not be obligated to pay rent or perform any other obligation of Lessee under the terms of this Lease, except as may be otherwise provided in this Lease, until possession of the Premises is tendered to Lessee; provided, however, that if Lessor shall not have delivered possession of the Premises within sixty (60) days from said commencement date, Lessee may, at Lessee's option, by notice in writing to Lessor within ten (10) days thereafter, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder; provided further, however, that if such written notice of Lessee is not received by Lessor within said ten (10) day period, Lessee's right to cancel this Lease hereunder shall terminate and be of no further force or effect.

3.3 Early Possession. If Lessee occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions of this Lease, such occupancy shall not advance the termination date, and Lessee shall pay rent for such period at the initial monthly rates set forth below.

4. Rent.

4.1 Base Rent. Lessee covenants and agrees to pay to Lessor, as Base Rent and as a non-exclusive license fee for the Premises, **in lawful United States currency**, without any notice, demand, offset or deduction, except as may be otherwise expressly provided in this Lease, the following rentals, together with any sales, use or other taxes assessed from time to time on the Rent or on the use and occupancy of the Premises.

\$ 3,470.23 First Months rent

\$ 3,930.88 Security deposit (Tenant has previously deposited N/A with Landlord. Tenant shall deposit an additional \$3,930.88 prior to the Commencement Date for a total Security Deposit of \$3,930.88)

\$ 125.00 Unit cleaning fee.

\$ 307.10 First months Operating Expenses (Total monthly expenses except for increases in Taxes and Insurance.)

Total amount Lessee shall pay Lessor on or before the Commencement Date of this Lease is: \$7,833.21

Each subsequent installment shall be due, in advance, on the first day of each month next ensuing after the Commencement Date and is defined in Article 57 of this Lease.

Rent for any period during the term hereof which is for less than one month shall be a pro rata portion of the Base Rent. Rent is rounded to the nearest dollar and shall be payable to Lessor at the address herein or to such other person or at such other place as Lessor may designate in writing.

4.2 Operating Expenses. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share, as hereinafter defined, of all Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "Lessee's Share" is defined, for purposes of this Lease, is \$307.10 per month, see Article 57.

(b) "Operating Expenses" is defined, for purposes of this Lease, as all costs incurred by Lessor, if any, for:

(i) The operation, repair and maintenance, in neat, clean, good order and condition, of the following:

(aa) The Common Areas, including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities and fences and gates;

(bb) Trash disposal services;

(cc) Tenant directories;

(dd) Fire detection systems including sprinkler system maintenance and repair;

(ee) Any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense"

(ii) The cost of water, gas and electricity to service the Common Areas.

(c) The inclusion of the improvements, facilities and services set forth in paragraph 4.2 (b) (i) of the definition of Operating Expenses shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Industrial Center already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Operating Expenses shall be payable by Lessee within ten (10) days after a reasonable detailed statement of actual expenses is presented to Lessee by Lessor. At Lessor's option, however, an amount may be estimated by Lessor from time to time of Lessee's Share of annual Operating Expenses and the same shall be payable monthly or quarterly, as Lessor shall designate, during each twelve-month period of Expenses as aforesaid, Lessor shall deliver to Lessee within sixty (60) days after the expiration of each calendar year a reasonably detailed statement showing Lessee's Share of the actual Operating Expenses incurred during the preceding year. If Lessee's payments under this paragraph 4.2 (d) during said preceding year exceed Lessee's Share as indicated on said statement, Lessee shall be entitled to credit the amount of such overpayment against Lessee's Share of Operating Expenses next falling due. If Lessee's payments under this paragraph during said preceding year were less than Lessee's Share as indicated on said statement, Lessee shall pay to Lessor the amount of the deficiency within ten (10) days after delivery by Lessor to Lessee of said statement.

(e) Lessee acknowledges that neither Lessor nor its agent have made any representation or warranty as to the square footage of the Premises. Any reference to square footage is an approximation only and may include measurement from the exteriors of outside walls and/or measurement from the drip-line of the roof and includes all inside walls and service areas. In no event shall the rent be adjusted based on square footage of the Premises.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof \$3,930.88 as security deposit for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of said deposit, Lessee shall within ten (10) days after written demand therefore deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount then required of Lessee. If the monthly rent shall, from time to time, increase during the term of this Lease, Lessee shall, at the time of such increase, deposit with Lessor additional money as a security deposit so that the total amount of the security deposit held by Lessor shall at the times bear the same proportion to the then current Base Rent as the initial security deposit bears to the initial Base Rent set forth in paragraph 4. Lessor shall not be required to keep said security deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not heretofore been applied by Lessor, shall be returned, without payment on interest or other increment for its use, to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) at the expiration of the term hereof, and after Lessee has vacated the Premises. No trust relationship is created herein between Lessor and Lessee with respect to said Security Deposit.

6. Use.

6.1 Use. The Premises shall be used and occupied only for Administrative Office Related use for a Construction Consulting Company only or any other use which is reasonably comparable and for no other purpose.

(a) Lessee will conduct its business and control its employee, agents, invitees, and visitors in such manner as not to create any nuisance, or interfere with, annoy, or disturb any other tenant or occupant of the building or Lessor in its operation of the building. Lessee will not do anything which is prohibited by the standard form of extended coverage fire policy, or will increase the existing rate of such insurance, or otherwise affect any other insurance affecting the building, or cause a cancellation of any such insurance.

6.2 Compliance with Law.

(a) Lessor warrants to Lessee that the Premises, in the state existing on the date that the Lease term commences, but without regard to the use for which Lessee will occupy the Premises, does not violate any covenants or restrictions of record, or any applicable building code, regulation or ordinance in effect on such Lease term commencement date. In the event it is determined that this warranty has been violated, then it shall be the obligation of the Lessor, after written notice from Lessee, to promptly, at Lessor's sole cost and expense, rectify any such violation. In the event Lessee does not give to Lessor written notice of the violation of this warranty notice six months from the date that the Lease term commences, the correction of same shall be the obligation of the Lessee and Lessee's sole cost. The warranty contained in this paragraph 6.2 (a) shall be of no force or effect if, prior to the date of this Lease, Lessee was an owner or occupant of the Premises and, in such event, Lessee shall correct any such violation at Lessee's sole cost.

(b) Except as provided in paragraph 6.2 (a) Lessee shall, at Lessee's expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements of any fire insurance underwriters or rating bureaus, now in effect or which may hereafter come into effect, whether or not they reflect a change in policy from that now existing, during the term or any part of the term hereof, relating in any manner to the Premises and the occupation and use by Lessee of the premises and of the Common Areas, Lessee shall not use nor permit the use of the Premises or the Common Areas in any manner that will tend to create waste or a nuisance or shall tend to disturb other occupants of the Industrial Center.

(c) Lessee shall not grant any concessions, licenses or permission for the sale or taking of orders for food or beverages in the Premises, nor install or permit the installation or use of any machine or equipment for dispensing foods or beverages in the Industrial Center, nor permit the preparation, serving, distribution or delivery of food or beverages in the Premises without written approval of Lessor and in compliance with arrangements prescribed by Lessor, except that Lessee may install coffee makers, refrigerator and microwave oven in the Premises for ordinary use by Lessee's employees. Only persons approved by Lessor shall be permitted to serve, distribute, or deliver food and beverages within the Industrial Center, or to use the elevators or the public areas of the Industrial Center for that purpose.

(d) The Premises shall not be used or permitted to be used for residential, lodging or sleeping purposes.

6.3 Condition of Premises.

(a) Lessor shall deliver the Premises to Lessee clean and free of debris on the Lease commencement date (unless Lessee is already in possession) and Lessor warrants to Lessee that the plumbing, lighting, air conditioning, heating, and loading doors in the Premises shall be in good operating condition on the Lease commencement date. In the event that it is determined that this warranty has been violated, then it shall be the obligation of Lessor, after receipt of written notice from Lessee setting forth with specificity the nature of the violation, to promptly, at Lessor's sole cost, rectify such violation, Lessee's failure to give such written notice to Lessor within thirty (30) days after the Lease commencement date shall cause the conclusive presumption that Lessor has complied with all of Lessor's obligations hereunder. The warranty contained in this paragraph 6.3 (a) shall be of no force or effect if prior to the date of this Lease, Lessee was an owner or occupant of the Premises.

(b) Except as otherwise provided in this Lease, Lessee hereby accepts the Premises in their condition existing as of the Lease commencement date or the date that Lease takes possession of the Premises, whichever is earlier, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises, and any covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the present or future suitability of the Premises for the conduct of Lessee's business.

7. Maintenance, Repairs, Alterations and Common Area Services.

7.1 Lessor's Obligations. Subject to the provisions of paragraphs 4.2 (Operating Expenses), 6 (Use), 7.2 (Lessee's Obligations) and 9 (Damage or Destruction) and except for damage caused by any negligent or intentional act or omission of Lessee, Lessee's employees, suppliers, shippers, customers or invitees, in which event Lessee shall repair the damage, Lessor, at Lessor's expense, subject to reimbursement pursuant to paragraph 4.2, shall keep in good condition and repair the foundations, exterior walls, structural condition of interior bearing walls, and roof of the Premises, as well as, the parking lots, walkways, driveways, landscaping, fences, signs and utility installations of the Common Areas and all parts thereof, as well as providing the services for which there is an Operating Expense pursuant to paragraph 4.2. Lessor shall not, however, be obligated to paint the exterior or interior surface of exterior walls, nor shall Lessor be required to maintain, repair or replace windows, doors or plate glass of the Premises. Lessor shall have no obligation to make repairs under this paragraph 7.1 until a reasonable time after receipt of written notice from Lessee of the need for such repairs. Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of the Lessor's failure to keep the Premises in good order, condition and repair. Lessor shall not be liable for damages or loss of any kind or nature by reason of Lessor's failure to furnish any Common Area Services when such failure is caused by accident, breakage, repairs, strikes, lockout, or other labor disturbances or disputes of any character, or by any other cause beyond the reasonable control of Lessor.

7.2 Lessee's Obligations.

(a) Subject to the provisions of paragraphs 6 (Use), 7.1 (Lessor's Obligations), and 9 (Damage or Destruction), Lessee, at Lessee's expense, shall keep in good order, condition and repair the Premises and every part thereof (whether or not the damaged portion of the Premises or the means of repairing the same are reasonably or readily accessible to Lessee) including, without limiting the generality of the foregoing, all plumbing, heating, ventilating and air conditioning systems (Lessee shall procure and maintain, at Lessee's expense, a ventilating and air conditioning system maintenance contract), electrical and lighting facilities and equipment within the Premises, fixtures, interior walls and interior surfaces of exterior walls, ceilings, windows, doors, plate glass, and skylights located within the Premises. Lessor reserves the right to procure and maintain the ventilating and air conditioning system maintenance contract and if Lessor so elects, Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(b) If Lessee fails to perform Lessee's obligations under this paragraph 7.2 or under any other paragraph of this Lease, Lessor may enter upon the Premises after ten (10) days prior written notice to Lessee (except in the case of emergency, in which no notice shall be required), perform such obligations on Lessee's behalf and put the Premises in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by law shall be due and payable as additional rent to Lessor together with Lessee's next Base Rent installment.

(c) On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as received, ordinary wear and tear excepted, clean and free of debris. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices. Lessee shall repair any damage to the Premises occasioned by the installation or removal of Lessee's trade fixtures, alterations, furnishings and equipment. Notwithstanding anything to the contrary otherwise stated in this Lease. Lessee shall leave the air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing and fencing on the Premises in good operating condition.

7.3 Alterations and Additions.

(a) Lessee shall not, without Lessor's prior written consent make any alterations, improvements, additions or Utility Installations in, on or about the Premises, or the Industrial Center, except for non-structural alterations to the Premises, or the Industrial Center, except for non-structural alterations to the Premises not exceeding \$2,500 in cumulative costs, during the term of this Lease. In any event, whether or not in excess of \$2,500 in cumulative cost, Lessee shall make no change or alteration to the exterior of the Premises nor the exterior of the Building nor the Industrial Center without Lessor's prior written consent. As used in this paragraph 7.3 the term "Utility Installation" shall mean carpeting, window coverings, air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing, and fencing. Lessor may require that Lessee remove any or all of said alterations, improvements, additions or Utility Installations at the expiration of the term, and restore the Premises and the Industrial Center to their prior condition. Lessor may require Lessee to provide Lessor at Lessee's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Lessor against any liability for mechanic's and materialmen's liens and to insure completion of the work. Should Lessee make any alterations, improvements, additions or Utility Installments without the prior approval of Lessor, Lessor may, at any time during the term of this Lease, require that Lessee remove any or all of the same.

(b) Any alterations, improvements, additions or Utility Installations in or about the Premises or the Industrial Center that Lessee shall desire to make and which requires the consent of the Lessor shall be presented to Lessor in written form, with proposed detailed plans. If Lessor shall give its consent, the consent shall be deemed conditional upon Lessee acquiring a permit to do so from appropriate governmental agencies, the furnishing of a copy thereof to Lessor prior to the commencement of the work and the compliance by Lessee of all conditions of said permit in a prompt and expeditious manner.

(c) Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises, or the Industrial Center, or any interest therein, Lessee shall give Lessor not less than ten (10) days notice prior to the commencement of any work in the Premises, and Lessor shall have the right to post notices of non-responsibility in or on the Premises or the Building as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend itself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Premises or the Industrial Center, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to such contested lien claim or demand indemnifying Lessor against liability for the same and holding the Premises and the Industrial Center free from the effect of such Lien or claim. In addition, Lessor may require Lessee to pay Lessor's attorney's fees and costs in participating in such action if Lessor shall decide it is to Lessor's best interest to do so.

(d) All alterations, improvements, additions and Utility Installations (whether or not such Utility Installations constitute trade fixtures of Lessee), which may be marked on the Premises, shall be the property of Lessor and shall remain upon and be surrendered with the Premises at the expiration of the Lease term, unless Lessor requires their removal pursuant to paragraph 7.3 (a). Notwithstanding the provisions of this paragraph 7.3 (d), Lessee's machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, and other than Utility Installations, shall remain the property of Lessee and may be removed by Lessee subject to the provisions of paragraph 7.2.

7.4 Utility Additions. Lessor reserves the right to install new or additional utility facilities throughout the Building and the Common Areas for the benefit of Lessor or Lessee, or any other lessee of the Industrial Center, including, but not by way of limitation, such utilities as plumbing, electrical systems, security systems, communication systems, and fire protection and detection systems, so long as such installations do not unreasonably interfere with Lessee's use of the Premises.

8. Insurance; Indemnity.

8.1 Liability Insurance - Lessee. Lessee shall, at Lessee's expense, obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Property Damage Insurance insuring Lessee and Lessor against any liability arising out of the use, occupancy or maintenance of the Premises and the Industrial Center. Such insurance shall be in an amount not less than \$1,000,000.00 per occurrence. The policy shall insure performance by Lessee of the indemnity provisions of this paragraph 8. The limits of said insurance shall not, however, limit the liability of Lessee hereunder.

8.2 Liability Insurance - Lessor. Lessor shall obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Property Damage Insurance, insuring Lessor, but not Lessee, against any liability arising out of the ownership, use, occupancy or maintenance of the Industrial Center in an amount not less than \$1,000,000.00 per occurrence.

8.3 Property Insurance. Lessor shall obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Industrial Center improvements, but not Lessee's personal property, fixtures, equipment or tenant improvements, in an amount not to exceed the full replacement value thereof, as the same may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, flood (in the event same is required by the lender having a lien on the Premises) special extended perils ("all risk", as such term is used in the insurance industry), plate glass insurance and such other insurance as Lessor deems advisable. In addition, Lessor shall obtain and keep in force, during the term of this Lease, a policy of rental value insurance covering a period of one year, with loss payable to Lessor, which insurance shall also cover all Operating Expenses for said Period.

8.4 Payment of Premium Increase.

(a) After the term of this Lease has commenced, Lessee shall not be responsible for paying Lessee's Share of any increase in the property insurance premium for the Industrial Center specified by Lessor's insurance carrier as being caused by the use, acts or omissions or any other lessee of the Industrial Center, or by the nature of such other lessee's occupancy which create an extraordinary or unusual risk.

(b) Lessee, however, shall pay the entirety of any increase in the property insurance premium for the Industrial Center over what it was immediately prior to the commencement of the term of this Lease if the increase is specified by Lessor's insurance carrier as being caused by the nature of Lessee's occupancy or any act or omission of Lessee.

(c) Lessee shall pay to Lessor, during the term hereof, in addition to the rent, Lessee's Share (as defined in paragraph 4.2[a]) of the amount of any increase in premium for the insurance required under paragraphs 8.2 and 8.3 over and above such premium paid during the Base Period, as hereinafter defined, whether such premiums increase shall be the result of the nature of Lessee's occupancy, any act or omission of the Lessee, requirements of the holder of a mortgage or deed of trust covering the Premises, increased valuation of the Premises, or general rate increases. In the event that the Premises have been occupied previously, the words "Base Period" shall mean the last twelve months of the prior occupancy. In the event that the Premises have never been occupied previously, the words "Base Period" shall be deemed to be the lowest premiums reasonably obtainable for said insurance assuming the most nominal use of the Premises. Provided, however, in lieu of the Base Period, the parties may insert a dollar amount at the end of this sentence which figure shall be considered as the insurance premium for the Base Period: n/a. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$1,000,000 procured under paragraph 8.2.

(d) Lessee shall pay any such premium increases to Lessor within 30 days after receipt by Lessee of a copy of the premium statement or other satisfactory evidence of the amount due. If the insurance policies maintained hereunder cover other improvements in addition to the Premises, Lessor shall also deliver to Lessee a statement of the amount of such increase attributable to the Premises and showing in reasonable detail, the manner in which such amount was computed. If the term of this Lease shall not expire concurrently with the expiration of the period covered by such insurance, Lessee's liability for premium increases shall be prorated on an annual basis.

8.5 Insurance Policies. Insurance hereunder shall be in companies holding a "General Policyholders Rating" of at least B plus, or such other rating as may be required by a lender having a lien on the Premises, as set forth in the most current issue of "Best's Insurance Guide". Lessee shall not do or permit to be done anything which shall invalidate the insurance policies carried by Lessor. Lessee shall deliver to Lessor copies of liability insurance policies required under paragraph 8.1 or certificates evidencing the existence and amounts of such insurance within seven (7) days after the commencement date of this Lease. No such policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof.

8.6 Waiver of Subrogation. Lessee and Lessor each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of Lessor or Lessee or their agents, employees, contractors and/or invitees. Lessee and Lessor shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

8.7 Indemnity. Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's use of the Industrial Center, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or omission of Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, and in case any action or proceeding be brought against Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property of Lessee or injury to persons, in, upon or about the Industrial Center arising from any cause and Lessee hereby waives all claims in respect thereof against Lessor.

8.8 Exemption of Lessor from Liability. Lessee hereby agrees that Lessor shall not be liable for injury to Lessee's business or any loss of income there from or for damage to the goods, wares, merchandise or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises of the Industrial Center, nor shall Lessor be liable for injury to the person of Lessee, Lessee's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, vires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Industrial Center, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Lessee. Lessor shall not be liable for any damages arising from any act or neglect of any other lessee, occupant or user of the Industrial Center, nor from the failure of Lessor to enforce the provisions of any other lease of the Industrial Center.

9. Damage or Destruction.

9.1 Definitions.

(a) "Premises Partial Damage" shall mean if the Premises are damaged or destroyed to the extent that the cost of repair is less than fifty percent of the then replacement cost of the Premises.

(b) "Premises Total Destruction" shall mean if the Premises are damaged or destroyed to the extent that the cost of repair is fifty percent or more of the then replacement cost of the Premises.

(c) "Premises Building Partial Damage" shall mean if the Building of which the Premises are a part is damaged or destroyed to the extent that the cost to repair is less than fifty percent of the then replacement cost of the Building.

(d) "Premises Building Total Destruction" shall mean if the Building of which the Premises are a part is damaged or destroyed to the extent that the cost to repair is fifty percent or more of the then replacement cost of the Building.

(e) "Industrial Center Buildings" shall mean all of the buildings on the Industrial Center site.

(f) "Industrial Center Buildings Total Destruction" shall mean if the Industrial Center Buildings are damaged or destroyed to the extent that the cost of repair is fifty percent or more of the then replacement cost of the Industrial Center Buildings.

(g) "Insured Loss" shall mean damage or destruction which was caused by an event required to be covered by the insurance described in paragraph 8. The fact that an Insured Loss has a deductive amount shall not make the loss an uninsured loss.

9.2 Premises Partial Damage; Premises Building Partial Damage.

(a) Insured Loss: Subject to the provisions of paragraphs 9.4 and 9.5, if at any time during the term of this Lease there is damage which is an Insured Loss and which falls into the classification of either Premises Partial Damage or Premises Building Partial Damage, then Lessor shall, at Lessor's expense, repair such damage to the Premises, but not Lessee's fixtures, equipment or tenant improvements, as soon as reasonably possible and this Lease shall continue in full force and effect.

(b) Uninsured Loss: Subject to the provisions of paragraphs 9.4 and 9.5, if at any time during the term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Premises Partial Damage or Premises Building Partial Damage, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), which damage prevents Lessee from using the Premises, Lessor may at Lessor's option either (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after the date of the occurrence of such damage of Lessor's intention to cancel and terminate this Lease as of the date of the occurrence of such damage. In the event Lessor elects to give such notice of Lessor's intention to cancel and terminate this Lease, Lessee shall have the right within ten (10) days after the receipt of such notice to give written notice to Lessor of Lessee's intention to repair such damage at Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs as soon as reasonably possible. If Lessee does not give such notice within such 10-day period this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

9.3 Premises Total Destruction; Premises Building Total Destruction; Industrial Center Building Total Destruction.

(a) Subject to the provisions of paragraph 9.4 and 9.5, if at any time during the term of this Lease there is damage, whether or not it is an Insured Loss, and which falls into the classification of either (i) Premises Total Destruction, or (ii) Premises Building Total Destruction, or (iii) Industrial Center Buildings Total Destruction, then Lessor may at Lessor's option either (i) repair such damage or destruction, but not Lessee's fixtures, equipment or tenant improvements, as soon as reasonably possible at Lessor's expense, and this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after the date of occurrence of such damage of Lessor's intention to cancel and terminate this Lease, in which case this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

9.4 Damage Near End of Term.

(a) Subject to paragraph 9.4 (b), if at any time during the last six months of the term of this Lease there is substantial damage, whether or not an Insured Loss, which falls within the classification of Premises Partial Damage, Lessor may at Lessor's option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Lessee of Lessor's election to do so within 30 days after the date of occurrence of such damage.

(b) Notwithstanding paragraph 9.4 (a), in the event that Lessee has an option to extend or renew this Lease, and the time within which said option may be exercised has not yet expired, Lessee shall exercise such option, if it is to be exercised at all, no later than twenty (20) days after the occurrence of any Insured Loss falling within the classification of Premises Partial Damage during the last six months of the term of this Lease. If Lessee duly exercises such option during said twenty (20) day period, Lessor shall, at Lessor's expense, repair such damage, but not Lessee's fixtures, equipment or tenant improvements, as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option during said twenty (20) day period, then Lessor may at Lessor's option terminate and cancel this Lease as of the expiration of said twenty (20) day period by giving written notice to Lessee of Lessor's election to do so within ten (10) days after the expiration of said twenty (20) day period, notwithstanding any term or provision in the grant of option to the contrary.

9.5 Abatement of Rent; Lessee's Remedies.

(a) In the event Lessor repairs or restores the Premises to the provisions of this Paragraph 9, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired. Except for abatement of rent, if any, Lessee shall have no claim against Lessor for any damage suffered by reason of any such damage, destruction, repair or restoration.

(b) If Lessor shall be obligated to repair or restore the Premises under the provisions of this paragraph 9 and shall not commence such repair or restorations within ninety (90) days after such obligation shall accrue. Lessee may at Lessee's option cancel and terminate this Lease by giving Lessor written notice of Lessee's election to do so at any time prior to the commencement of such repair or restoration. In such event, this Lease shall terminate as of the date of such notice.

9.6 Termination - Advance Payments. Upon termination of this Lease pursuant to this paragraph 9, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's security deposit as has not theretofore been applied by Lessor.

9.7 Waiver. Lessor and Lessee waive the provisions of any statute which relates to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

10. Real Property Taxes

10.1 Payment of Tax Increase. Lessor shall pay the real property tax, as defined in paragraph 10.3, applicable to the Industrial Center; provided, however that Lessee shall pay, in addition to rent, Lessee's Share (as defined in paragraph 4.2 [a]) of the amount, if any, by which real property taxes applicable to the Premises increase over the fiscal real estate tax year 2010-2011. Such payment shall be made by Lessee within thirty (30) days after receipt of Lessor's written statement setting forth the amount of such increase and the computation thereof. If the term of this Lease shall not expire concurrently with the expiration of the tax fiscal year, Lessee's liability for increased taxes for the last partial lease year shall be prorated on an annual basis.

10.2 Additional Improvements. Lessee shall not be responsible for paying Lessee's Share of any increase in real property tax specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Industrial Center by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Lessee shall, however, pay to Lessor at the time that Operating Expenses are payable under paragraph 4.2 (c) the entirety of any increase in real property tax if assessed solely by reason of additional improvements placed upon the Premises by Lessee or at Lessee's request.

10.3 Definition of "Real Property Tax." As used herein, the term "real property tax" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on the Industrial Center or any portion thereof by any authority having the direct or indirect power to tax including any city, county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Lessor in the Industrial Center or in any portion thereof, as against Lessor's right to rent or other income therefrom, and as against Lessor's business of leasing the Industrial Center. The term "real property tax" shall also include any tax, fee, levy, assessment or charge (i) in substitution of, partially or totally, any tax, fee, levy, assessment or charge hereinabove included within the definition of "real property tax," or (ii) the nature of which was hereinbefore included within the definition of "real property tax," or (iii) which is imposed for a service or right not charged prior to June 1, 1978, or, if previously charged, has been increased since June 1, 1978, or (iv) which is imposed as a result of a transfer, either partial or total, of Lessor's interest in the Industrial Center or which is added to a tax or charge hereinbefore included within the definition of real property tax by reason of such transfer, or (v) which is imposed by reason of this transaction, any modifications or changes hereto, or any transfer hereof.

10.4 Joint Assessment. If the Industrial Center is not separately assessed, Lessee's Share of the real property tax liability shall be an equitable proportion of the real property taxes for all of the land and improvements included within the tax parcel assessed such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes.

(a) Lessee shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises or elsewhere. When possible, Lessee shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor.

(b) If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay to Lessor the taxes attributable to Lessee within ten (10) days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities. Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges jointly metered with other premises in the building.

12. Assignment and Subletting.

12.1 Lessor's Consent Required. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in the Lease or in the Premises, without Lessor's prior written consent, which Lessor shall not unreasonably withhold. Lessor shall respond to Lessee's request for consent hereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a breach of this Lease without the need for notice to Lessee under paragraph 13.1.

12.2 Lessee Affiliate. Notwithstanding the provisions of paragraph 12.1 hereof, Lessee may assign or sublet the Premises, or any portion thereof, without Lessor's consent, to any corporation which controls, is controlled by or is under common control with Lessee, or to any corporation resulting from the merger or consolidation with Lessee, or to any person or entity which acquires all the assets of Lessee as a going concern of the business that is being conducted on the Premises, all of which are referred to as "Lessee Affiliate," provided that before such assignment shall be effective said assignees shall assume, in full, the obligations of Lessee under this Lease. Any such assignment shall not, in any way, affect or limit the liability of Lessee under the terms of this Lease even if after such assignment or subletting the terms of this Lease are materially changed or altered without the consent of Lessee, the consent of whom shall not be necessary.

12.3 Terms and Conditions of Assignment. Regardless of Lessor's consent, no assignment shall release Lessee of Lessee's obligations hereunder or alter the primary liability of Lessee to pay the Base Rent and Lessee's Share of Operating Expenses, and to perform all other obligations to be performed by Lessee hereunder. Lessor may accept rent from any person other than Lessee pending approval or disapproval of such assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance or rent shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for the breach of any of the terms or conditions of this paragraph 12 of this Lease. Consent to one assignment shall not be deemed consent to any subsequent assignment. In the event of default by any assignee of Lessee or any successor of Lessee, in the performance of any of the terms hereof, Lessor may proceed directly against Lessee without the necessity of exhausting remedies against said assignee. Lessor may consent to subsequent assignments of this Lease or amendments or modifications to this Lease with assignees of Lessee, without notifying Lessee, or any successor of Lessee, and without obtaining its or their consent thereto and such action shall not relieve Lessee of liability under this Lease.

12.4 Terms and Conditions Applicable to Subletting. Regardless of Lessor's consent, the following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be included in subleases:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all rental and income arising from any sublease heretofore or hereafter made by Lessee, and Lessor may collect such rent and income and apply same toward Lessee's obligations under this Lease; provided, however, that until a default shall occur in the performance of Lessee's obligations under this Lease, Lessee may receive, collect and enjoy the rents accruing under such sublease. Lessor shall not, by reason of this or any other assignment of such sublease to Lessor nor by reason of the collection of the rents from a sublessee, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee under such sublease. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a default exists in the performance of Lessee's obligations under this Lease, to pay to Lessor the rents due and to become due under the sublease, Lessee agrees that such sublessee shall have the right to rely upon any such statement and request from Lessor, and that such sublessee shall pay such rents to Lessor without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Lessee to the contrary. Lessee shall have no right or claim against such sublessee or Lessor for any such rents so paid by said sublessee to Lessor.

(b) No sublease entered into by Lessee shall be effective unless and until it has been approved in writing by Lessor. In entering into any sublease, Lessee shall use only such form of sublease as is satisfactory to Lessor, and once approved by Lessor, such sublease shall not be changed or modified without Lessor's prior written consent. Any sublessee shall, by reason of entering into a sublease under this Lease, be deemed, for the benefit of Lessor, to have assumed and agreed to conform and comply with each and every obligation herein to be performed by Lessee other than such obligations as are contrary to or inconsistent with provisions contained in a sublease to which Lessor has expressly consented in writing.

(c) If Lessee's obligations under this Lease have been guaranteed by third parties, then a sublease, and Lessor's consent thereto, shall not be effective unless said guarantors give their written consent to such sublease and the terms thereof.

(d) The consent by Lessor to any subletting shall not release Lessee from its obligations or alter the primary liability of Lessee to pay the rent and perform and comply with all of the obligations of Lessee to be performed under this Lease.

(e) The consent by Lessor to any subletting shall not constitute a consent to any subsequent subletting by Lessee or to any assignment or subletting by the sublessee. However, Lessor may consent to subsequent sublettings and assignments of the sublease or any amendments or modifications thereto without notifying Lessee or anyone else liable on the Lease or sublease and without obtaining their consent and such action shall not relieve such persons from liability.

(f) In the event of any default under this Lease, Lessor may proceed directly against Lessee, any guarantors or any one else responsible for the performance of this Lease, including the sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor or Lessee.

(g) In the event Lessee shall default in the performance of its obligations under this Lease, Lessor, at its option and without any obligation to do so, may require any sublessee to attorney to Lessor, in which event Lessor shall undertake the obligations of Lessee under such sublease from the time of the exercise of said option to the termination of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to Lessee or for any other prior defaults of Lessee under such sublease.

(h) Each and every consent required of Lessee under a sublease shall also require the consent of Lessor.

(i) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(j) Lessor's written consent to any subletting of the Premises by Lessee shall not constitute an acknowledgment that no default then exists under this Lease of the obligations to be performed by Lessee nor shall such consent be deemed a waiver of any then existing default, except as may be otherwise stated by Lessor at the time.

(k) With respect to any subletting to which Lessor has consented, Lessor agrees to deliver a copy of any notice of default by Lessee to the sublessee. Such sublessee shall have the right to cure a default of Lessee within ten (10) days after service of said notice of default upon such sublessee, and the sublessee shall have a right of reimbursement and offset from and against Lessee for any such defaults cured by the sublessee.

12.5 Attorney's Fees. In the event Lessee shall assign or sublet the Premises or request the consent of Lessor to any assignment or subletting or if Lessee shall request the consent of Lessor for any act Lessee proposes to do then Lessee shall pay Lessor's reasonable attorney's fees incurred in connection therewith, such attorney's fees not to exceed \$350.00 for each such request.

13. Default; Remedies.

13.1 Default. The occurrence of any one or more of the following events shall constitute a material default of this Lease by Lessee:

(a) The vacating or abandonment of the Premises by Lessee.

(b) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, when due, where such failure shall continue for a period of three (3) days after written notice thereof from Lessor to Lessee. In the event that Lessor serves Lessee with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes such Notice to Pay Rent or Quit shall also constitute the notice required by this subparagraph.

(c) Except as otherwise provided in this Lease, the failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in paragraph (b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's noncompliance is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. To the extent permitted by law, such thirty (30) day notice shall constitute the sole and exclusive notice required to be given to Lessee under applicable Unlawful Detainer statutes.

(d) The making by Lessee of any general arrangement or general assignment for the benefit of creditors; (i) Lessee becomes a "debtor" as defined in 11 U.S.C. 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (ii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iii) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days. In the event that any provision of this paragraph 13.1 (d) is contrary to any applicable law, such provision shall be of no force or effect.

(e) The discovery by Lessor that any financial statement given to Lessor by Lessee, any assignee of Lessee, any subtenant of Lessee, any successor in interest of Lessee or any guarantor of Lessee's obligation hereunder, was materially false.

13.2 Remedies. In the event of any such material default by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Lessee proved could be reasonably avoided; that portion of the leasing commission paid by Lessor pursuant to paragraph 15 applicable to the unexpired term of this Lease.

(b) Maintain Lessee's right to possession in which case this Lease shall continue in effect whether or not Lessee shall have vacated or abandoned the Premises. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

(c) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the state wherein the Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Lessee under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

(d) Upon occurrence of any of the events of default listed in Section 13.1, Lessor shall have, in addition to any other remedy provided by law, the option to enter upon and take possession of the demised premises, by force if necessary, without terminating this Lease and expel or remove Lessee and any other persons who may be occupying such premises or any part thereof. Lessor may relet the demised premises and receive the rent thereof. Lessee agrees to pay Lessor monthly or on demand from time to time any deficiency that may arise by reason of any such reletting.

13.3 **Default by Lessor.** Lessor shall not be in default unless Lessor fails to perform obligations required by Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the premises whose name and address shall have theretofore been furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligations provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within thirty (30) day period and thereafter diligently prosecutes the same to completion.

13.4 **Late Charges; Liquid Damages.** Lessee hereby acknowledges that late payment by Lessee of Base Rent, Lessee's Share of Operating Expenses or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Industrial Center. Accordingly, if any installment of Base Rent, Operating Expenses, or any other sum due from Lessee shall not be received by Lessor or Lessor's designee within five (5) days after such amount shall be due, then, without any requirement of notice to Lessee, Lessee shall pay to Lessor a late charge equal to 10% of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of any of the aforesaid monetary obligations of Lessee, then Base Rent and Operating Expense shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding paragraph 4.1 or any other provision of this Lease to the contrary. There will be a \$50.00 charge for all checks that are returned for insufficient funds. If it occurs two (2) or more times during the term of the Lease, the Lessor shall have the option to require Lessee to pay the monthly rent by cashiers check.

13.5 **Payments After Termination.** No payments of money by Lessee to Lessor after the expiration or other termination of this Lease or after the giving of any notice (other than a demand for payment of money) by Lessor to Lessee, shall reinstate, continue or extend the Lease Term or make ineffective any notice given to Lessee prior to the payment of such money. After the service of notice or the commencement of a suit, or after final judgment granting Lessor possession of the Premises, Lessor may receive and collect any sums of Rent or other obligations of Lessee due under this Lease, and the payment thereof shall not make ineffective any notice, or in any manner affect any pending suit or any judgment theretofore obtained.

14. **Condemnation.** If the Premises or any portion thereof or the Industrial Center are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate at to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent of the floor area of the Premises, or more than twenty-five percent of that portion of the Common Areas designated as parking for the Industrial Center is taken by condemnation, Lessee may, at Lessee's option, to be exercised in writing only within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the premises remaining, except that the rent shall be reduced in the proportion that the floor area of the Premises taken bears to the total floor area of the Premises. No reduction of rent shall occur if the only area taken is that which does not have the Premises located thereon. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any award for loss of or damage to Lessee's trade fixtures and removable personal property. In the event that this Lease is not terminated by reason of such condemnation, Lessor shall, to the extent of severance damages received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Lessee has been reimbursed therefore by the condemning authority. Lessee shall pay any amount in excess of such severance damages required to complete such repair.

15. **Broker's Fee.** Lessee warrants that it has had no dealings with any other real estate broker or agents in connection with the negotiation of this Lease excepting only (N/A) Brokerage Company and that it knows of no other Real Estate Broker or agent who is or might be entitled to a commission or fee in connection with this Lease. Lessee shall indemnify and hold Lessor harmless from any claims asserted by another Real Estate Broker or agent claiming a commission or finder's fee in connection with this Lease as a result of the acts or conduct of Lessee. Lessor shall be responsible for any brokerage commission paid to (N/A) Brokerage Company pursuant to Lessor's agreement with such company. This provision shall survive the termination or expiration of this Lease.

16. **Estoppel Certificate.**

(a) Each party (as "responding party") shall at any time upon not less than ten (10) days prior notice from the other party ("requesting party") execute, acknowledge and deliver to the requesting party a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to the responding party's knowledge, any uncured defaults on the part of the requesting party, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or of the business of the requesting party.

(b) At the requesting party's option, the failure to deliver such statement within such time shall be a material default of this Lease by the party who is to respond, without any further notice to such party, or it shall be conclusive upon such party that (i) this Lease is in full force and effect, without modification except as may be represented by the requesting party, (ii) there are no uncured defaults in the requesting party's performance, and (iii) if Lessor is the requesting party, not more than one month's rent has been paid in advance.

(c) If Lessor desires to finance, refinance, or sell the Industrial Center, or any part thereof, Lessee hereby agrees to deliver to any lender or purchaser designated by Lessor such financial statements of Lessee as may be reasonably required by such lender or purchaser. Such statements shall include the past three (3) years' financial statements of Lessee. All such financial statements shall be received by lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Lessor's Liability.** The term "Lessor" as used herein shall mean only the owner or owners, at the time in question, of the fee title or a lessee's interest in a ground lease of the Industrial Center, and except as expressly provided in paragraph 15. In the event of any transfer of such title or interest, Lessor herein named (and in case of any subsequent transfers then the grantor) shall be relieved from and after the date of such transfer of all liability as respects Lessor's obligations thereafter to be performed, provided that any funds in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be delivered to the grantee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be binding on Lessor's successors and assigns, only during their respective periods of ownership.

18. **Severability.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way effect the validity of any other provision hereof.

19. **Interest on Past-due Obligations.** Except as expressly herein provided, any amount due to Lessor not paid when due shall bear interest at the maximum rate then allowable by law from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease; provided, however, that interest shall not be payable on late charges incurred by Lessee nor on any amounts upon which late charges are paid by Lessee.

20. **Time of Essence.** Time is of the essence with respect to the obligations to be performed under this Lease.

21. **Additional Rent.** All monetary obligations of Lessee to Lessor under the terms of this Lease, including but not limited to Lessee's Share of Operating Expenses and insurance and tax expenses payable shall be deemed to be rent.

22. **Incorporation of Prior Agreements; Amendments.** This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior or contemporaneous agreement or understanding pertaining to any such matter shall be effective. This lease may be modified in writing only, signed by the parties in interest at the time of the modifications. Except as otherwise stated in this Lease, Lessee hereby acknowledges that neither the real estate broker listed in paragraph 15 hereof nor any cooperating broker on this transaction nor the Lessor or any employee or agents of any of said persons has made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of the Premises or the Industrial Center and Lessee acknowledges that Lessee assumes all responsibility regarding the Occupational Safety Health Act, the legal use and adaptability of the Premises and the compliance thereof with all applicable laws and regulations in effect during the term of this Lease except as otherwise specifically stated in this Lease.

23. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified mail, and if given personally or by mail, shall be deemed sufficiently given if addressed to Lessee or to Lessor at the address noted on the Summary Page of the Lease. Either party may by notice to the other specify a different address for notice purposes except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice purposes. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate by notice to Lessee.

24. **Waivers.** No waiver by Lessor or any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessee. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.
25. **Recording.** Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes.
26. **Holding Over.**
- 26.1 **Month-to-Month Tenancy.** If Lessee, with Lessor's written consent, remains in possession of the Premises or any part thereof after the expiration or other termination of the term hereof, such occupancy shall be a tenancy from month to month upon all the provisions of this Lease pertaining to the obligations of Lessee, but all Options, if any, granted under the terms of this Lease shall be deemed terminated and be of no further effect during said month to month tenancy. Base Rent during such month to month tenancy shall be 110% of the amount paid in the last month prior to the date of expiration or other termination of the Lease term hereof. Such month-to-month tenancy may be terminated by Lessor or Lessee on the last day of any calendar month by delivery of at least 30 days advance written notice of termination to the other.
- 26.2 **Tenancy at Sufferance.** If without Lessor's written consent in Lessor's sole discretion, Lessee remains in possession of the Premises after the expiration or other termination of the Lease term hereof, Lessee shall be deemed to be occupying the Premises upon a tenancy at sufferance only, at a monthly base rate equal to 150% of the amount paid in the last month prior to the date of expiration or other termination of this Lease. Such tenancy at sufferance may be terminated by Lessor at any time by notice of termination to Lessee, and by Lessee on the last day of any calendar month by at least 30 days advance written notice of termination to Lessor. Notwithstanding the foregoing, Lessor shall be entitled to such other remedies and damages provided under this Lease or at law.
- 26.3 **General.** Any month-to-month tenancy or tenancy at sufferance hereunder shall be subject to all other terms and conditions of this Lease except any right of renewal or option and nothing contained in this paragraph 26 shall be construed to limit or impair any of Lessor's rights of re-entry or eviction or constitute a waiver thereof.
27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
28. **Covenants and Conditions.** Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.
29. **Binding Effect; Choice of Law.** Subject to any provisions hereof restricting assignment or subletting by Lessee and subject to the provisions of paragraph 17, this Lease shall bind the parties, their personal representative, successors and assigns. This Lease shall be governed by the laws of the state where in the Industrial Center is located and any litigation concerning this Lease between the parties hereto shall be initiated in the county in which the Industrial Center is located.
30. **Subordination.**
- (a) This Lease, and any Option granted hereby, at Lessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Industrial Center and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements, and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession on the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgage, trustee or ground lessor shall elect to have this lease and any Options granted hereby prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Lessee, this Lease and such Options shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease or such Options are dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.
- (b) Lessee agrees to execute any documents required to effectuate an attornment, a subordination or to make this Lease or any Option granted herein prior to the lien of any mortgage, deed of trust or ground lease, as the case may be. Lessee's failure to execute such documents with ten (10) days after written demand shall constitute a material default by Lessee hereunder without further notice to Lessee or, at Lessor's option, Lessor shall execute such documents on behalf of Lessee as Lessee's attorney-in-fact. Lessee does hereby make, constitute and irrevocable appoint Lessor as Lessee's attorney-in-fact and in Lessee's name, place and stead, to execute such documents in accordance with this paragraph 30 (b).
31. **Attorney's Fees.** If either party or the broker(s) named herein bring an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorney's fees to be paid by the losing party as fixed by the court. The provisions of this paragraph shall inure to the benefit of the broker named herein who seeks to enforce a right hereunder.
32. **Lessor's Access.** Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises or to the Industrial Center as Lessor may deem necessary or desirable. Lessor may at any time place on or about the Premises or the Building any ordinary "For Sale" signs and Lessor may at any time during the last 120 days of the term hereof place on or about the Premises any ordinary "For Lease" signs. All activities of Lessor pursuant to this paragraph shall be without abatement of rent, nor shall Lessor have any liability to Lessee for the same.
33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises or the Common Areas without first having obtained Lessor's prior written consent. Notwithstanding anything to the contrary in this Lease, Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to grant such consent.
34. **Signs.** Lessee shall not place any sign upon the Premises or the Industrial Center without Lessor's prior written consent. Under no circumstances shall Lessee place a sign on any roof of the Industrial Center.
35. **Merger.** The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, or a termination of Lessor, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.
36. **Consents.** Except for paragraph 33 hereof, wherever in this Lease the consent of one party is required to an act of the other party such consent shall not be unreasonably withheld or delayed.
37. **Guarantor.** In the event that there is a guarantor of this Lease, said guarantor shall have the same obligations as Lessee under this Lease.
38. **Quiet Enjoyment.** Lessor warrant that it has full right and power to execute and perform this Lease and to grant the state demised herein and that Lessee, on payment of rent and performing the covenants herein contained, shall peaceably and quietly have, hold and enjoy the demised premises during the full term of this Lease and any extension or renewal hereof, provided, however, that Lessee accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the demised premises. Lessor is hereby irrevocably vested with full power and authority to subordinate Lessee's interest hereunder to any mortgage, deed of trust or other lien hereafter placed on the demised premises, and Lessee agrees upon demand to execute such further instruments subordinating this Lease as Lessor may request, provided such further subordination shall be upon the express condition that this Lease shall be recognized by the mortgage and that the rights of Lessee shall remain in full force and effect during the term of this Lease so long as Lessee shall continue to perform all of the covenants of this Lease.
39. **Options.**
- 39.1 **Definition.** As used in this paragraph the word "Option" has the following meaning: (1) the right or option to extend the term of this Lease or to renew this Lease or the extend or renew any lease that Lessee has on other property of Lessor; (2) the option or right of first refusal to lease the premises or the right of first offer to lease the Premises or the right of first refusal to lease other space within the Industrial Center or other property of Lessor or the right of first offer to lease other space within the Industrial Center or other property of Lessor; (3) the right or option to purchase the Premises or the Industrial Center, or the right of first refusal to purchase the Premises of the Industrial Center, or the right of first offer to purchase the Premises or the Industrial Center, or the right or option to purchase other property by Lessor, or the right of first refusal to purchase other property of Lessor or the right of first offer to purchase other property of Lessor.
- 39.2 **Options Personal.** Each Option granted to Lessee is personal to the original Lessee and may be exercised only by the original Lessee while occupying the Premises who does so without the intent of thereafter assigning this Lease or subletting the Premises or any portion thereof, and may not be exercised or be executed or be assigned, voluntarily or involuntarily, by or to any person or entity other than Lessee, provided, however, that an option may be exercised by or assigned to any Lessee Affiliate as defined in paragraph 12.2 of this Lease. The Option, if any, herein granted to Lessee are not assignable separate and apart from this Lease, nor may any Option be separated from this Lease in any manner, either by reservation or otherwise.

39.3 Multiple Options. In the event that Lessee has any multiple options to extend or renew this Lease a later option cannot be exercised unless the prior option to extend or renew this Lease has been so exercised.

39.4 Effect of Default or Options.

(a) Lessee shall have no right to exercise an Option, notwithstanding any provision in the grant of Option to the contrary, (i) during the time commencing from the date Lessor gives to Lessee a notice of default pursuant to paragraph 13.1 (b) or 13.1 (c) and continuing until the noncompliance alleged in said notice of default is cured, or (ii) during the period of time commencing on the date after a monetary obligation to Lessor is due from Lessee and unpaid (without any necessity for notice thereof to Lessee) and continuing until the obligation is paid or (iii) at any item after an event of default described in paragraphs 13.1 (a), 13.1 (d), or 13.1 (e) (without any necessity of Lessor to give notice of such default to Lessee), or (iv) in the event that Lessor has given to Lessee three or more notices of default under paragraph 13.1 (b), or paragraph 13.1 (c), whether or not the defaults are cured, during the 12 month period of time immediately prior to the time that Lessee attempts to exercise the subject Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of paragraph 39.4 (a).

(c) All rights of Lessee under the provisions of an Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the option, if, after such exercise and during the term, (i) Lessee fails to pay to Lessor a monetary obligation of Lessee for a period of thirty (30) days after such obligation becomes due (without any necessity of Lessor to give notice thereof to Lessee), or (ii) Lessee fails to commence to cure a default specified in paragraph 13.1 (c) within thirty (30) days after the date that Lessor gives notice to Lessee of such default and/or Lessee fails thereafter to diligently prosecute said cure to completion, or (iii) Lessee commits a default described in paragraph 13.1 (a), 13.1 (d), 13.1 (e) (without any necessity of Lessor to give notice of such default to Lessee), or (iv) Lessor gives to Lessee three or more notices of default under paragraph 13.1 (b), or paragraph 13.1 (c), whether or not the defaults are cured.

40. Security Measures. Lessee hereby acknowledges that Lessor shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Premises or the Industrial Center. Lessee assumes all responsibility for the protection of Lessee, Lessee employees, its agents, and invitees and the property of Lessee and of Lessee's agents and invitees from acts of third parties. Nothing herein contained shall prevent Lessor, at Lessor's sole option, from providing security protection for the Industrial Center or any part thereof, in which event the cost thereof shall be included within the definition of Operating Expenses, as set forth in paragraph 4.2 (b).

41. Hazardous Substance. Lessee covenants and agrees that during the term of this Lease, or any extension thereof, as follows: (1) No "Hazardous Substance" shall be allowed on the Premises, (2) Lessee shall comply in all material respects with all applicable "Environmental Requirements" relating to the premises and the property containing the same, (3) Lessee shall not engage in any "Environmental Activity", or allow any "Environmental Activity" to occur on the Premises in violation of any applicable Environmental Requirements, and (4) Lessee shall not otherwise violate any applicable environmental requirements. Lessee's violation of any of the above shall be deemed a material default under this Lease and afford Lessor all of the rights and remedies its has under Paragraph 13 of the Lease, including but not limited to, termination of the Lease.

As used above, the following terms shall have the following meaning:

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended from time to time (42 U.S.C. 9601 et seq.)

"CODE" means the California Health and Safety Code, as amended from time to time.

"ENVIRONMENTAL ACTIVITY" means an actual, proposed or threatened storage, holding, existing, release, emission, discharge, generation, processing, abatement, removal, disposition, handling or transportation of any Hazardous Substances from, under, into or on the property or otherwise relating to the property or the use of the property, or any other activity or occurrence that causes or would cause any such event to exist.

"ENVIRONMENTAL REQUIREMENTS" means all present and future laws, statutes, ordinances, rules, regulations (including CERCLA and the applicable provisions of the code and rules and regulations promulgated thereunder), authorizations, judgments, decrees, concessions, grants, franchises, agreements and other governmental restrictions and requirements relating to the environment or to any Hazardous Substances or Environmental Activity.

"HAZARDOUS SUBSTANCES" means, at any time, (a) any "hazardous substance" as defined in 101(14) of CERCLA (42 U.S.C. 9601(14) pr 25281 (D) or 25316 of the code at such time; (b) any "hazardous waste", "infectious waste" or "hazardous material" as defined in 25117, 25117.5 or 25501(f) of the Environmental Requirements; (d) asbestos and asbestos-containing materials; and (e) petroleum and petroleum products.

42. Sign Criteria. This criteria has been established for the mutual benefit of all lessees and to maintain a professional business complex appearance. Compliance will be strictly enforced. Any non-conforming or unapproved signs must be brought into conformance with this criteria, at the Lessee's expense.

1. All costs incurred in making and installing Lessee's sign shall be at Lessee's expense.
2. No electrical or audible signs will be permitted.
3. Sign copy will be restricted to company name only.
4. The sign dimensions will be the same as current sign on building.
5. Sign color: Colors for sign on building shall conform with approved sign plan approved by the local jurisdiction.
7. Upon removal of any sign, any damage to the building must be repaired by the Lessee.
8. Except as provided herein, no advertising placards, banners, pennants, names, insignias or trademarks or other descriptive material shall be affixed or maintained upon the glass panes or exterior walls of the building or in the landscaped areas, or affixed to automobiles, trucks or trailers in the parking areas. The restriction pertaining to automobiles does not apply to magnetic or painted identification sign place on company or private vehicles for use in the normal course of business.

" Building Standard Signage"
(Refer to "Exhibit C")

43. Outside Storage. No storage will be allowed outside the building nor on any of the common areas as pertains to landscaping, driveways, parking lots, fences and all sidewalks and parkways adjacent to the Premises. This includes, but is not limited to supplies, materials, goods, pallets, dunnage and equipment. No vehicles including boats and trailers, may be parked or stored outside the building overnight. No outside storage of metal stock or fabricated metal parts, no outside work or assembly of fabricated metal parts. Lessee agrees to pay for disposal of metal and other manufacturing wastes. Lessor provides only the amount of trash disposal reasonably expected for a unit of this size. Violation of this paragraph shall constitute a material breach of this Lease.

44. **Trash.** It is Lessee's responsibility that all trash must be placed in trash receptacles. Trash receptacles are provided. Violations will be remedied at Lessee's expense.

45. **Outside Work.** No work shall be permitted on the sidewalks, roofs, streets, driveways, parking or landscape areas. This includes, but is not limited to, assembly, construction, mechanical work, painting, drying, layout, cleaning, or repair of goods or materials. Violations of this paragraph shall constitute a material breach of this Lease.

46. **Fire Regulations.** Lessee hereby agrees to comply with all fire regulations imposed by federal, state, and local authorities. Lessee shall not store any flammable liquids in any unit.

47. **Electrical.** Lessee hereby agrees that all electrical wiring, conduit, J-boxes, and outlets installed by lessee shall comply with all building codes, and shall become the property of Lessor and shall not be removed from the premises at the termination of this Lease or any extensions thereof.

48. **Service Contract.** Lessor will assume the responsibility to acquire an air-conditioned service contract. The contract will provide for the periodic change of filters and lubrication of the air-conditioning equipment. However, repair of the heating and air-conditioning equipment remains the responsibility of the Lessee hereunder.

49. **Locks.** Lessee does not have permission to change locks or keys without written permission of Lessor.

50. **Glass and Window Coverings.**

50.1 You are not permitted to paste or stick any signs, numbers, placards, trademarks, insignias, banners, pennants, names or other objects on the glass. You will be held responsible for any damage to glass during the term of the Lease.

a. All window coverings must be approved in writing by Lessor prior to installation and are to be at Lessee's expense. In addition, notwithstanding anything to the contrary stated in paragraph 7.3, all window coverings installed in the Premises are to be considered a fixture and, as such, are to remain in the Premises at the termination or expiration of this Lease.

51. **Easements.** Lessor reserves to itself the right, from time to time, to grant such easements, rights and dedications that Lessor deems necessary or desirable, and to cause the recordation of Parcel Maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee shall sign any of the aforementioned documents upon request of Lessor and failure to do so shall constitute a material default of this Lease by Lessee without the need for further notice to Lessee.

52. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

53. **Substituted Premises.** Landlord reserves the right, without Tenant's consent, on thirty (30) days written notice to Tenant to substitute other premises within the complex for the premises described above, provided that the substituted premises: (i) contain at least the same square footage as the Premises; (ii) contain comparable tenant improvements, and (iii) are made available to Tenant at the then current rental rate for such space, in no event to exceed the rental specified herein. Landlord shall pay all reasonable moving expenses of Tenant incidental to such substitution of premises.

54. **Authority.** If Lessee is a corporation, trust or general or limited partnership, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity. If Lessee is a corporation, trust or partnership, Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor evidence of such authority satisfactory to Lessor.

55. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions, if any, shall be controlled by the typewritten or handwritten provisions.

56. **Offer.** Preparation of this Lease by Lessor or Lessor's agents and submission of same to Lessee shall not be deemed an offer to lease. This Lease shall become binding upon Lessor and Lessee only when fully executed by Lessor and Lessee.

57. **Rent increases are as follows:**

Period		Rentable Square Footage	Square Foot Rate / Base Rent Installment	Monthly CAM CHARGE	TOTAL Monthly Installment
From	Through				
July 1, 2012	June 30, 2013	3,071	\$1.13 = \$3,470.23	\$0.10 = \$307.10	\$3,777.33
July 1, 2013	June 30, 2014	3,071	\$1.17 = \$3,593.07	\$0.11 = \$337.81	\$3,930.88

57. Lease acknowledges that the parties have taken into account a reduction in the property taxes on the leased property in arriving at the rental rate and other charges provided for hereunder. Lessee agrees to cooperate with Lessor in the obtaining of an exemption from taxes for the leased premises in the event that such exemption has not heretofore been obtained. In any event, any reduction in property taxes attributable to the leased property shall inure to the sole benefit of Lessor.

58. **Addendum.** Attached hereto N/A which constitutes a part of this Lease.

59. **Month-to-Month Tenancy.** Lessor shall grant consent for Lessee to remain in possession of the Premises for a period not to exceed (12) twelve months after the expiration of the term hereof, such occupancy shall be a tenancy from month-to-month upon all the provisions of this Lease pertaining to the obligations of Lease. Monthly Rent during such month to month tenancy shall be (\$4,084.43) four thousand eighty four dollars and forty three cents per month. Such month-to-month tenancy may be terminated by Lessee on the last day of any calendar month by delivery of at least 30 days advance written notice of termination to Lessor. The penalty outlined in Provision 26.2 of this Lease shall be waived per mutual agreement.

(THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK)

[illegible]

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

THIS LEASE HAS BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY FOR APPROVAL. NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION OR THE REAL ESTATE BROKER OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION RELATING THERETO. THE PARTIES SHALL RELY SOLELY UPON THE ADVISE OF THEIR OWN LEGAL COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

LESSOR

Valley View Commerce Center, LLC

By: _____

Sabrina Ruiz, Property Manager

ITS: Authorized Representative

Dated: June ____, 2012

LESSEE

**The City of Santa Fe Springs,
A Municipal Corporation**

By: _____

Thaddeus McCormack, City Manager

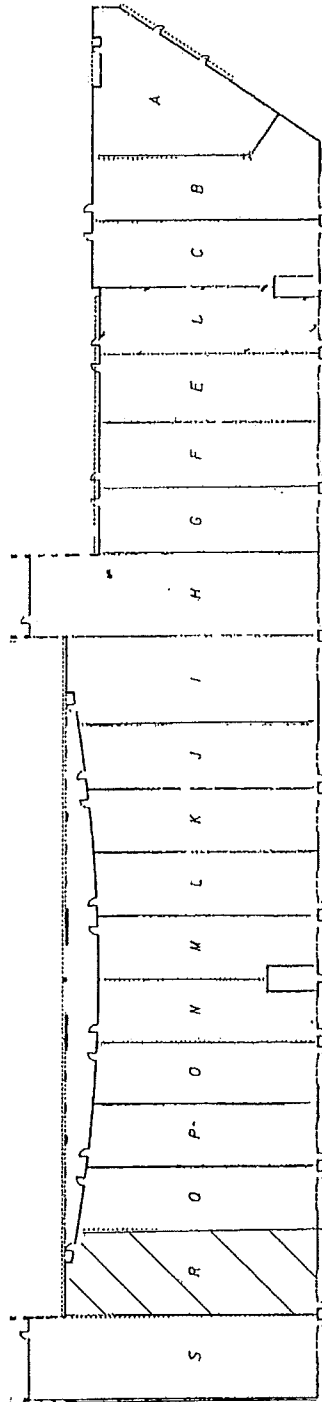
Dated: June ____, 2012

EXHIBIT "A"

BUILDING PLAN

CROSSHATCHED AREA REPRESENTS LEASED PREMISES

BUILDING 4 14545 VALLEY VIEW AVENUE



SUITE	AREA (SF)	APPROXIMATE DIMENSIONS	SUITE	AREA (SF)	APPROXIMATE DIMENSIONS
A	2607	45'-0" x 45'-0"	K	2029	24'-0" x 84'-0"
B	2289	24'-0" x 84'-0"	L	1984	24'-0" x 82'-3"
C	2035	24'-9" x 84'-0"	M	1871	24'-0" x 80'-6"
D	1991	25'-3" x 81'-0"	N	1871	24'-0" x 80'-6"
E	2039	25'-0" x 81'-0"	O	1984	24'-0" x 82'-3"
F	2039	25'-0" x 81'-0"	P	2029	24'-0" x 84'-0"
G	2059	25'-3" x 81'-0"	Q	2097	24'-0" x 86'-6"
H	3388	31'-6" x 106'-6"	R	3071	33'-3" x 93'-0"
I	3072	33'-3" x 93'-0"	S	3409	31'-9" x 106'-6"
TOTAL		24,000 ± sq. ft.			

Site Plan EXHIBIT "B"

EXHIBIT "B"
SITE PLAN

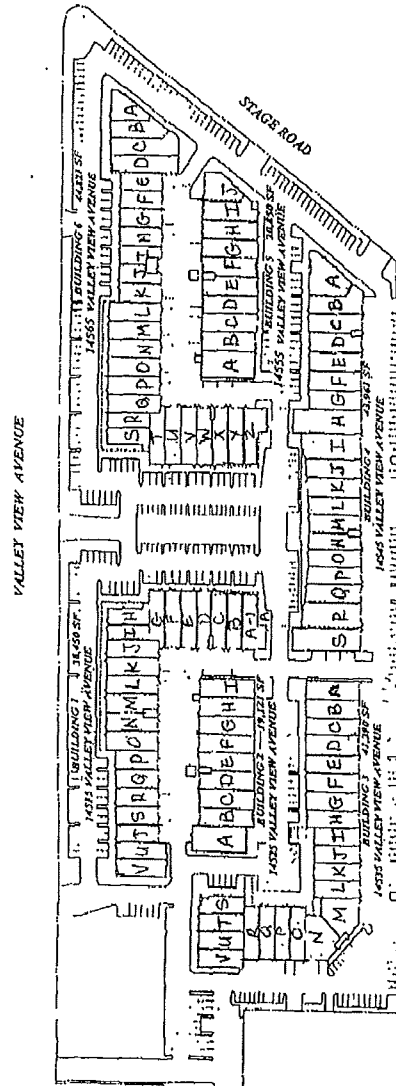


EXHIBIT "C"

TENANT SIGN CRITERIA

Sign Criteria, this criteria establishes the three different criteria for all Tenant sign identification within the Valley View Commerce Center, LLC. This criteria has been established for the purpose of maintaining the overall appearance of the park, and in compliance with the city of Santa Fe Springs. Conformance shall be strictly enforced. Any sign installed that does not conform, or have prior approval, will be brought into conformity at the expense of the Tenant. All Tenants are required to have a sign on the building at their expense.

a. General Requirements:

1. The Tenant shall pay for Lettering and Installation.
2. Landlord shall approve all copy and/or logo design prior to the installation of the sign.
3. Landlord shall direct the placement of all signs and the method of attachment.
4. Tenant shall be responsible for the fulfillment of all requirements for these criteria.

a. General Specifications:

1. Building 14515 Suites "H" through "V", and building 14565 Suites "A" through "S", the sign criteria is either (a.) 18" inch high, 4" inch thick plexi-faced metal sides Styrofoam, or (b) raceway signs with 18" inch lit letters.
2. Building 14515 Suites "A" through "G", and 14565 suites "T" through "Z", and 14545 Suites "H" through "S", the criteria for signage is 12" inch high, 2" inch thick, red Plex-face Styrofoam letters.
3. Buildings 14525, 14535, 14545, 14555 the sign criteria is ¾" inch plywood 48" inch long by 18" inch high with a Masonite face painted battleship gray with white vinyl letters and red pin striping. Logos and other Styrofoam letters are acceptable with prior approval from the Landlord.

Tenant may place 2" inch vinyl letters on outside of windows not to exceed (3) three lines, with prior approval from Landlord.

Upon removal of any sign, any damage to any building created by Tenant shall be repaired upon expiration of Lease.

Except as provided herein, no advertising placards, banners, pennants, names, insignias, trademarks, or other descriptive material shall be affixed, or maintained upon any automated machine, glass panes of the building, landscaped areas, streets, or parking areas.

You may chose your own contractor to perform the sign installation, provided the contractor has furnished a Certificate of Liability Insurance listing the Valley View Commerce Center, LLC., as additionally insured, and proof of Worker's Compensation Insurance, or proof of exemption from Worker's Compensation Insurance.

EXHIBIT "D"

RULES AND REGULATIONS

1. LANDLORD may from time to time adopt appropriate systems and procedures for the security or safety of the building, any persons occupying, using, or entering the building, or any equipment, furnishings, or contents of the building, and TENANT will comply with LANDLORD's reasonable requirements to such systems and procedures.
2. The sidewalks, halls, passages, exits, entrances, elevators, and stairways of the building will not be obstructed by the TENANTS or used by any of them for any purpose other than for ingress to and egress from their respective premises. The halls, passages, exits, entrances, elevators, and stairways are not for the general public, and LANDLORD will in all cases retain the right to control and prevent access to such halls, passages, exits, entrances, elevators, and stairways of all persons whose presence in the judgment of LANDLORD would be prejudicial to the safety, character, reputation, and interests of the building and its TENANT's, provided that nothing contained in these Rules and Regulations will be construed to prevent such access with whom any TENANT normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. NO TENANT and no employee or invitee of any TENANT will go upon the roof of the building except such roof or portion of such roof as may be contiguous to the premises of a particular TENANT and may be designated in writing by LANDLORD as a roof deck or roof garden area. NO TENANT will be permitted to place or to install any object (including without limitation radio and television antennas, loudspeakers, sound amplifiers, microwave dishes, solar devices, or similar devices) on the exterior of the building or on the roof of the building without prior written consent of LANDLORD.
3. NO sign, placard, picture, advertisement, or written notice visible from the exterior of TENANT's premises will be inscribed, painted, affixed, or otherwise displayed by TENANT on any part of the building or the premises without the prior written consent of LANDLORD. LANDLORD will adopt and furnish to TENANT general guidelines relating to signs inside/outside the building. TENANT agrees to conform to such guidelines. All approved signs will be printed, painted, affixed, or inscribed at the expense of the TENANT by a person approved by LANDLORD. Other than the building standard mini-blinds, materials visible from the outside of the building will not be permitted. In the event of the violation of this rule by TENANT, LANDLORD may remove the violating items without any liability, and may charge the expense incurred by such removal to the TENANT or TENANT's violating this rule.
4. NO cooking will be done or permitted by any TENANT on the premises, except in areas of the premises which are specifically constructed for cooking and except that use by the TENANT of microwave ovens and Underwriters Laboratory approved equipment for brewing coffee, tea, hot chocolate, and similar beverages will be permitted, provided that such use is in accordance with all applicable federal, state, city laws, codes, ordinances, rules, and regulations.
5. The toilet rooms, toilets, urinals, wash bowls, and other plumbing fixtures will not be used for any purposes other than those for which they constructed, and no sweepings, rubbish, rags, or other foreign substances will be thrown in such plumbing fixtures.
6. NO TENANT will in any way deface any part of the premises or the building in which they form a part. In those portions of the premises where carpet has been provided directly or indirectly by LANDLORD, TENANT will at its own expense install and maintain pads to protect the carpet under all furniture having casters other than carpet casters.
7. NO TENANT will alter, change, replace, rekey, any lock or install a new lock or a knocker on any door of the premises. LANDLORD, its agents, or employees will retain a pass (Master) key to all door locks on the premises. Any new door locks required by TENANT or any change in keying of existing locks will be installed or changed by LANDLORD following TENANT's written request to LANDLORD and will be at TENANT's expense. All new locks and rekeyed locks will remain operable by LANDLORD's pass (Master) key. LANDLORD will furnish each TENANT free of charge two (2) keys to the Leased Premises. LANDLORD will have the right to collect a reasonable charge for additional keys requested by any TENANT. Each TENANT, upon termination of its Tenancy, will deliver to LANDLORD all keys for the premises and building that have been furnished to such TENANT.
8. NO TENANT will use or keep in the premises of the building any kerosene, gasoline, or flammable or combustible or explosive fluid or chemical substance, except after receipt of LANDLORD's prior written consent expressly authorizing the substance to be so used or kept. Without LANDLORD's prior written approval, no TENANT will use any method of heating or air conditioning other than that supplied by LANDLORD. NO TENANT will use or keep or permit to be used or kept any foul or noxious gas or substance in the premises.

LANDLORD will have the right, exercisable upon written notice and without liability to any TENANT, to change the name and street address of the building.

LANDLORD will have the right to prohibit any advertising by TENANT mentioning the building that, in LANDLORD's reasonable opinion, tends to impair the reputation of the building or its desirability as a building for offices, and upon written notice from LANDLORD, TENANT will refrain from or discontinue such advertising.

TENANT will not bring any animals (except seeing eye dogs) or birds into the building, and will not permit bicycles, skateboards, skates (in-line or otherwise) or other vehicles inside or on the sidewalks outside the building except in areas designated from time to time by LANDLORD for such purposes.

Canvassing, peddling, soliciting, and distributing handbills or any other written materials in the building are prohibited, and each TENANT will cooperate to prevent the same.

Tenant will not conduct itself in any manner that is inconsistent with the character of the project as a first quality building or that will impair the comfort and convenience of other TENANT's in the project.

Neither LANDLORD nor any operator of the parking areas within the project, as the same are designated and modified by LANDLORD, in its sole discretion, from time to time ("The parking areas") will be liable for loss or damage to any vehicle or any such contents of such vehicle or accessories to any such vehicle, or any property left in any of the parking areas, resulting from fire, theft, vandalism, accident, conduct of other users of the parking areas and other persons, or any other casualty or cause. Further, TENANT understands and agrees that: (a) LANDLORD will not be obligated to provide any traffic control, security protection or operator for the parking areas; (b) TENANT uses the parking areas at its own risk; and (c) LANDLORD will not be liable for personal injury or death, or theft, loss of, or damage to property. TENANT waives and releases LANDLORD from any and all liability arising out of use of the parking areas by TENANT, its employees, agents, invitees, and visitors, whether brought by any such persons or any other person.

TENANT (including TENANT's employees, agents, invitees, and visitors) will use the parking spaces solely for the purpose of parking passenger model cars, small vans, and small trucks and will comply in all respects with any rules and regulations that may be promulgated by LANDLORD from time to time with respect to the parking areas. NO OVERNIGHT PARKING IS PERMITTED. TENANT will ensure that any vehicle parked in any of the parking spaces will be kept in proper repair and will not leak oil, grease, or gasoline. If any of the parking spaces are at any time being used (a) for any purpose other than parking as provided above; (b) in any way or manner reasonably objectionable to LANDLORD, or (c) by TENANT after expiration or termination of the LEASE, LANDLORD, in addition to any other rights otherwise available to LANDLORD, may consider such event of default under the LEASE.

TENANT's right to use the parking areas will be in common with other TENANTs of the project h other parties permitted by LANDLORD to use the parking areas. LANDLORD reserves the right to assign, and reassign, from time to time, particular parking spaces for use by persons selected by LANDLORD, provided that TENANT's rights under the LEASE are preserved. TENANT will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

If the parking areas are damaged or destroyed, or if the use of the parking areas is limited or prohibited by any government authority, or the use or operation of the parking areas is limited or prevented by strikes or other labor difficulties or other causes beyond the LANDLORD's control, TENANT's inability to use the parking spaces will not subject LANDLORD or any operator of the parking areas to any liability to TENANT and will not relieve TENANT of any of its obligations under the LEASE and the LEASE will remain in full force and effect.

No act or thing done or omitted to be done by LANDLORD or LANDLORD's agent during the term of the LEASE in connection with the enforcement of these rules and regulations will constitute an eviction by LANDLORD of any TENANT nor will it be deemed an acceptance of surrender of the premises by any TENANT, and no agreement to accept such termination or surrender will be valid unless in a writing signed by LANDLORD. The delivery of keys to any employees or agent of LANDLORD will not operate as a termination of the LEASE or a surrender of the premises unless such delivery of keys is done in connection with a written instrument executed by LANDLORD approving the termination or surrender.

In these rules and regulations, TENANT includes the employees, agents, invitees, and licensees of TENANT and others permitted by TENANT to use or occupy the premises.

LANDLORD may waive any one or more of these rules and regulations for the benefit of any particular TENANT or TENANT's, but no such waiver by LANDLORD will be construed as a waiver of such rules and regulations in favor of any TENANT or TENANT's, nor prevent LANDLORD from enforcing any such rules and regulations against any or all of the TENANT's of the building after such waiver.

TENANT, or TENANT'S employee's, suppliers, shippers, customers, and invitees shall not bring to this complex any type of materials, trash, debris, or any other type of substances, to be placed in the trash cans, dumpsters, or trash enclosures, or common areas. In the event Tenant's employee's, suppliers, shippers, customers, and invitees dump any type of material, trash, debris, or any other type of substances on the premises, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to the Tenant any costs, fees, or charges incurred, and such costs, fees, or charges incurred shall be immediately payable upon demand by Landlord.

These rules and regulations are in addition to, and will not be construed to modify or amend, in whole or in part, the terms, covenants, agreements, and conditions of the LEASE.



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Resolution Nos. 9373 and 9374 – Approval of Engineer's Report (FY 2012/13) in Conjunction with Annual Levy of Assessments for Street Lighting District No. 1

RECOMMENDATION

That the City Council take the following actions:

1. Adopt Resolution No. 9373, approving the Engineer's Report (FY 2012/13) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and
2. Adopt Resolution No. 9374, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Lighting District No. 1, and setting the Public Hearing for the Council meeting of July 10, 2012.

BACKGROUND

Santa Fe Springs Lighting District No. 1 (District) was formed May 26, 1982, pursuant to the provisions of the Landscaping and Lighting Act of 1972. A map of the District is shown on Page 16 of the Engineer's Report. The District does not include any residential properties, nor are there any properties with a residential land code that are being assessed. The annual assessment rate for the District has not been increased since fiscal year 1992/93, although the costs of providing the improvements that benefit the properties within the District continue to rise. In 2004, the City conducted an election to try to increase the annual assessment rate. However a majority protest existed and the proposed assessment increase was not imposed.

After the initial formation of the district, it is necessary for the City to annually update the Lighting District. This allows the City to continue levying annual assessments against the properties located within the Lighting District. The required documents to satisfy the legal requirements are outlined in Chapter 3 of the Landscaping and Lighting Act of 1972 as contained in the Streets and Highways Code.

The Council, at their meeting of March 22, 2012, approved Resolution No. 9365 ordering the preparation of plans, specifications, cost estimate, diagram, assessment, and report pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California.

A copy of the Annual Engineer's Report for the City of Santa Fe Springs Lighting District No. 1 is attached for your review and approval. The Engineer's Report satisfies the legal requirements described previously. In summary, the Engineer's



City of Santa Fe Springs

City Council Meeting

June 14, 2012

Report addresses compliance with the state law, describes the method of apportionment and presents a proposed budget for FY 2012/13. As noted on Page 15 of the Engineer's Report, the estimated total direct and administrative costs for providing street lights is approximately \$699,600. The balance to levy is \$182,085, which takes into consideration a general fund contribution of \$307,635 to subsidize the District. Based on the balance to levy, the assessment rate per benefit unit is calculated at \$17.00. The assessment amounts for FY 2012/13 are not being increased from what they were in FY 2011/12.



Thaddeus McCormack
City Manager

Attachments:

Engineer's Report

Resolution Nos. 9373 and 9374



City of Santa Fe Springs

Lighting District No. 1

2012/2013 ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: June 14, 2012

Public Hearing: July ~~12~~, 2012
10

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Financial Services

ENGINEER'S REPORT AFFIDAVIT
Establishment of Annual Assessments for the:

Santa Fe Springs Lighting District No. 1

City of Santa Fe Springs
Los Angeles County, State of California

This Report identifies the parcels within the District, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2012.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Santa Fe Springs

By: _____

Beatrice Medina, Project Manager
District Administration Services

By: _____

Richard Kopecky
R. C. E. #16742

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I. Overview

A. INTRODUCTION

The City of Santa Fe Springs (hereafter referred to as "City") annually levies and collects special assessments in order to provide and maintain the improvements within the Santa Fe Springs Lighting District No. 1 (hereafter referred to as "District"). The District was formed on May 26, 1982 and is annually levied pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* (hereafter referred to as the "1972 Act"). The annual assessments levied on parcels within the District are based on the special benefits received, and partially fund the costs associated with the installation, maintenance, operation and administration of the public streetlight system within the District.

This Engineer's Report (hereafter referred to as the "Report") has been prepared pursuant to the order of the City Council as required by the provisions *Chapter 3, of the 1972 Act (commencing with Section 22620)*, which outlines the procedures for the annual levy of assessments. This Report provides an update of the District including the proposed expenses and revenues, any substantial change in the improvements or the District, and the proposed assessments to be levied on the County tax roll for Fiscal Year 2012/2013 and has been prepared pursuant to the requirements of *Article 4, Chapter 1, of the 1972 Act (inclusive of Sections 22565 through 22574)*. In addition to the provisions of the 1972 Act, it has been determined that the existing annual assessments for this District have been previously levied in accordance with the provisions of the *California Constitution Article XIID* which was enacted as a result of the passage of Proposition 218, approved by the California voters in November 1996.

The annual assessment rate for the District has not been increased since Fiscal Year 1992/1993, although the costs of providing the improvements that benefit the properties within the District have continued to rise. Initially, the rising costs to provide streetlights within the District were offset by the District fund balance and an assessment increase was not necessary. Eventually the District fund balance was exhausted and the City began making increasingly greater contributions each year to the District expenses, not only to cover the general benefit portion of the costs, but also to subsidize the special benefit costs not recovered by the annual assessments.

In 2004, the City performed an extensive review of the District including the boundaries of the District, the properties therein, the special benefit properties received from the improvements, the general benefit the improvements may provide to properties outside the District or to the public at large, as well as the current and long-term costs and expenses associated with providing the improvements. Based on this review and evaluation, the City Council determined that it was necessary and in the best interest of the property owners within the District to conduct a property owner protest ballot proceeding for an increase to

the annual assessments for Fiscal Year 2004/2005 in accordance with the provisions of the *California Constitution Article XIID*. Based on the ballot tabulation conducted on July 8, 2004, a majority protest existed, and the proposed assessment increase was not imposed.

The word "parcel", for the purposes of this Report, refers to an individual property assigned its own Assessment Parcel Number by the Los Angeles County Assessor's Office. The Los Angeles County Auditor/Controller uses Assessment Parcel Numbers and specific Fund Numbers to identify, on the tax roll, properties assessed for special district benefit assessments.

At a noticed annual Public Hearing, scheduled for June 28, 2012, the City Council will consider public testimony regarding the District. The City Council will review the Engineer's Annual Report and may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council will order the levy and collection of assessments for Fiscal Year 2012/2013 pursuant to the Act. In such case, the assessment information will be submitted to the County Auditor/Controller for inclusion on the property tax roll for each parcel in Fiscal Year 2012/2013. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved by the City Council.

B. COMPLIANCE WITH THE CURRENT LEGISLATION

As a result of the passage of Proposition 218 in November 1996, *Articles XIIC and XIID* were added to the California Constitution. *Article XIID* specifically addressed both the substantive and procedural requirements to be followed for assessments. The procedural and approval process for assessments outlined in this article apply to assessment districts, with the exception of those existing assessments that met one or more of the exemptions set forth in *Section 5* of the Article. Specifically as it relates to Lighting District No. 1, the exemption provision set forth in *Section 5(a) of Article XIID* states:

"...assessments existing on the effective date of this Article shall be exempt from the procedures and approval process set forth in Section 4 [if they were] imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control."

The District's streetlight assessments were established in Fiscal Year 1982/1983 and have not been increased since Fiscal Year 1992/1993. These assessments have funded improvements that are classified as street improvements as defined

herein based on the definitions provided by the Office of the Controller for the State of California in the "Guidelines Relating to Gas Tax Expenditures" published by the Division of Local Government Fiscal Affairs. The state's gas tax program is administered in city agencies, but audited by the Office of the State Controller. The proceeds of the gas tax are statutorily limited to expenditures for streets and roads. Because the funds are restricted to street and road expenditures, the State Controller has developed the "Street Purpose Definitions and Guidelines" based on the "Manual of Uniform Highway Accounting and Financial Management Procedures" developed by the American Association of State Highway Officials. Street improvement, as it relates to this District, is defined as the construction, operation, or maintenance of facilities within the right of way used for street or road purposes including but not limited to the following:

- ◇ Installation or expansion of the streetlight system including replacement of old equipment with superior equipment, installation of traffic signals at intersections and railroad crossings, replacement of equipment as required for relocations for street purposes, and purchase and installation of traffic signal control equipment.
- ◇ Servicing lighting systems and street or road traffic control devices including, repainting and repairing traffic signals and lighting standards; and furnishing of power for street and road lighting and traffic control devices.

Therefore, the existing District assessments (assessment rates and method of apportionment) approved and levied prior to the passage of Proposition 218, are exempt from both the substantive and procedural approval process defined by *Article XIID, Section 4*, until such time the assessments are increased.

II. Description of the District and Services

A. BOUNDARIES OF THE DISTRICT

The boundary of the District is completely within the city limits of the City of Santa Fe Springs and is shown on the Assessment Diagram, which is on file in the office of the City Clerk at the City Hall of Santa Fe Springs, a depiction of which is shown in Exhibit A of this Report. The parcels of real property included within the District are identified by land use categories ("Use Codes"). A listing of the Use Codes that may be applicable to parcels within this District and typically utilized by the Los Angeles County Assessor's Office for identification of property land uses is provided in the Method of Apportionment section of this Report. Excluded from assessments are utility easements, rights-of-way, common areas, public schools, public streets, residential properties, and other public properties. The parcels within the District are described in detail on the assessor parcel maps on file in the Los Angeles County Assessor's Office, which by reference are made a part of this Report.

B. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Furthermore, the 1972 Act specifies that where the cost of improvements (other than maintenance and operations) is greater than can be conveniently raised from a single annual assessment, an assessment to be levied and collected in annual installments. In that event, the governing body may choose to do any of the following:

- Provide for the accumulation of the moneys in an improvement fund until there are sufficient moneys to pay all or part of the cost of the improvements.

- Provide for a temporary advance to the improvement fund from any available and unencumbered funds of the local agency to pay all or part of the cost of the improvements and collect those advanced moneys from the annual installments collected through the assessments.
- Borrow an amount necessary to finance the estimated cost of the proposed improvements. The amount borrowed, including amounts for bonds issued to finance the estimated cost of the proposed improvements.

C. IMPROVEMENTS, PLANS AND SPECIFICATIONS

The annual special benefit assessments levied on parcels within the District provide funding for a portion of the annual expenses related to the installation, maintenance, operation and administration of the streetlight system within the District boundaries. The costs associated with the improvements are equitably spread among benefiting parcels in proportion to their special benefits. Streetlight improvements within the City of Santa Fe Springs but not within the District boundaries and that portion of the District improvements determined to be general benefit are funded by other revenue sources. Only improvements, services and incidental expenses permitted under provisions of the 1972 Act that are necessary for the ongoing maintenance, operation and administration of the District streetlight system that provides special benefits to the parcels within the District are included in the annual assessment.

Maintenance of the streetlight system within the District may include, but is not limited to removal, repair, replacement, modification, or relocation of the light standards, poles, bulbs, fixtures, and appurtenances. Servicing of the Southern California Edison Company-owned streetlights is furnished by the Southern California Edison Company or by its successors or assignees. The rates charged by the Edison Company include both the power and maintenance costs and are regulated and authorized by the Public Utilities Commission of the State of California. The City of Santa Fe Springs Public Works Department provides for the servicing of the City-owned streetlights. The energy rates charged for City-owned streetlights is also regulated and authorized by the Public Utilities Commission.

Approximately eleven (11%) of the streetlights within the District are owned and maintained by Southern California Edison Company. The remaining eighty nine percent (89%) of the streetlights are owned by the City of Santa Fe Springs and are maintained by the City. The following table provides a summary of the streetlight inventory within the District for Fiscal Year 2012/2013:

Table 1 - Street Light Inventory for Fiscal Year 2012/2013

Account No/Description	Number of Lights Per Type											
	Series 70			Series 100			Series 150			Series 200		
	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt
3-008-8387-95 LS-1 (Edison-owned)	-	2	-	-	-	-	-	-	-	-	-	200
3-008-8182-13 LS-1 (Edison-owned)	-	-	-	-	-	3	-	-	1	-	-	850
3-008-8182-03 LS-1 (Edison-owned)	-	12	-	22	-	16	-	-	-	-	-	7,700
3-008-8182-02 LS-1 (Edison-owned)	-	6	-	-	-	-	-	-	-	-	-	600
3-008-8181-99 LS-1 (Edison-owned)	1	163	-	1	-	1	-	-	-	-	5	171
3-008-8181-96 LS-1 (Edison-owned)	5	127	-	-	-	6	-	-	1	-	-	139
LS - 1 TOTAL	6	310	-	23	-	26	-	2	-	5	372	42,570
3-008-9238-08 LS-2 (City-owned)	-	87	158	13	-	69	1	-	-	-	-	328
3-008-8181-98 LS-2 (City-owned)	-	-	-	126	2	85	-	37	3	-	-	253
3-008-8182-00 LS-2 (City-owned)	-	15	90	25	-	96	1	6	-	-	-	233
3-008-8182-01 LS-2 (City-owned)	-	14	-	160	-	119	-	22	9	-	-	324
3-008-8182-11 LS-2 (City-owned)	-	29	-	334	-	136	46	128	-	17	690	128,200
3-008-8182-14 LS-2 (City-owned)	-	12	-	279	-	356	-	88	4	15	754	143,490
3-008-8182-16 LS-2 (City-owned)	-	-	-	148	21	118	80	11	-	-	-	378
LS - 2 TOTAL	-	157	248	1,085	23	979	128	292	16	32	2,960	518,860
GRAND TOTAL	6	467	248	1,108	23	1,005	128	294	16	37	3,332	561,430

The proposed improvements for Fiscal Year 2012/2013 are substantially unchanged from the previous Fiscal Year. Streetlight Inventory Maps showing the location of the various streetlights within the District are on file in the office of the City Clerk at the City Hall of the City of Santa Fe Springs and by reference are made part of this Report.

III. Method of Apportionment

A. GENERAL

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of streetlights and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

The formula used for calculating assessments in this District reflects the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on estimated benefit to each parcel.

In addition, pursuant to *Article XIID, Section 4*, a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel, only special benefits may be assessed and the costs associated with general benefit must separate from the special benefits. Therefore, in compliance with these requirements only the District costs that have been identified as "Special Benefit" are assessed, the costs of any improvements considered to be "General Benefit" have been eliminated from the net amount to be assessed.

B. BENEFIT ANALYSIS

The District's improvements, the associated costs and proposed assessments described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit calculation that proportionally allocates the net cost to the benefiting properties pursuant to the provisions of *Article XIID* and the 1972 Act. The location and extent of the various streetlight improvements within the District and the associated costs have been identified as either "General Benefits" (not assessed) or "Special Benefits".

Special Benefits

The method of apportionment (method of assessment) established for this District utilizes commonly accepted engineering practices and is based on the premise that each of the assessed parcels within the District receives special benefit from the improvements maintained and financed by District assessments. The desirability and security of properties within the District is enhanced by the presence of streetlights in close proximity to those properties.

The primary benefits of streetlights are for the convenience, safety and protection of people as well as the security and protection of property, property improvements and goods. Specifically the benefits of adequate and well-

maintained streetlights that benefit both the properties and property owners within the District include:

- ◇ Improves ingress and egress to property, provides customers, suppliers and employees an enhanced environment in which to access the properties.
- ◇ Enhanced deterrence of crime and the aid to police protection and security activities.
- ◇ Reduced vulnerability to criminal assault of employees, patrons and owners at night.
- ◇ The promotion of increased business activities during nighttime hours.
- ◇ Increased nighttime safety on roads and highways.
- ◇ Reduced vandalism and other criminal acts and damage to improvements or personal property.
- ◇ Improved traffic circulation and reduced nighttime accidents and personal property loss.
- ◇ Reduction of dumping, graffiti and loitering typically associated with poorly lighted areas.
- ◇ Enhances desirability of properties and the ability to conduct or expand business opportunities through association with an area that has sufficient streetlights.

The intensity or degree of illumination provided within the District can enhance these benefits and is a significant factor in determining the benefits properties receive from streetlights improvements. The number and intensity of the streetlights provided in this District are significantly greater than the residential areas of the City and are generally more extensive than the streetlights provided in similar commercial and industrial areas of other cities. For these reasons, it has been determined that the streetlight improvements provided by the District are a special benefit to the properties within the District.

General Benefit

Although the improvements clearly provide special benefits to properties within the District, it is recognized that some of these facilities by the nature of their location may also benefit properties outside the District that are not assessed and to a lesser extent may provide some benefit to the public at large. Therefore, a portion of the cost to operate, maintain, and service the streetlight improvements within the District are identified as general benefit and not included in the annual assessments as special benefit. In a detailed evaluation of the entire streetlight system within the City of Santa Fe Springs it was determined that, over eighty percent (80%) of the cost to maintain and service the City's streetlights is attributable to the streetlights within this District. The remaining twenty percent (20%) of the City's annual costs for streetlights is associated primarily with the residential areas of the City and these streetlights are currently

funded by other revenues sources. Approximately seven percent (7%) of the streetlight improvement costs within the District itself are attributable to streetlight facilities that benefit properties outside the District as well as properties within the District. Based on this evaluation, it has been determined that twenty-seven percent (27%) of the District's annual costs budgeted for Fiscal Year 2012/2013 is considered general benefit. This is a quantifiable percentage based on the current City streetlight system and expenditures. Although not as quantifiable, it is also reasonable to assume that the District improvements also provide some general benefit to the public at large and a reasonable percentage of this benefit should not exceed three percent (3%) for a total general benefit of thirty percent (30%) of the District's costs. The cost of providing the District improvements that are considered general benefit, benefits conferred on real property or to the public at large, shall not be included in the annual assessments and shall be funded by other revenue sources available to the City. These funds are shown in the annual budget of this Report as a General Fund contribution and the amount to be levied as assessments for the District represent only the special benefit portion of the District expenses.

C. ASSESSMENT METHODOLOGY

Pursuant to the Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed among assessable parcels in proportion to the estimated benefits to be received by each such parcel from the improvements. The apportionment of costs used should reflect the composition of the parcels and the improvements and services provided based on each parcel's estimated special benefit.

Benefit Assessment Unit

To assess benefits equitably, it is necessary to relate the different types of parcel improvements to each other. A value of one unit has been assigned as the basic benefit assessment unit. The benefit assessment unit consists of three classifications of benefit: people, security and intensity. The Benefit Factor for each property type is equal to the aggregate amount of benefit assessment units that a parcel receives.

The following table summarizes the various property types within the District by use code and the applicable benefit assessment units that are applied to those properties.

Table 2 - Use Codes and Benefit Assessment Units

Use Code	Description	People	Security	Intensity	Benefit Factor
00-09*	Residential	-	-	-	0.00
10	Vacant Commercial Land	0.00	0.50	0.50	1.00
11	Stores	2.00	1.00	1.00	4.00
12	Store Combinations	2.00	1.00	1.00	4.00
13	Department Stores	4.00	2.00	2.00	8.00
15"	Neighborhood Shopping Center	**	**	**	8.00
16"	Regional Shopping Center	**	**	**	8.00
17	Office Building	1.00	1.00	1.00	3.00
18	Hotels and Motels	4.00	2.00	2.00	8.00
19	Professional Buildings	1.00	1.00	1.00	3.00
21	Restaurants	3.00	1.00	1.00	5.00
23	Banks, Savings and Loans	1.00	1.00	1.00	3.00
24	Service Shops	1.00	1.00	1.00	3.00
25	Service Stations	2.00	1.00	1.00	4.00
26	Auto/Recreation Equip Sales	2.00	2.00	2.00	6.00
27	Parking Lots (Commercial)	1.00	1.00	0.50	2.50
28	Animal Kennel	1.00	0.50	0.50	2.00
29	Nurseries or Greenhouses	1.00	0.50	0.50	2.00
30	Vacant Industrial Land	0.00	0.50	0.50	1.00
31	Light Manufacturing	3.00	1.00	2.00	6.00
32"	Heavy Manufacturing	**	**	**	8.00
33	Warehousing	2.00	1.00	2.00	5.00
34	Food Processing Plants	3.00	1.00	2.00	6.00
36	Lumber Yards	1.00	1.00	1.00	3.00
37"	Mineral Processing	**	**	**	5.00
38	Parking Lots (Industrial)	1.00	0.50	0.50	2.00
39"	Open Storage	**	**	**	8.00
44	Truck Crops	0.50	0.25	0.25	1.00
47	Dairies	0.50	0.25	0.25	1.00
61	Theaters	3.00	1.00	1.00	5.00
63	Bowling Alleys	4.00	2.00	2.00	8.00
64	Club, Lodge Hall, Fraternal Organization	2.00	1.00	1.00	4.00
71	Churches	1.00	0.50	0.50	2.00
72	Schools (Private)	1.00	0.50	0.50	2.00
77	Cemeteries, Mausoleums, Mortuaries	0.50	0.25	0.25	1.00
83	Petroleum and Gas	1.00	0.50	0.50	2.00
89	Dump Sites	0.50	0.25	0.25	1.00
99"	Distribution Centers	**	**	**	8.00

* Residential Properties are not assessed

** Minimum Assigned Benefit Factor. See Special Use Codes Section for details.

Special Use Codes

The following Use Codes have been listed separately because of their unique operations inherent to their classifications, the size of real property, and the high use as a result of their specific operation. The total benefit assessment unit assigned to each parcel is calculated based on the parcel's acreage and a specified weighting factor applied to that use code designation (formula). However, the minimum benefit units assigned to a parcel shall not be less than the Benefit Factor shown on the "Use Code and Benefit Assessment Units" table shown on the previous page unless the parcel fronts on a street without lights. In this case, the Benefit Factor may be reduced below this minimum. (Refer to the table for "Streets Without Lights").

Use Code 99 is a special use code not found in the Los Angeles County Assessor's listing and is assigned to distribution centers for this District only. Parcels of land in Use Code 99 typically run continual 24-hour operations and receive substantial benefit from the District's streetlight improvements.

Table 3 – Special Use Code

Use Code	Description	Formula
15	Neighborhood Shopping Center	6.32 benefit units / acre
16	Regional Shopping Center	8.71 benefit units / acre
32	Heavy Manufacturing	5.45 benefit units / acre
37	Mineral Processing	3.27 benefit units / acre
39	Open Storage	6.53 benefit units / acre
99	Distribution Center	9.80 benefit units / acre

Streets Without Lights

The total Benefit Assessment Units of any parcel identified on the "Use Code and Benefit Assessment Units" table shown on the previous page that front on a street without District streetlights shall be assessed for people-related benefits only. It has been determined that these parcels do not receive the same special benefits from security or intensity that other parcels in the District receive.

The Special Use Code parcels on streets with no District streetlight facilities are reduced by 1/3 to account for their reduced special benefits from security or intensity. The calculation of this reduced benefit is outlined in the following table for Special Use Codes:

Table 4 – Special Use Code (Streets Without Lights)

Use Code	Description	Formula
15	Neighborhood Shopping Center	2.11 benefit units / acre
16	Regional Shopping Center	2.90 benefit units / acre
32	Heavy Manufacturing	1.82 benefit units / acre
37	Mineral Processing	1.09 benefit units / acre
39	Open Storage	2.18 benefit units / acre
99	Distribution Center	3.27 benefit units / acre

D. BENEFIT FORMULA

The benefit formula applied to each parcel is based on the preceding Benefit Assessment Unit tables. Each parcel's Benefit Factor is equal to the aggregate amount of benefit assessment units that a parcel receives and correlates to the parcel's special benefit received as compared to other parcels in the District.

The following formulas are used to calculate each property's assessment:

$$\text{People Benefit Assessment Unit} + \text{Security Benefit Assessment Unit} + \text{Intensity Benefit Assessment Unit} = \text{Parcel's Benefit Factor}$$

$$\text{Total Balance to Levy} / \text{Aggregate of Benefit Factors} = \text{Levy per Benefit Factor (Assessment Rate)}$$

$$\text{Assessment Rate} \times \text{Parcel's Benefit Factor} = \text{Parcel Levy Amount}$$

The following table provides a summary, by Use Code, of the benefit units, proposed charge, and total count of assessable parcels in the District.

Table 5 – Summary of Assessable Parcels (by Use Code)

Use Code	Description	Benefit Units	Applied Rate	Proposed Charge	Parcel Assessed
10	Vacant Land	22.00	\$17.00	\$375.10	22
11	Stores	76.00	\$17.00	1,295.80	19
12	Store Combinations	28.00	\$17.00	477.40	7
13	Department Stores	0.00	\$17.00	0.00	0
15**	Neighborhood Shopping Center	540.00	\$17.00	9,206.84	38
16**	Regional Shopping Center	75.18	\$17.00	1,281.89	1
17	Office Building	123.00	\$17.00	2,097.15	41
18	Hotels and Motels	32.00	\$17.00	545.60	4
19	Professional Buildings	15.00	\$17.00	255.75	5
21	Restaurants	150.00	\$17.00	2,557.50	30
23	Banks, Savings and loans	15.00	\$17.00	255.75	5
24	Service Shops	3.00	\$17.00	51.15	1
25	Service Stations	40.00	\$17.00	682.00	10
26	Auto/Recreation Equip Sales	204.00	\$17.00	3,478.20	34
27	Parking Lots (Commercial)	75.00	\$17.00	1,278.60	30
30	Vacant Land	175.00	\$17.00	2,983.75	175
31	Light Manufacturing	3,822.00	\$17.00	65,113.95	637
32**	Heavy Manufacturing	950.44	\$17.00	15,901.67	42
33	Warehousing	3,525.00	\$17.00	59,998.95	705
34	Food Processing Plants	66.00	\$17.00	1,125.30	11
36	Lumber Yards	9.00	\$17.00	153.45	3
37**	Mineral Processing	387.42	\$17.00	6,520.18	19
38	Parking Lots (Industrial)	58.00	\$17.00	988.90	29
39**	Open Storage	295.22	\$17.00	5,033.48	13
44	Truck Crops	0.00	\$17.00	0.00	0
47	Dairies	2.00	\$17.00	34.10	2
61	Theaters	5.00	\$17.00	85.25	1
63	Bowling Alleys	0.00	\$17.00	0.00	0
71	Churches	2.00	\$17.00	34.10	1
72	Schools (Private)	8.00	\$17.00	136.40	4
83	Petroleum and Gas	2.00	\$17.00	34.10	1
89	Dump Sites	6.00	\$17.00	102.30	6
99**	Distribution Centers	0.00	\$17.00	0.00	0
	Total	10,711.26		\$182,084.61	1,896

** See Special Use Codes Section

IV. District Budget

Table 6 – District Budget FY 2012/2013

LIGHTING BUDGET (FY 2012/2013)	District Budget
Energy Costs	\$370,000
Maintenance and Labor Costs	186,400
Supplies, Materials and Equipment	25,000
Contractual Services	9,000
Overhead	93,200
Construction and Rehabilitation	0
Direct Costs (Subtotal)	\$683,600
Interdepartmental, Professional Services, County Fees	15,000
Miscellaneous/Special Administration Expenses	1,000
Administration Costs (Subtotal)	\$16,000
Total Direct and Admin. Costs	\$699,600
Reserve Fund: Collection/(Transfer)	0
General Benefit Contribution	(209,880)
General Fund Contribution * (Not General Benefit)	(307,635)
Balance to Levy	\$182,085
Total Parcels Levied	1,896
Total Benefit Units	10,711.26
Proposed Levy per Benefit Unit	\$17.00
Current Maximum Assessment Rate	\$17.00

*The City will continue to attempt to identify ways to decrease costs in order to reduce the General Fund Contribution required.

EXHIBIT A – DISTRICT ASSESSMENT DIAGRAM

An Assessment District Diagram has been prepared for the District in the format required by the 1972 Act and is on file in the Office of the City Clerk at the City Hall of Santa Fe Springs and by reference is made part of this Report. The Assessment Diagram is available for inspection at the Office of the City Clerk during normal business hours.

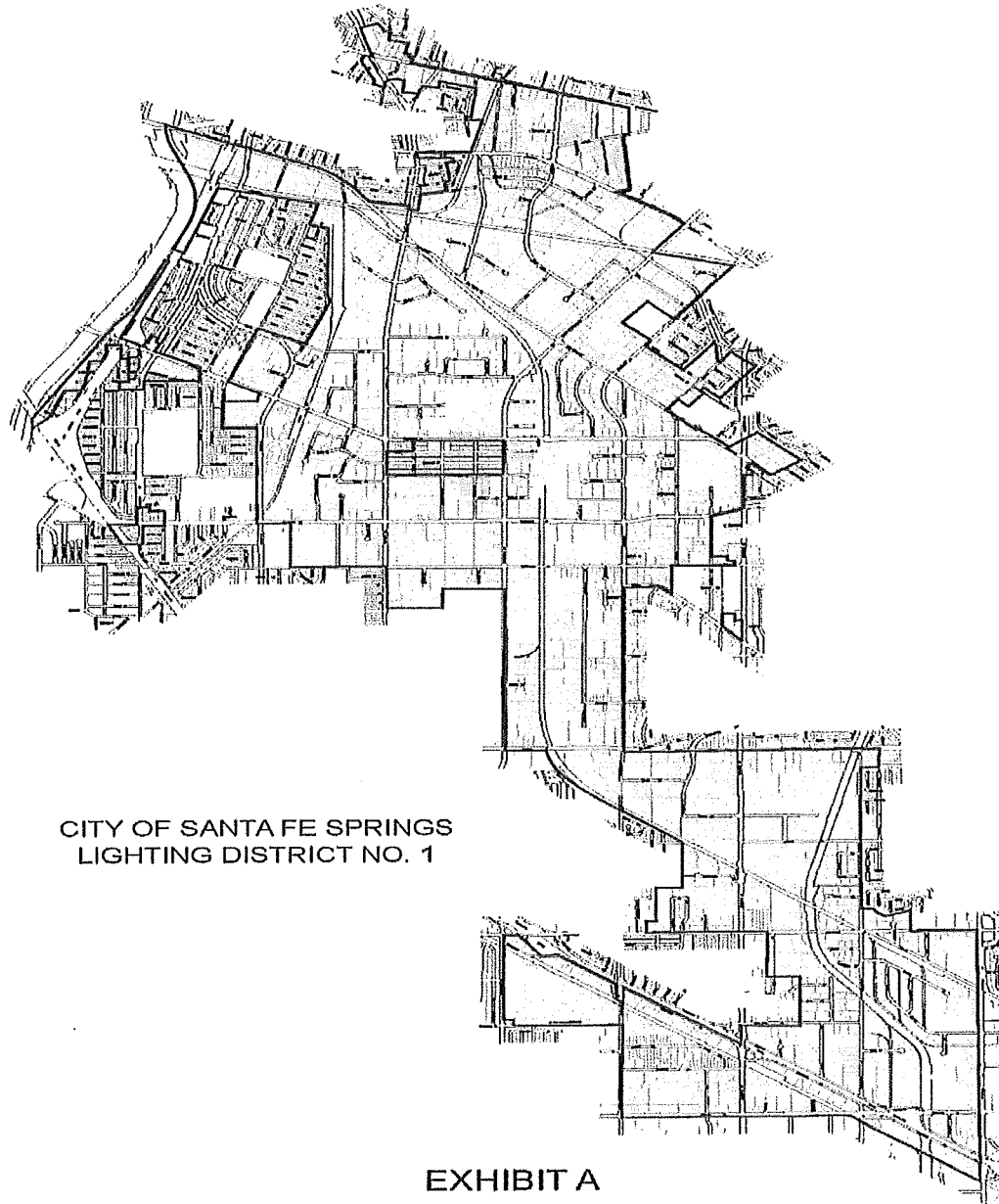


EXHIBIT B – 2012/2013 ASSESSMENT COLLECTION ROLL

Parcel identification for each lot or parcel within the District shall be the parcel as shown on the Los Angeles County Assessor's map for the year in which this Report is prepared.

The land use classification for each parcel has been based on the Los Angeles County Assessor's Roll. A listing of parcels assessed within this District, along with the proposed assessment amounts, has been submitted to the City Clerk and by reference is made part of this Report.

Approval of the Annual Engineer's Report (as submitted or as modified) confirms the method of apportionment and the assessment rate to be levied against each eligible parcel and thereby constitutes the approved levy and collection of assessments for Fiscal Year 2012/2013. The listing of parcels and the amount of assessment to be levied shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in Fiscal Year 2012/2013.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

RESOLUTION NO. 9373

**RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF SANTA FE SPRINGS
APPROVING THE ENGINEER'S "REPORT" FOR ANNUAL LEVY
OF ASSESSMENT FOR FISCAL YEAR IN A DISTRICT
WITHIN SAID CITY**

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's "Report" for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what is now known and designated as

**CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1**

(hereinafter referred to as the "District")' and,

WHEREAS, there has now been presented to this City Council the "Report" as required by said Division 15 of the Streets and Highways Code and as previously directed by Resolution; and,

WHEREAS, this City Council has now carefully examined and reviewed the "Report" as presented, and is satisfied with each and all of the items and documents as set forth therein, and is satisfied that the assessments, on a preliminary basis, have been spread in accordance with the benefits received from the maintenance to be performed, as set forth in said "Report."

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

SECTION 2. That the "Report" as presented, consisting of the following:

- A. Estimate of costs;
- B. Diagram of the District;
- C. Assessment of the estimated Cost

Is hereby approved; and is ordered to be filed in the Office of the Deputy City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the Deputy City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Engineer's "Report."

APPROVED and ADOPTED this 14th day of June, 2012.

MAYOR

ATTEST:

DEPUTY CITY CLERK

RESOLUTION NO. 9374

**RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF SANTA FE SPRINGS
DECLARING ITS INTENTION TO PROVIDE FOR AN ANNUAL LEVY AND
COLLECTION OF ASSESSMENTS FOR CERTAIN MAINTENANCE
IN AN EXISTING DISTRICT, PURSUANT TO
THE PROVISIONS OF DIVISION 15, PART 2 OF THE
STREETS AND HIGHWAYS CODE OF THE STATE OF
CALIFORNIA, AND SETTING A TIME AND PLACE FOR
PUBLIC HEARING THEREON**

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA has previously formed a lighting district pursuant to terms and provisions of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California, in what is known and designated as

**CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1**

(hereinafter referred to as the "District")' and,

WHEREAS, at this time, this City Council is desirous to take proceedings to provide for the annual levy of assessments for the next ensuing fiscal year, to provide for the costs and expenses necessary for continual maintenance of improvements within said District; and,

WHEREAS, at this time there has been presented and approved by this City Council, the Engineer's "Report" as required by law, and this City Council is desirous of proceeding with the proceedings for said annual levy.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

PUBLIC INTEREST

SECTION 2. That the public interest and convenience requires, and it is the intention of this City Council, to undertake proceedings for the annual levy and collection of special assessments for the continual maintenance of certain improvements, all to serve and benefit said District as said area is shown and delineated on a map as previously

approved by this City Council and on file in the Office of the Deputy City Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the "Report" of the Engineer, incorporated herein as a part hereof.

REPORT

SECTION 3. That the "Report" of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2012/2013 is hereby approved and is directed to be filed in the Office of the Deputy City Clerk.

SECTION 4. That the public interest and convenience requires, and it is the intention of this City Council to order the annual assessment levy for the District as set forth and described in said Engineer's "Report," and further it is determined to be in the best public interest and convenience to levy and collect annual assessments to pay the costs and expenses of said maintenance and improvement as estimated in said "Report."

DESCRIPTION OF MAINTENANCE

SECTION 5. The assessments levied and collected shall be for the maintenance of certain improvements, as set forth in the Engineer's "Report," referenced and so incorporated herein.

COUNTY AUDITOR

SECTION 6. The County Auditor shall enter on the County Assessment Roll the amount of the assessments, and shall collect said assessments at the time and in the same manner as County taxes are collected. After collection by the County, the net amount of the assessments, after the deduction of any compensation due to the County for collection, shall be paid to the Treasurer for purposes of paying for the costs and expenses of said District.

SPECIAL FUND

SECTION 7. That all monies collected shall be deposited in a special fund known as

"SPECIAL FUND
CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1"

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said

special fund, from any available source, such funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF THE DISTRICT

- SECTION 8. Said contemplated maintenance work is, in the opinion of this City Council, of direct benefit to the properties within the boundaries of the District, and this City Council makes the costs and expenses of said maintenance chargeable upon a district, which district said City Council declares to be the district benefited by said improvement and maintenance, and to be further assessed to pay the costs and expenses thereof. Said District, shall include each and every parcel of land within the boundaries of said District, as said District is shown on a map as approved by this City Council and on file in the Office of the Deputy City Clerk, and designated by the name of the District.

PUBLIC PROPERTY

- SECTION 9. Any lots or parcels of land known as public property, as the same are defined in Section 22663 of Division 15, Part 2 of the Streets and Highways Code of the State of California, which are included within the boundaries of the District, shall be omitted and exempt from any assessment to be made under these proceedings to cover any of the costs and expenses of said improvement and maintenance work.

PUBLIC HEARING

- SECTION 10. NOTICE IS HEREBY GIVEN THAT THURSDAY, THE 10th DAY OF JULY, 2012 AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE REGULAR MEETING OF THE CITY COUNCIL, BEING THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION, ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE DEPUTY CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

NOTICE

SECTION 11. That the Deputy City Clerk is hereby authorized and directed to publish a copy of this Resolution. Said publication shall be not less than ten (10) days before the date for said Public Hearing.

EFFECTIVE DATE

SECTION 12. That this Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 13. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

Donald K. Jensen
City Engineer
CITY OF SANTA FE SPRINGS
11710 Telegraph Road
Santa Fe Springs, CA 90670
(562) 868-0511

APPROVED and ADOPTED this 14th day of June, 2012.

MAYOR

ATTEST:

DEPUTY CITY CLERK



City of Santa Fe Springs

City Council Meeting

June 14, 2012

NEW BUSINESS

Parcel Map No. 71494 (Northwest Corner of Norwalk Boulevard/Smith Avenue) – Approval of Parcel Map

RECOMMENDATION

That the City Council take the following actions:

1. Find that Parcel Map No. 71494 together with the provisions for its design and improvement, is consistent with the City's General Plan;
2. Approve Parcel Map No. 71494; and
3. Authorize the City Engineer and Deputy City Clerk to sign Parcel Map No. 71494.

BACKGROUND

Parcel Map No. 71494 is a subdivision consolidating five lots (APN 8002-015-011, 012, 013, 014 and 021) of 4.634 acres into two parcels: Parcel 1 of 2.262 acres and Parcel 2 of 2.372 acres. The site is undeveloped and is located at the northwest corner of Norwalk Boulevard and Smith Avenue.

The Planning Commission approved the tentative map at their meeting of June 13, 2011. A full-sized copy of this map is available in the office of the Deputy City Clerk.

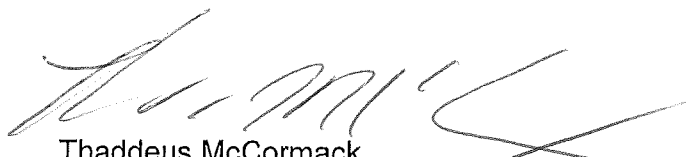
The parcel map consolidation is in conjunction with Development Plan Approval (DPA) Case Nos. 868 and 869. DPA 868 and 869 allows for the construction of two (2) concrete tilt-up industrial buildings on the two parcels created with Parcel Map No. 71494.

FISCAL IMPACT

None.

INFRASTRUCTURE IMPACT

None.


Thaddeus McCormack
City Manager

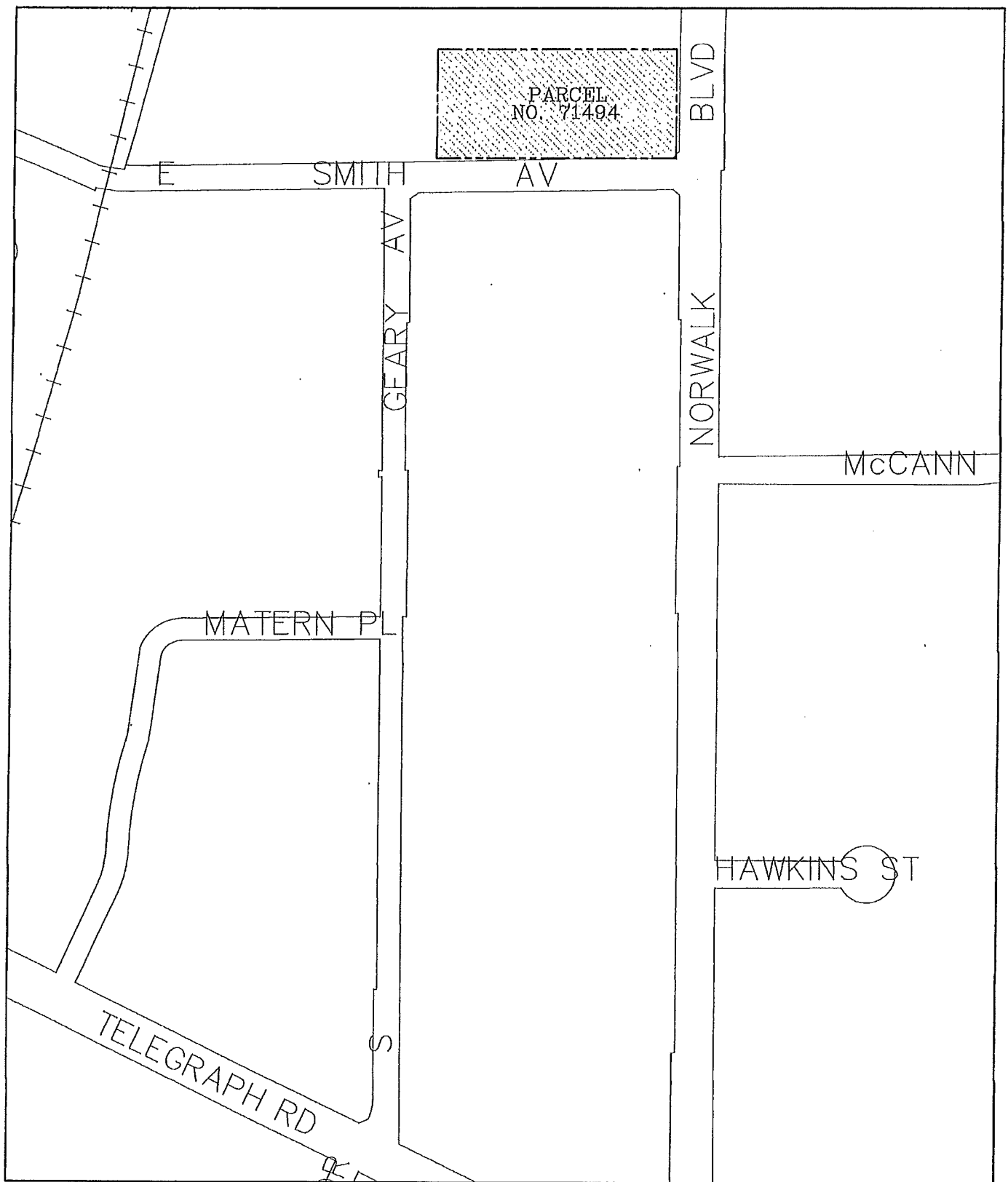
Attachment(s):

Location Map

Report Submitted By:

Don Jensen, Director
Department of Public Works

Date of Report: June 7, 2012



LOCATION MAP

PARCEL MAP NO. 71494



City of Santa Fe Springs

City Council Meeting

June 14, 2012

AWARD OF BID

Award Bid to E.H. Wachs for a Water Valve Operating Machine

RECOMMENDATION

That the City Council award a bid to E.H. Wachs and authorize the Director of Purchasing Services to issue a purchase order to process the transaction in the amount of \$39,022.73.

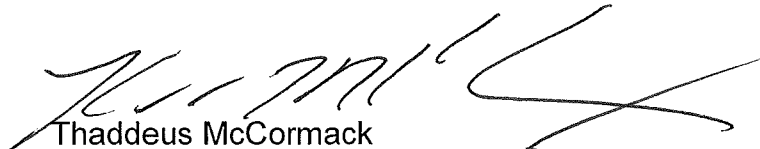
BACKGROUND

The City's water system has approximately 3,800 valves within a pipeline network of approximately 108 miles. Routine valve exercising and maintenance is essential for a distribution system to operate as designed. Valves are essential for isolation of leaks, fire services, hydrants, and are an essential component for directional potable water flushing. The City's current valve machine needs to be replaced; staff is currently exercising valves by hand which is inadequate for a system our size. A new valve machine will achieve an efficient valve exercising and maintenance program. The included equipment in this purchase consists of a hydraulic powered turner, power vacuum; pressure washer, compressor, and all ancillary equipment to effectively operate a valve program.

The purchase is included in the approved FY 2011-2012 budget.

The Director of Purchasing Services requests approval to award this bid to E.H. Wachs based on the below received bids.

<u>VENDOR</u>	<u>BID AMOUNT</u>
E.H. Wachs	\$39,022.73
Intermountain Sales, Inc.	42,568.48
Balar Equipment Corporation	43,263.03


Thaddeus McCormack
City Manager



City of Santa Fe Springs

City Council Meeting

June 14, 2012

PRESENTATION

Kirk Kranzer to Give Overview of Lake Center Washington, D.C. Trip

RECOMMENDATION

The Mayor may wish to call upon Thaddeus McCormack, City Manager, to assist with this presentation.

BACKGROUND

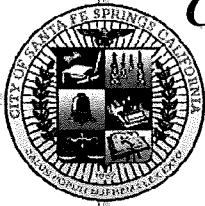
For the past several years, the City Council has supported the participation of Lake Center Middle School students in a trip to Washington, D.C. This year, the City supported the trip with a contribution of \$11,000 to assist 49 students, residents of the City, who attended the trip.

Lake Center Middle School Teacher and East Coast Trip Coordinator, Kirk Kranzer has requested an opportunity to attend tonight's meeting to extend their appreciation to the City Council for their support of this educational trip.


Thaddeus McCormack
City Manager

Attachment(s)

None.



City of Santa Fe Springs

City Council Meeting

June 14, 2012

PRESENTATION

To the 2012 Teachers of the Year

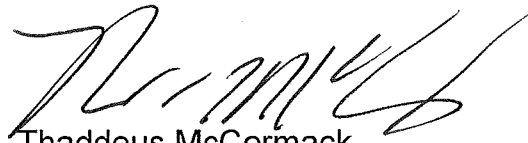
Jessica Staine, Jersey Avenue Elementary School
Denise Duran, Rancho Santa Gertrudes Elementary School
Eugene Fabiero, St. Paul High School

RECOMMENDATION

The Mayor may wish to call upon Julie Herrera, Public Relations Specialist, to assist with the presentation.

BACKGROUND

Each year, local school districts and St. Paul High School select and recognize a Teacher of the Year for their outstanding accomplishments in the field of education. This year's recipients have been invited to tonight's meeting to be recognized by the City Council. School Principals have been invited to assist with the introductions. Representatives from the School Districts and respective Board of Directors have also been invited.


Thaddeus McCormack
City Manager

Attachment(s)

None.



City of Santa Fe Springs

City Council Meeting

June 14, 2012

PRESENTATION

Older American Nominee Presentation

RECOMMENDATION

It is requested that Mrs. Arcelia Miranda be recognized for her recent nomination and recipient of the Older American Recognition Day Award Program.

BACKGROUND

On May 30, 2012, Mrs. Arcelia Miranda was a recipient of the 2012 Older American Recognition Day (OARD) award program which took place at the Kenneth Hahn Hall of Administration in Los Angeles. Mrs. Miranda was joined by her husband Mr. Miranda, son Rafael Duran, Mayor Pro Tem Moore, and Family and Human Services Supervisor Ed Ramirez where she was recognized for her ongoing dedication, support, and volunteerism she provides to the community of Santa Fe Springs.

The Mayor may wish to call upon Family & Human Services Supervisor Ed Ramirez to assist with the presentation.

Fiscal Impact

None

Infrastructure Impact

None

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

Thaddeus McCormack
City Manager



City of Santa Fe Springs

City Council Meeting

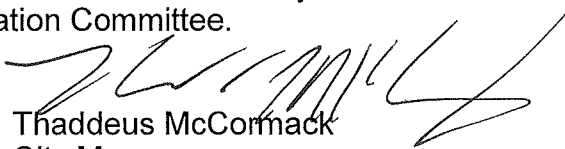
June 14, 2012

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	2	González
Youth Leadership	2	Rounds
Youth Leadership	2	Serrano
Youth Leadership	1	Trujillo

Brandy Ordway-Roach submitted an application for the Family & Human Services Committee and the Parks & Recreation Committee. Mayor Rounds excused Ken Arnold from the June 6 Park & Recreation Committee.


Thaddeus McCormack
City Manager

Attachments:

Committee Lists

Prospective Member List

Report Submitted By: Anita Jimenez,
Deputy City Clerk

Date of Report: June 6, 2012

Prospective Members for Various Committees/Commissions

Beautification

Community Program

Family & Human Services

Jimmy Mendoza, Jr.

Brandy Ordway-Roach

Heritage Arts

Historical

Personnel Advisory Board

Parks & Recreation

Jesus Mendoza

Brandy Ordway-Roach

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.
Gonzalez	Juanita Montes	(12)
	Irene Pasillas	(12)
	Vacant	(12)
	May Sharp	(13)
	Vacant	(13)
Moore	Juliet Ray	(12)
	Paula Minnehan	(12)
	Annie Petris	(13)
	Guadalupe Placencia	(13)
	Vacant	(13)
Rounds	Sadie Calderon	(12)
	Rita Argott	(12)
	Annette Ledesma	(13)
	Marlene Vernava	(13)
	Debra Cabrera	(13)
Serrano	Vacant	(12)
	Vacant	(12)
	Vacant	(12)
	Vada Conrad	(13)
	Sally Gaitan*	(13)
Trujillo	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.
Gonzalez	Jeanne Teran	(12)
	Miguel Estevez	(12)
	Vacant	(12)
	Vacant	(13)
	Vacant	(13)
Moore	Rosalie Miller	(12)
	Margaret Palomino	(12)
	Mary Jo Haller	(13)
	Lynda Short	(13)
	Bryan Collins	(13)
Rounds	Mark Scoggins*	(12)
	Marlene Vernava	(12)
	Vacant	(12)
	Vacant	(13)
	Vacant	(13)
Serrano	Vacant	(12)
	Mary Anderson	(13)
	Dolores H. Romero*	(13)
	Vacant	(12)
	Vacant	(13)
Trujillo	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.
Gonzalez	Ed Duran	(12)
	Gilbert Aguirre*	(13)
	Janie Aguirre*	(13)
	Sally Gaitan*	(13)
Moore	Astrid Gonzalez	(12)
	Tony Reyes	(12)
	Amparo Oblea	(13)
	Francine Rippy	(13)
Rounds	Vacant	(12)
	Vacant	(12)
	Mark Scoggins*	(13)
	Janice Smith	(13)
Serrano	Gloria Duran*	(12)
	Hilda Zamora	(12)
	Vacant	(13)
	Larry Oblea	(13)
Trujillo	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.
Gonzalez	Jennie Carlos	(12)
	Frank Leader	(12)
	Vacant	(13)
	Raul Miranda, Jr.	(12)
	Vacant	(13)
Moore	Jimmy Mendoza	(12)
	John Salgado	(12)
	Janet Rock	(13)
	David Gonzalez	(13)
	Sheila Archuleta	(13)
Rounds	Kenneth Arnold	(12)
	Richard Legarreta, Sr.	(12)
	Luigi Trujillo	(12)
	Angelica Miranda	(13)
	Mark Scoggins*	(13)
Serrano	Lynda Short	(12)
	Bernie Landin	(12)
	Joe Avila	(12)
	Sally Gaitan*	(13)
	Fred Earl	(13)
Trujillo	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.
Gonzalez	Gloria Duran*	(12)
	Josephine Santa-Anna	(12)
	Vacant	(13)
	Janie Aguirre*	(13)
	Ed Duran	(13)
Moore	Yoshi Komaki	(12)
	Yoko Nakamura	(12)
	Paul Nakamura	(12)
	Vacant	(13)
	Pete Vallejo	(13)
Rounds	Vacant	(12)
	Vacant	(12)
	Gloria Vasquez	(13)
	Lorena Huitron	(13)
	Berta Sera	(13)
Serrano	Vacant	(12)
	Louis Serrano	(12)
	Mary Bravo	(12)
	Amelia Acosta	(13)
	Jessie Serrano	(13)
Trujillo	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.
Gonzalez	Vacant	(12)
	Kimberly Mette	(12)
	Jimmy Mendoza	(13)
	Vacant	(12)
	Vacant	(13)
Moore	Martha Villanueva	(12)
	Vacant	(12)
	Mary K. Reed	(13)
	Peggy Radoumis	(13)
	Jeannette Wolfe	(13)
Rounds	Manny Zevallos	(12)
	Susan Johnston	(12)
	Vacant	(12)
	Ted Radoumis	(13)
	Vacant	(13)
Serrano	Charlotte Zevallos	(12)
	Vacant	(12)
	Laurie Rios*	(13)
	Doris Yarwood	(13)
	Vacant	(13)
Trujillo	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.
Gonzalez	Dominique Walker	()
	Victoria Molina	()
	Vacant	()
	Vacant	()
Moore	Destiny Cardona	(14)
	Gabriela Rodriguez	(13)
	Wendy Pasillas	(13)
	Daniel Wood	(13)
Rounds	Drew Bobadilla	(13)
	Vacant	()
	Vacant	()
	Lisa Baeza	(13)
Serrano	Vacant	()
	Vacant	()
	Marisa Gonzalez	(15)
	Ariana Gonzalez	(13)
Trujillo	Maxine Berg	(15)
	Martin Guerrero	(13)
	Vacant	()
	Kevin Ramirez	(13)