



AGENDA

ADJOURNED MEETING OF THE SANTA FE SPRINGS OF THE CITY COUNCIL

AUGUST 7, 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
Laurie Rios, 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, Councilmember
Laurie Rios, Councilmember
Juanita A. Trujillo, Councilmember
Richard J. Moore, Mayor Pro Tem
William K. Rounds, Mayor

HOUSING SUCCESSOR

3. Amendment to Section 1.03 of the Purchase and Sale Agreement between the former Community Development Commission (now Successor Agency) and Villages at Heritage Springs LLC

Consideration of an additional extension of the deadline date set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance, and the change in methodology used to calculate the amount of credit to be utilized for each housing unit.

Recommendation: That the Successor Agency take the following actions: 1). Approve an extension of the deadline date originally set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance to June 30, 2015; and 2) Approve the methodology used to calculate the amount of credit to be utilized for each housing unit.

SUCCESSOR AGENCY

4. Amendment to Section 1.03 of the Purchase and Sale Agreement between the former Community Development Commission (now Successor Agency) and Villages at Heritage Springs LLC

Consideration of an additional extension of the deadline date set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance, and the change in methodology used to calculate the amount of credit to be utilized for each housing unit.

Recommendation: That the Successor Agency take the following actions: 1). Approve an extension of the deadline date originally set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance to June 30, 2015; and 2) Approve the methodology used to calculate the amount of credit to be utilized for each housing unit.

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 July 3, 2012 Special City Council Meeting

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

B. Minutes of the July 10, 2012 Adjourned City Council Meeting

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

ORDINANCE FOR INTRODUCTION

7. Ordinance No. 1033 – An Ordinance Dissolving the City of Santa Fe Springs Community Facilities District No. 2009-1 (Villages at Heritage Springs)

Recommendation: That the City Council pass the first reading of Ordinance No. 1033 dissolving the City of Santa Fe Springs Community Facilities District No. 2009-1 (Villages at Heritage Springs).

NEW BUSINESS

8. Approve Changes to the Water Features for the El Greco Development on Burke Street

Recommendation: That the City Council approve the changes to the water features surrounding the artwork by Alex Shagin for the El Greco development at 11650 Burke Street.

9. Appropriation of Funds from the City's Art in Public Places Fund and Authorization to Distribute Monies as Recommended by the Heritage Arts Advisory Committee to Fund the City's Art Education Grant Program

Recommendation: That the City Council approve the appropriation of funds from the City's Art in Public Places Fund, Activity 6350-6100, and authorize the distribution of monies as recommended by the Heritage Arts Advisory Committee to fund the City's Art Education Grant Program.

10. Resolution No. 9386 – Valley View Avenue Grade Separation Project – Approval of Master Agreement No. 00379S and Program Supplement Agreement No. J23

Recommendation: That the City Council: 1) Adopt Resolution No. 9386 approving Master Administering Agency-State Agreement No. 00379S and Program Supplement Agreement No. J23 for the Valley View Avenue Grade Separation Project; and, 3) Authorize the Director of Public Works to execute both agreements.

11. Request Approval to Sell a 1986 Emergency One Fire Engine to the City of Cody, Wyoming Volunteer Fire Department

Recommendation: That the City Council authorize the Director of Finance and Administrative Services to dispose of a 1986 Emergency One Fire Engine by selling it to the City of Cody, Wyoming in the amount of \$5,100.

Please note: *Item Nos. 12 –23 will commence in the 7:00 p.m. hour.*

12. **INVOCATION**

13. **PLEDGE OF ALLEGIANCE**

INTRODUCTIONS

14. Representatives from the Youth Leadership Committee

15. Representatives from the Chamber of Commerce

16. **ANNOUNCEMENTS**

17. **PRESENTATION**

Recognition of our Guests from our Sister City of Tirschenreuth, Germany, and their Host Families

APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

18. Appointments to City Council Subcommittees

19. Committee Re-appointments

20. Committee Appointments

21. **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.

22. **EXECUTIVE TEAM REPORTS**

23. **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

August 2, 2012
Date



NEW BUSINESS

Amendment to Section 1.03 of the Purchase and Sale Agreement between the former Community Development Commission (now Successor Agency) and Villages at Heritage Springs LLC

Consideration of an additional extension of the deadline date set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance, and the change in methodology used to calculate the amount of credit to be utilized for each housing unit.

RECOMMENDATIONS:

It is recommended that the Housing Successor take the following actions:

1. Approve an extension of the deadline date originally set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance to June 30, 2015;
2. Approve the methodology used to calculate the amount of credit to be utilized for each housing unit.

BACKGROUND

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

Since 2009, when the Purchase and Sale Agreement was executed, national economic conditions and project-specific financial circumstances caused both the original and extended deadline dates to be unattainable. These conditions also resulted in fluctuations in home prices, and a corresponding fluctuation in the maximum number of affordable housing units capable of being purchased with the One Million dollar write-down assistance.



City of Santa Fe Springs

Housing Successor

August 7, 2012

Fortunately, conditions have recently changed and construction of the housing units intended for write-down assistance has begun, but they are not expected to be completed by the (extended) September 30, 2012 deadline. The requested extension to June 30, 2015, will provide adequate time to complete construction of the intended affordable housing units and provide sufficient escrow time for the Low/Mod buyers.

Despite the economy-induced delay, both the Successor Agency and VHS remain committed to providing affordable housing assistance per the terms of Section 1.03. Accordingly, it is recommended that the deadline set forth in Section 1.03 be extended again to June 30, 2015. It is also recommended that for the purpose of the calculation of the amount of credit to be utilized for each housing unit, the market rate shall be the lesser of the actual market rate or \$310,000.00 for any housing unit within Resident 1, and \$320,000.00 for Resident 2 of Jasmine. This will ensure that in the event the market price of any of the housing units rises before they are sold, there would be no impact to the total maximum number of housing units that will be affordable. Staff anticipates assisting between 11-12 income-eligible Low/Mod households with their first home purchase.

FISCAL IMPACT

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

Thaddeus McCormack
City Manager

Attachment

Amendment No. 3 to Purchase and Sale Agreement
Copy of Purchase and Sale Agreement (between CDC and VHS LLC)

AMENDMENT NO. 3 TO PURCHASE AND SALE AGREEMENT

This Amendment, entered into and effective as of August 7, 2012, amends that certain Purchase and Sale Agreement entered into on July 9, 2009 (the "Agreement"), between Villages at Heritage Springs, LLC (as "Developer") and the Community Development Commission of the City of Santa Fe Springs (as "Purchaser"). In November, 2011, Purchaser consented to Developer's assignment of its interest in the Agreement, and such interest was assigned to RCS Villages Development, LLC ("RCS"). Effective on February 1, 2012, Purchaser's assets were transferred by operation of law to the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the "Successor Agency"), and/or the Housing Successor to the Community Development Commission of the City of Santa Fe Springs (the "Housing Successor").

For value received, receipt of which is hereby acknowledged, the successors-in-interest to the original parties to the Agreement hereby agree to amend the text of Section 1.03 of the Agreement to read as follows:

"\$1,000,000.00 of the down payment has been paid by the CDC from the CDC's Low and Moderate Income Housing Funds, which payment shall be utilized to provide credits to the sales price for moderate income purchasers equal to the difference between the market rate price and the affordable price for that qualified buyer. This assistance shall be provided to qualified buyers for eligible homes of two and three bedrooms, within Residence 1 and 2 of Jasmine at the Villages. All such purchases shall close escrow no later than June 30, 2015. For the purpose of the calculation of the amount of credit to be utilized for each such purchase, the market rate shall be the lesser of the actual market rate or \$310,000.00 for any home within Residence 1, and the lesser of the actual market rate and \$320,000.00 for any home within Residence 2. The number of units shall be the maximum number that may be assisted with \$1,000,000.00, and in the event that there is an amount remaining which does not equal a sufficient amount for a unit then the Housing Successor at its option may elect to provide additional funds to create another affordable unit. All such affordable units shall require a loan agreement, note, deed of trust and regulatory agreement setting forth the terms of the credit between the home purchaser and the Housing Successor and the regulatory covenants, which shall be binding for a term of 45 years. All such purchase documents shall be approved as to form by the counsel for the Housing Successor. The Developer shall have the right to designate which units are to be affordable, subject to the Housing Successor's reasonable approval. The Housing Successor also will have the right to designate how many of such units will be sold in various product types, subject to the Developer's reasonable approval."

In all other respects, the Agreement, as previously amended, shall remain in full force and effect. In the event of any conflict between any provision of the Agreement as previously amended and any provision set forth herein, the provision set forth herein shall prevail.

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

Successor Agency to the Community Development Commission
of the City of Santa Fe Springs

City Manager

Housing Successor to the Community Development Commission
of the City of Santa Fe Springs

City Manager

Attest:

Deputy City Clerk

Approved as to form.

City Attorney

RCS Villages Development, LLC

Managing Member

ATTACHMENT NO. 1

EXHIBIT "K"

PURCHASE AND SALE AGREEMENT

AND

JOINT ESCROW INSTRUCTIONS

**PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS**

**BETWEEN
VILLAGES AT HERITAGE SPRINGS, LLC
a limited liability company
("SELLER")**

**AND
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE
SPRINGS,
("PURCHASER")**

PURCHASE AND SALE AGREEMENT

AND

JOINT ESCROW INSTRUCTIONS

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

RECITALS

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

ARTICLE I Purchase Price

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

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

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

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

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

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

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

ARTICLE II

Condition of the Property

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

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

ARTICLE III

Disapproval

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

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

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

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

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

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

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

(i) The benefited party may waive the matter,

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

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

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

ARTICLE IV

Closing

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

Closing Costs, Prorations

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

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

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

ARTICLE VI

Miscellaneous.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

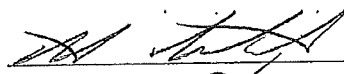
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SELLER:

VILLAGES AT HERITAGE SPRINGS,
LLC

By:

Its:

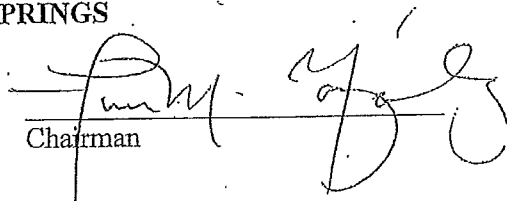

Mary Ed

PURCHASER:

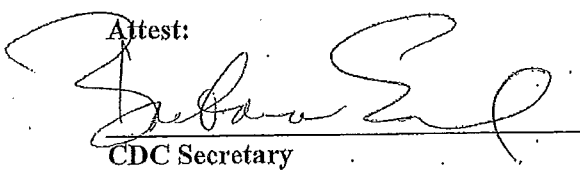
COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF SANTA
FE SPRINGS

By:

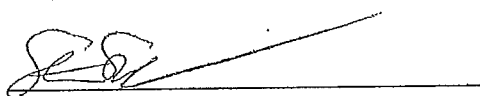
Chairman



Attest:


CDC Secretary

Approved as to form:


CDC Counsel



NEW BUSINESS

Amendment to Section 1.03 of the Purchase and Sale Agreement between the former Community Development Commission (now Successor Agency) and Villages at Heritage Springs LLC

Consideration of an additional extension of the deadline date set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance, and the change in methodology used to calculate the amount of credit to be utilized for each housing unit.

RECOMMENDATIONS:

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

1. Approve an extension of the deadline date originally set forth in Section 1.03 of the Purchase and Sale Agreement regarding Affordable Housing Assistance to June 30, 2015;
2. Approve the methodology used to calculate the amount of credit to be utilized for each housing unit.

BACKGROUND

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

Since 2009, when the Purchase and Sale Agreement was executed, national economic conditions and project-specific financial circumstances caused both the original and extended deadline dates to be unattainable. These conditions also resulted in fluctuations in home prices, and a corresponding fluctuation in the maximum number of affordable housing units capable of being purchased with the One Million dollar write-down assistance.



City of Santa Fe Springs

Successor Agency

August 7, 2012

Fortunately, conditions have recently changed and construction of the housing units intended for write-down assistance has begun, but they are not expected to be completed by the (extended) September 30, 2012 deadline. The requested extension to June 30, 2015, will provide adequate time to complete construction of the intended affordable housing units and provide sufficient escrow time for the Low/Mod buyers.

Despite the economy-induced delay, both the Successor Agency and VHS remain committed to providing affordable housing assistance per the terms of Section 1.03. Accordingly, it is recommended that the deadline set forth in Section 1.03 be extended again to June 30, 2015. It is also recommended that for the purpose of the calculation of the amount of credit to be utilized for each housing unit, the market rate shall be the lesser of the actual market rate or \$310,000.00 for any housing unit within Resident 1, and \$320,000.00 for Resident 2 of Jasmine. This will ensure that in the event the market price of any of the housing units rises before they are sold, there would be no impact to the total maximum number of housing units that will be affordable. Staff anticipates assisting between 11-12 income-eligible Low/Mod households with their first home purchase.

FISCAL IMPACT

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


Thaddeus McCormack
City Manager

Attachment

Amendment No. 3 to Purchase and Sale Agreement
Copy of Purchase and Sale Agreement (between CDC and VHS LLC)

AMENDMENT NO. 3 TO PURCHASE AND SALE AGREEMENT

This Amendment, entered into and effective as of August 7, 2012, amends that certain Purchase and Sale Agreement entered into on July 9, 2009 (the "Agreement"), between Villages at Heritage Springs, LLC (as "Developer") and the Community Development Commission of the City of Santa Fe Springs (as "Purchaser"). In November, 2011, Purchaser consented to Developer's assignment of its interest in the Agreement, and such interest was assigned to RCS Villages Development, LLC ("RCS"). Effective on February 1, 2012, Purchaser's assets were transferred by operation of law to the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the "Successor Agency"), and/or the Housing Successor to the Community Development Commission of the City of Santa Fe Springs (the "Housing Successor").

For value received, receipt of which is hereby acknowledged, the successors-in-interest to the original parties to the Agreement hereby agree to amend the text of Section 1.03 of the Agreement to read as follows:

"\$1,000,000.00 of the down payment has been paid by the CDC from the CDC's Low and Moderate Income Housing Funds, which payment shall be utilized to provide credits to the sales price for moderate income purchasers equal to the difference between the market rate price and the affordable price for that qualified buyer. This assistance shall be provided to qualified buyers for eligible homes of two and three bedrooms, within Residence 1 and 2 of Jasmine at the Villages. All such purchases shall close escrow no later than June 30, 2015. For the purpose of the calculation of the amount of credit to be utilized for each such purchase, the market rate shall be the lesser of the actual market rate or \$310,000.00 for any home within Residence 1, and the lesser of the actual market rate and \$320,000.00 for any home within Residence 2. The number of units shall be the maximum number that may be assisted with \$1,000,000.00, and in the event that there is an amount remaining which does not equal a sufficient amount for a unit then the Housing Successor at its option may elect to provide additional funds to create another affordable unit. All such affordable units shall require a loan agreement, note, deed of trust and regulatory agreement setting forth the terms of the credit between the home purchaser and the Housing Successor and the regulatory covenants, which shall be binding for a term of 45 years. All such purchase documents shall be approved as to form by the counsel for the Housing Successor. The Developer shall have the right to designate which units are to be affordable, subject to the Housing Successor's reasonable approval. The Housing Successor also will have the right to designate how many of such units will be sold in various product types, subject to the Developer's reasonable approval."

In all other respects, the Agreement, as previously amended, shall remain in full force and effect. In the event of any conflict between any provision of the Agreement as previously amended and any provision set forth herein, the provision set forth herein shall prevail.

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

Successor Agency to the Community Development Commission
of the City of Santa Fe Springs

City Manager

Housing Successor to the Community Development Commission
of the City of Santa Fe Springs

City Manager

Attest:

Deputy City Clerk

Approved as to form.

City Attorney

RCS Villages Development, LLC

Managing Member

ATTACHMENT NO. 1

EXHIBIT "K"

PURCHASE AND SALE AGREEMENT

AND

JOINT ESCROW INSTRUCTIONS

**PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS**

**BETWEEN
VILLAGES AT HERITAGE SPRINGS, LLC
a limited liability company
("SELLER")**

**AND
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE
SPRINGS,
("PURCHASER")**

PURCHASE AND SALE AGREEMENT

AND

JOINT ESCROW INSTRUCTIONS

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

RECITALS

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

ARTICLE I

Purchase Price

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

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

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

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

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

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

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

ARTICLE II

Condition of the Property

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

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

ARTICLE III

Disapproval

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

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

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

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

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

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

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

(i) The benefited party may waive the matter,

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

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

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

ARTICLE IV

Closing

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

Closing Costs, Prorations

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

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

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

ARTICLE VI

Miscellaneous.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

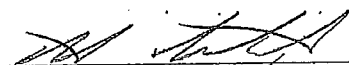
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SELLER:

VILLAGES AT HERITAGE SPRINGS,
LLC

By:

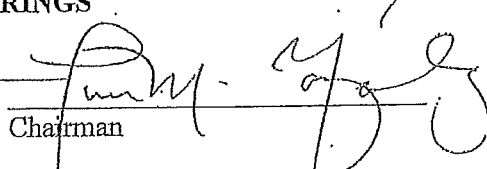
Its:


Mary Ford

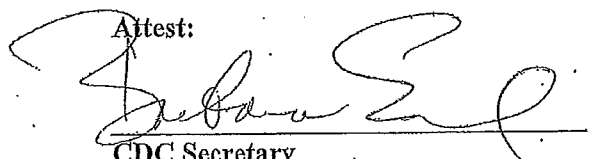
PURCHASER:

COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF SANTA
FE SPRINGS

By:


Chairman

Attest:


CDC Secretary

Approved as to form:


CDC Counsel

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

JULY 3, 2012

1. CALL TO ORDER

Mayor Rounds called the meeting to order at 10:05 a.m.

2. ROLL CALL

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

Also present: Thaddeus McCormack, City Manager; Jose Gomez, Director of Finance & Administrative Services; Anita Jimenez, Deputy City Clerk

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilmember Trujillo.

NEW BUSINESS

4. Approval of Memorandum of Understanding Between the City of Santa Fe Springs and the Santa Fe Springs City Employees Association (SFSCEA)

Recommendation: That the City Council: 1) Approve the FY 2012-14 Memorandum of Understanding (MOU) with the SFSCEA; and 2) Authorize the City Manager to execute said agreement.

The City Manager stated that the Fire MOU previously had a discrepancy with the other associations regarding cost sharing, so now all MOUs reflect the first year of PERS retirement cost sharing will be 5.5%. The COLA in the second year of the contract for all groups is between 2.5% and 3.5% which differs from the prior minimum of 2%. The Management Association ratified the contract on July 2. The General Employees have a tentative agreement and will vote later in the week. The Fire Association will vote in the next couple of weeks. The City Manager stated that the changes included in the MOUs do not affect the approved 2012/13 Budget.

Councilmember González moved the approval of Item 4; Mayor Pro Tem Moore seconded the motion which passed by the following roll call vote:

Ayes:	González, Trujillo, Moore, Rounds
Noes:	None
Absent:	Serrano
Abstain:	None

5. Approval of Memorandum of Understanding (MOU) between the City of Santa Fe Springs and the City of Santa Fe Springs Firefighters Association (FFA)

Recommendation: That the City Council: 1) Approve the FY 2012-14 MOU with the FFA; and 2) Authorize the City Manager to execute said agreement.

Mayor Pro Tem Moore moved the approval of Item 5; Councilmember González seconded the motion which passed by the following roll call vote:

Ayes: González, Trujillo, Moore, Rounds
Noes: None
Absent: Serrano
Abstain: None

6. Approval of Memorandum of Understanding between the City of Santa Fe Springs and the City of Santa Fe Springs Executive Management Confidential Employees Association

Recommendation: That the City Council: 1) Approve the FY 2012-14 MOU with the EMCEA; and 2) Authorize the City Manager to execute said agreement.

Mayor Pro Tem Moore moved the approval of Item 6; Councilmember Trujillo seconded the motion which passed by the following roll call vote:

Ayes: González, Trujillo, Moore, Rounds
Noes: None
Absent: Serrano
Abstain: None

7. **COUNCIL REORGANIZATION**

Selection of Liaisons to Various City Committees and Representatives to Governmental Organizations

Mayor Rounds made the following appointments:

SFS/PIH health Center Joint Oversight Committee – Moore;

Mora Scholarship Interview Panel – Trujillo;

Gateway Cities Council of Governments (COG) – González, Director; Rounds, Alternate;

I-5 Consortium Policy Board – Moore, Director; Trujillo, Alternate;

Independent Cities of Los Angeles – Trujillo, Alternate;

California Joint Powers Insurance Authority – Moore, Alternate;

Sanitation District No. 18 - González, Alternate;

Santa Fe High School Education Foundation – Rounds;

SFS/South Whittier Education Center Advisory Committee – Trujillo;

SFS/South Whittier Education Center President's Advisory Committee – Trujillo;

Southeast Area Animal Control (SEACCA) – Trujillo, Commissioner; Moore, Alternate;

Southeast Water Coalition Board - González, Director; Moore, Alternate;

Southern California Assn of Governments (SCAG) – Moore, Director; Trujillo, Alternate;

Washington Blvd. Coalition to the Gold Line Extension – Mayor Pro Tem Moore Director.

8. **ADJOURNMENT**

Mayor Rounds adjourned the meeting at 10:30 a.m.

Anita Jimenez, Deputy City Clerk

Date

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

JULY 10, 2012

1. CALL TO ORDER

Mayor Rounds called the meeting to order at 6:10 p.m.

2. ROLL CALL

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

Also present: Thaddeus McCormack, City Manager; Steve Skolnik, City Attorney; Wayne Morrell, Director of Planning; Noe Negrete, Director of Public Works; Dino Torres, Director of Police Services; Hilary Keith, Director of Library & Cultural Services; Jose Gomez, Assistant City Manager/Director of Finance; Alex Rodriguez, Fire Chief; Anita Jimenez, Deputy City Clerk

SUCCESSOR AGENCY

3. CLOSED SESSION

Mayor Rounds recessed the meeting at 6:11 p.m. for the Closed Session.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Villages Property Bounded by Telegraph Rd, Norwalk Blvd, Bloomfield Ave, and Clark St.

Agency Negotiators: City Manager, City Attorney, and Director of Planning

Negotiating Parties: Property Owner and Agency Negotiators

Under Negotiation: Price, Terms, and Payment

Mayor Rounds reconvened the meeting at 6:59.

There was no report of the Closed Session.

CITY COUNCIL

4. CITY MANAGER REPORT

The City Manager reported that a Community meeting regarding the Heritage Seismic Imaging Project would be held in the Chambers at 6:00 p.m. tomorrow.

PUBLIC HEARING

- 5. Resolution 9379 – Levy Annual Assessments for Lighting District No. 1 (2012-2013)**

Recommendation: That the City Council: 1) Conduct a Public Hearing and adopt Resolution No. 9379 confirming the diagram and assessment, and providing for annual assessment levy; and 2) Authorize the Director of Finance to execute all documents necessary with the County of Los Angeles in order to process the collection of assessments related to Lighting District No. 1 for FY 2012/2013.

Mayor Rounds opened the Public Hearing at 7:00 p.m. There being no one wishing to speak, Mayor Rounds closed the Public Hearing at 7:01 p.m. Mayor Pro Tem Moore moved the approval of item 5; Councilmember Trujillo seconded the motion which passed unanimously.

NEW BUSINESS

6. Valley View Grade Separation – Authorization to Issue a Notice to Proceed to the Burlington Northern Santa Fe Railway Company

Recommendation: That the City Council authorize the Director of Public Works to issue a Notice to Proceed to the Burlington Northern Santa Fe (BNSF) Railway Company authorizing BNSF to proceed with all railroad work needed to support the Valley View Avenue Grade Separation Project.

Councilmember González moved the approval of Item 6; Mayor Pro Tem Moore seconded the motion which passed unanimously.

7. Replacement of Heating and Air Conditioning Units at Various City Facilities – Final Progress Payment

Recommendation: That the City Council approve the Final Progress Payment (Less 5% Retention) to Precision Air Conditioning and Mechanical, Inc. in the amount of \$84,821.87 for the subject project.

Councilmember González moved the approval of Item 7; Councilmember Trujillo seconded the motion which passed unanimously.

8. Adoption of Resolution No. 9378 and Approval of Contract with the State Department of Education

Recommendation: That the City Council approve Resolution No. 9378 authorizing the renewal of Contract No. CSPP-2168 with the State Department of Education for Fiscal Year 2012/2013 for the purpose of providing child care and development services for preschool age children.

See Item 7.

9. Alcohol Sales Conditional Use Permit Case No. 51-1
Compliance review of Alcohol Sales Conditional Use Permit Case No. 51-1 to allow the continued operation and maintenance of an alcoholic beverage use involving the storage, wholesale and distribution of alcoholic beverages at 10155 Painter Avenue, located in the M-2-PD Heavy Manufacturing-Planned

Development, Zone located within the Consolidated Redevelopment Project Area.
(Hong Chang Corporation/Jay Sohn, Applicant)

Recommendation: That the City Council approve the continued operation and maintenance of Alcohol Sales Conditional Use Permit (ASCUP) Case No. 51-1 subject to another compliance review in three (3) years, to ensure the use is still operating in strict compliance with the respective conditions of approval.

See Item 7.

10. Alcohol Sales Conditional Use Permit Case No. 15-2

Compliance Review of Alcohol Sales Conditional Use Permit Case No. 15-2 to allow the continued sale of alcoholic beverages for off-site consumption at 11605 Carmenita Road in the C-4, Community Commercial, Zone. (Sebastian Zambrano & Hyung Bok Yoon)

Recommendation: That the City Council approve the continued operation and maintenance of Alcohol Sales Conditional Use Permit (ASCUP) Case No. 15-2 subject to another compliance review in five (5) years, to ensure the use is still operating in strict compliance with the respective conditions of approval.

See Item 7.

11. Alcohol Sales Conditional Use Permit Case No. 20-2 and Entertainment Conditional Use Permit Case No. 12-2

Compliance review of Alcohol Sales Conditional Use Permit Case No. 20-2 to allow the continued operation and maintenance of the serving of beer, wine, and distilled spirits for on-site consumption, and Entertainment Conditional Use Permit Case No. 12-2 involving live performances at 13416 Imperial Hwy in the M-2, Heavy Manufacturing Zone within the Consolidated Redevelopment Project Area. (Larry Amone Hongkham)

Recommendation: That the City Council approve the continued operation and maintenance of Alcohol Sales Conditional Use Permit (ASCUP) Case No. 20-2 and Entertainment Conditional Use Permit (ECUP) Case No. 12-2 subject to another compliance review in five (5) years, to ensure the use is still operating in strict compliance with the respective conditions of approval.

See Item 7.

12. INVOCATION

Mayor Pro Tem Moore gave the invocation.

13. PLEDGE OF ALLEGIANCE

Mayor Rounds led the Pledge of Allegiance.

INTRODUCTIONS

14. There were no members of the Youth Leadership Committee present.

15. Mayor Rounds introduced Chamber Representative Julia McConaghy of Presbyterian Intercommunity Hospital & Bright Health Physicians.

SPECIAL MEETING

Mayor Rounds called the Special Meeting to order at 7:03 p.m.

1. Consideration of Reducing Council Pay

Recommendation: Direct staff to reduce City Council pay to the level prior to the increase that went into effect in January 2012, and bring back an Ordinance at the next meeting to make such reduction permanent.

Mayor Rounds read the recommendation for the Special Meeting item. Councilmember Trujillo moved the approval of Special Meeting Item 1; Mayor Pro Tem Moore seconded the motion which carried by the following roll call vote:

Ayes:	Gonzalez, Trujillo, Moore, Rounds
Noes:	None
Absent:	Serrano
Abstain:	None

Mayor Rounds adjourned the Special Meeting at 7:05 p.m.

16. **ANNOUNCEMENTS**

Mayor Rounds called on Hilary Keith for community announcements.

PRESENTATIONS

17. Introduction of New Santa Fe Springs Policing Team Members
Captain Aviv Bar introduced the new members of the department:

David Elizarraras, Corporal; Brenda Rosche, Officer; Brent Anderson, Sergeant; James Nyberg, Officer; Angela Calzada, Officer; Jose Escobedo, Sergeant

Mayor Rounds welcomed all the members of the team.

18. 2012 Beautification Awards Program Recipients

Mayor Rounds called on Program Coordinator Jeannie Madrid who introduced the Beautification Committee Members. Winners were presented with plaques. Mayor Rounds thanked staff and the Committee Members and congratulated all the winners.

APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

19. Designation of Voting Delegate/Alternate for the League of California Cities Annual Conference – September 5-7, 2012, San Diego

Recommendation: That the City Council appoint a voting delegate or, alternatively, up to two alternate voting delegates for purposes of voting at the League of California Cities Annual Conference and Business Meeting.

Mayor Rounds appointed Mayor Pro Tem Richard Moore as the delegate and City Manager Thaddeus McCormack as the alternate.

20. Appointment of City Representatives to the Administrative Entity for the Southeast Water Coalition Joint Powers Authority

Recommendation: That the City Council appoint Frank Beach to serve as the primary representative to the SEWC Administrative Entity and Noe Negrete as the alternate representative for the City of Santa Fe Springs effective July 16, 2012.

Councilmember González moved the approval of Item 20; Councilmember Trujillo seconded the motion which carried unanimously.

21. Committee Appointments

Councilmember González appointed Dominique Velasco to the Sister City Committee. Mayor Rounds appointed Andrea Valencia to the Youth Leadership Committee.

22. ORAL COMMUNICATIONS

Mayor Rounds opened Oral Communications at 7:45 pm.

Former employee Andrew Purdy addressed the Council regarding his concerns about the recruitment process for a Facilities Specialist position for which he applied.

Mayor Rounds closed Oral Communications at 7:49 p.m.

23. EXECUTIVE TEAM REPORTS

Mayor Rounds commented about the inaccuracies that have been reported in various newspaper articles recently. He cautioned the audience to be vigilant in checking the facts for themselves. Councilmember González supported the Mayor's comments and stated that he had also been misquoted by the Whittier Daily News. He added that the City does many positive things that don't get reported. He claimed that it is a disservice to the City when inaccurate and incomplete information is reported. Residents deserve accurate information to make informed decisions in the democratic process. Mayor Pro Tem Moore stated that he had been quoted in the paper twice with no inaccuracies.

24. ADJOURNMENT

Mayor Rounds adjourned the meeting at 7:56 p.m.

William K. Rounds
Mayor

ATTEST:

Anita Jimenez, Deputy City Clerk

Date



ORDINANCE FOR INTRODUCTION

Ordinance No. 1033 – An Ordinance Dissolving the City of Santa Fe Springs Community Facilities District No. 2009-1 (Villages at Heritage Springs)

RECOMMENDATION

That the City Council pass the first reading of Ordinance No. 1033 dissolving the City of Santa Fe Springs Community Facilities District No. 2009-1 (Villages at Heritage Springs).

BACKGROUND

In October 2009, the City formally established Community Facilities District 2009-1 ("CFD No. 1"), authorizing the levy of a special tax (commonly known as "Mello-Roos" taxes) on parcels within the Villages at Heritage Springs Development. The purpose of the CFD was to provide for the future collection of funds from property owners that would then be used to repay initial infrastructure improvement costs borne by the developer and additional ongoing costs of the City.

Recently, however, the managing developer (Villages at Heritage Springs, LLC) approached the City requesting the elimination of the special taxes and that the CFD be dissolved. The developer has cited the taxes as, among other things, being an impediment to home sales and the timely build-out of the project, which only compounds their problems in what is already a difficult housing market.

BENEFITS TO DEVELOPER AND CITY

It is in the developer's interest to facilitate the sale of homes in as expeditious manner as possible. The "Great Recession" and resultant downturn in the housing market have been a challenge to the developer in meeting that objective, albeit a challenge that has been felt universally by all housing developments. However, the Mello-Roos tax is a factor that has put the Villages project at a comparative disadvantage with competing and surrounding housing developments. Removal of the special tax will lower a financial barrier for many home buyers, thus putting the Villages project on more even footing with other projects. In so much as the removal of the Mello-Roos will facilitate more sales sooner, the City will also benefit from a more fully occupied development. A more vibrant housing development stimulates outside commercial and retail interests in the community, which at times have been difficult to attract.



City of Santa Fe Springs

City Council Meeting

August 7, 2012

FINANCIAL CONSEQUENCES

While the dissolution of the CFD has an overall positive effect, it should be noted that it is not without negative financial consequences, both for the City and the developer. In its current form, the CFD provides the City with the ability to assess up to \$500,000 annually (fully realized amount, once all homes are sold) in public safety and maintenance costs. This amount was projected to fund anticipated additional costs to the City of supporting this new development, using now outdated assumptions relating to population and budgetary growth. These projections were made prior to the "Great Recession" and the resultant drastic cuts to the City's budget, as well as before the 2010 Census, which showed a reduction in the City's population. Accordingly, the added influx of residents brought about by the full build-out of the Villages will not result in the increases in staffing or demand for services that were projected when the CFD was created.

The developer is effectively agreeing to forfeit collecting \$3.8 million in infrastructure and City fees from property owners. Of this amount, \$732,262 represents City fees which they will pay the City within 90 days (with interest). Furthermore, the developer has agreed to pay all of the City's legal and administrative costs necessary to dissolve the CFD.

Thaddeus McCormack
City Manager

Attachment:
Ordinance No. 1033

ORDINANCE NO. 1033

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS DISSOLVING CITY OF SANTA FE SPRINGS COMMUNITY FACILITIES DISTRICT NO. 2009-1 (VILLAGES AT HERITAGE SPRINGS)

WHEREAS, on August 27, 2009, this City Council (the "City Council") of the City of Santa Fe Springs (the "City"), adopted its Resolution No. 9211 entitled "Resolution of Intention to Establish Community Facilities District," stating its intention to establish "City of Santa Fe Springs Community Facilities District No. 2009-1 (Villages at Heritage Springs)" (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, sections 53311, *et. seq.*, of the California Government Code (the "Act"), to finance the acquisition and construction of certain public facilities and to finance certain public services;

WHEREAS, also on August 27, 2009, the City Council adopted its Resolution No. 9212, entitled "Resolution of Intention to Incur Bonded Indebtedness" stating its intention to incur bonded indebtedness upon the security of the special tax to be levied within the CFD pursuant to the Act;

WHEREAS, notice was published as required by the Act relative to the intention of the City Council to form the CFD, to provide for certain facilities and services and to incur bonded indebtedness for the CFD;

WHEREAS, the City Council held noticed public hearings as required by the Act relative to (i) the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to finance the costs of the facilities and the services and (ii) the issuance of bonded indebtedness for the CFD;

WHEREAS, at the hearing, all persons desiring to be heard on all matters pertaining to the formation of the CFD, the levy of special taxes in the CFD and issuance of bonded indebtedness were heard, substantial evidence was presented and considered by the City Council and a full and fair hearing was held;

WHEREAS, subsequent to the hearing, on October 8, 2009, this City Council adopted its Resolution No. 9217, entitled "Resolution of Formation of Community Facilities District", its Resolution No. 9218, entitled "Resolution Determining the Necessity to Incur Bonded Indebtedness" and its Resolution No. 9219, entitled "Resolution Calling Special Election", which resolutions adopted a definition of the facilities and services to be financed by the CFD, established the CFD, authorized the levy of a special tax with the CFD, determined the necessity to incur bonded indebtedness in the CFD and called an election within the CFD on the propositions of incurring indebtedness, levying a special tax, and establishing an appropriations limit within the CFD;

WHEREAS, on October 8, 2009, a special election was held within the CFD at which the eligible landowner-electors approved such propositions by the two-thirds vote required by the Act, and the City adopted its Resolution No. 9220, entitled "Resolution Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien;"

WHEREAS, on October 19, 2009, a Notice of Special Tax Lien was recorded in the office of the Los Angeles County Recorder as Document No. 20091579841 to give notice of the lien securing the obligation to pay special taxes to owners of all non-exempt property in the CFD;

WHEREAS, on October 22, 2009, this City Council adopted its Ordinance No. 1004 (the "Special Tax Ordinance") entitled "An Ordinance of the City Council of the City of Santa Fe Springs Levying Special Taxes Within City of Santa Fe Springs Community Facilities District No. 2009-1 (Villages at Heritage Springs)," pursuant to which the City Council authorized and levied special taxes within the CFD;

WHEREAS, a developer of property in the CFD, Villages at Heritage Springs, LLC, a California limited liability company, has asked the City to dissolve the CFD and has agreed to pay to the City, within 90 days of the introduction of this Ordinance, all fees owed to the City under the Disposition and Development Agreement related to the property in the CFD (in the amount of \$732,262, plus interest) and the City's costs of dissolving the CFD; and

WHEREAS, Section 53338.5 of the Act authorizes the City Council, by ordinance, to dissolve the CFD upon determining that (a) the CFD is not obligated to pay any outstanding debt and (b) the CFD has no authorization to levy any special tax; and

WHEREAS, the City Council wishes to dissolve the City pursuant to the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, as follows:

Section 1. The City Council hereby finds that the recitations of facts set forth in the preceding clauses are true and correct. The City Council further finds that the CFD is not obligated to pay any indebtedness and that, because the City has agreed with the developer of property in the CFD that the City will not levy special taxes in the CFD to finance either the authorized facilities or the authorized services, the CFD has no authorization to levy any special tax.

Section 2. By the passage of this Ordinance, the City Council hereby dissolves the CFD. Beginning in fiscal year 2012-13, the City will have no authority to levy special taxes in the CFD.

Section 3. The City Manager or his designee is hereby directed to cause the City Clerk to record an addendum to the Notice of Special Tax Lien in the office of the Los Angeles County Recorder stating that the CFD and all associated liens, if any, have been dissolved.

Section 4. The City Manager or his designee is hereby directed to establish a procedure for returning to property owners special tax revenues on hand with the City.

Section 5. This Ordinance shall take effect 30 days from the date of final passage.

* * * * *

The foregoing Ordinance was adopted this 7th day of August, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

William K. Rounds, Mayor

ATTEST:

Deputy City Clerk



City of Santa Fe Springs

City Council

August 7, 2012

NEW BUSINESS

Approve Changes to the Water Features for the El Greco Development on Burke Street

RECOMMENDATION

That the City Council approve the changes to the water features surrounding the artwork by Alex Shagin for the El Greco development at 11650 Burke Street.

BACKGROUND

The property owner at 11650 Burke Street committed to an art plan that surpassed the required art fee (\$49,000) by \$56,000. In finalizing plans, the estimate for the water feature nearly doubled. It was suggested, and agreed upon by the artist, to delete the fountains and use "blue glass" (a landscape material often used in place of water) at the base of the two tallest columns. Neither the surrounding landscaping/lighting nor the art columns have changed from the original plan. A \$50K bond was secured which will insure that the art fee is paid. The overall appearance will not be compromised by this change and the reduced maintenance costs and potential safety issues are additional reasons to move in this direction. The property owner, Larry Patsouras, estimates the new cost of this artwork project to be \$56,000.


Fabrication and installation are expected to take approximately nine months.

FISCAL IMPACT

The property owner will purchase the artwork. The cost of the plaque and dedication will come out of the Heritage Artwork in Public Places Fund.

INFRASTRUCTURE IMPACT

The artwork will be maintained by the property owner.


Thaddeus McCormack
City Manager



NEW BUSINESS

Appropriation of Funds from the City's Art in Public Places Fund and Authorization to Distribute Monies as Recommended by the Heritage Arts Advisory Committee to Fund the City's Art Education Grant Program

RECOMMENDATION

That the City Council approve the appropriation of funds from the City's Art in Public Places Fund, Activity 6350-6100, and authorize the distribution of monies as recommended by the Heritage Arts Advisory Committee to fund the City's Art Education Grant Program.

BACKGROUND

Since 1991, the Heritage Arts in Public Places Program has funded art education programs for young people in the City. At their July 31, 2012 meeting, the Heritage Arts in Public Places Committee reviewed applications from schools and community groups. The Committee is recommending the funding of the following grants totaling \$40,175.

<u>Cresson Elementary</u>	\$2,940.00
• Art Masters program	
<u>Jersey Elementary</u>	\$3,366.00
• Meet the Masters	
• Journeys to the Past	
<u>Rancho Santa Gertrudes Elementary</u>	
• Mural Education Project	\$4,290.00
<u>St. Paul High School</u>	\$4,814.00
• Specialized/Advanced Art Materials	
• Band Music	
• Concert Music	
• Theater Production	
• Field Trips to Huntington Library & LACMA	
<u>St. Pius X School</u>	\$3,896.00
• Year-Long Art Education Program	



City of Santa Fe Springs

City Council

August 7, 2012

Santa Fe High School

\$3,104.00

- Pop Art from the 1950's
- Americana art

Santa Fe Springs Christian

\$5,342.00

- Holiday Art for Kindergarteners
- Art Masters
- Fairy Tales Theater Production
- Walk Through Ancient Worlds Quilt
- Interactive Tour of Bowers Museum
- Pioneer Day Art Project
- Sculpting and Snow Globes
- Walk Through California Theater Production

Whittier Union High School District

\$3,520.00

- Field Trips to local museums, Choral Competition, And L.A. Fashion District

Rio Hondo Symphony

\$7,903.00

- Children's Concert
- RHSA Music Enrichment Program

City Sponsored Programs

\$1,000.00

- SFS Community Playhouse

FISCAL IMPACT

There are sufficient funds available in the Public Art Fund which has been established through developers' fees. No general fund monies are used to provide these grants.



Thaddeus McCormack
City Manager



City of Santa Fe Springs

City Council Meeting

August 7, 2012

NEW BUSINESS

Resolution No. 9386 - Valley View Avenue Grade Separation Project. Approval of Master Agreement No. 00379S and Program Supplement Agreement No. J23

RECOMMENDATION

That the City Council take the following actions:

1. Adopt Resolution No. 9386 approving Master Administering Agency-State Agreement No. 00379S and Program Supplement Agreement No. J23 for the Valley View Avenue Grade Separation Project; and
2. Authorize the Director of Public Works to execute both agreements.

BACKGROUND

The funding plan for the Valley View Avenue Grade Separation Project includes \$25,570,000 in State funds from the Trade Corridor Improvement Fund (TCIF) which are to be used to cover project related expenses. In accordance with State law, the State Department of Transportation (Caltrans) is responsible for administering the distribution of these State funds.

Master Agreement

State funds are allocated pursuant to an agreement entitled "Master Agreement Administering Agency/State Agreement for State-Funded Projects". The State has provided Master Agreement No. 00379S (Attachment 1) that needs to be executed by the City to facilitate the use of State TCIF funds that have been allocated to the Valley View Avenue Grade Separation Project.

Program Supplement

Additionally, a project specific document entitled "Program Supplement" must be executed in order to define the specific funding source and amount applicable to the project being done by the local agency. Attachment 2 is "Program Supplement No. J23" which has been developed by the State to address the manner in which State TCIF funds committed to the Valley View Avenue Grade Separation Project are to be allocated and spent. The Program Supplement must be executed before any State TCIF funds can be released. Attachment 3 is Resolution No. 9386 which needs to be adopted to document the City's approval of the Program Supplement.

FISCAL IMPACT

Execution of these agreements will ensure that all State TCIF funds committed to this project remain obligated by the State. State funds allocated to the City for this project are provided on a reimbursement basis as costs are incurred. Local funds are needed only to cover initial payments.

Report Submitted By:

Noe Negrete, Director
Department of Public Works

Date of Report: August 1, 2012

INFRASTRUCTURE IMPACT

Execution of the agreements will not have any direct impact on City infrastructure.



Thaddeus McCormack
City Manager

Attachment(s):

1. Master Agreement for Federal-Aid Projects No. 00379S
2. Program Supplement J23
3. Resolution No. 9386

RESOLUTION NO. 9386

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS APPROVING AND AUTHORIZING THE EXECUTION OF MASTER ADMINISTERING AGENCY-STATE AGREEMENT NO. 00379S FOR STATE FUNDED PROJECTS AND PROGRAM SUPPLEMENT NO. J23 FOR THE VALLEY VIEW AVENUE GRADE SEPARATION PROJECT

WHEREAS, the City of Santa Fe Springs is the lead agency for construction of the Valley View Avenue Grade Separation Project (Project) which will eliminate an existing at grade BNSF crossing on Valley View Avenue (PUC Crossing No. 2-152.29); and

WHEREAS, state transportation funds have been committed to assist with the construction of the Valley View Avenue Grade Separation Project; and

WHEREAS, the State of California, Department of Transportation (State) is responsible for the distribution of said state transportation funds; and

WHEREAS, funds are distributed by the State pursuant to an agreement entitled "Master Administering Agency-State Agreement for State Funded Projects (Master Agreement)"; and

WHEREAS, the State has provided Master Agreement No. 00379S to address the State policies that are applicable to the Project and has requested that City execute the Master Agreement; and

WHEREAS, State has prepared Program Supplement No. J23 to address how state funds committed to the Valley View Avenue Grade Separation Project are to be accounted for and expended by the City of Santa Fe Springs.

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

Section 1: The City of Santa Fe Springs hereby agrees to comply with the terms and conditions set forth in the Master Administering Agency-State Agreement for State-Funded Projects; and

Section 1: The City of Santa Fe Springs hereby agrees to comply with the terms and conditions set forth in the Program Supplement for the Valley View Avenue Grade Separation Project; and

Section 2: The Director of Public Works is hereby authorized to execute the following agreements on behalf of the City of Santa Fe Springs:

- A. Master Administering Agency-State Agreement for State-Funded Projects No. 00379S; and
- B. Program Supplement No. J23 for the Valley View Avenue Grade Separation Project; and
- C. Any other Program Supplement Agreements, or revisions thereto, that may be needed in the future to secure the distribution of other state funding allocated to the Valley View Grade Separation Project.

Section 3: The Deputy City Clerk shall certify to the adoption of this Resolution.

APPROVED and ADOPTED this 7th day of August 2012.

By: _____
MAYOR

ATTEST:

DEPUTY CITY CLERK

MASTER AGREEMENT
ADMINISTERING AGENCY-STATE AGREEMENT FOR
STATE-FUNDED PROJECTS

07 City of Santa Fe Springs

District Administering Agency

Agreement No. 00379S

This AGREEMENT, is entered into effective this 20th day of January, 2012, by and between the City of Santa Fe Springs, hereinafter referred to as "ADMINISTERING AGENCY," and the State of California, acting by and through its Department of Transportation (Caltrans), hereinafter referred to as "STATE", and together referred to as "PARTIES" or individually as a "PARTY."

RECITALS:

1. WHEREAS, the Legislature of the State of California has enacted legislation by which certain State funds are made available for use on local transportation related projects of public entities qualified to act as recipients of these state funds; and
2. WHEREAS, ADMINISTERING AGENCY has applied to the California Transportation Commission (CTC) and/or STATE for funding from either the State Transportation Improvement Program (STIP), or other State-funded programs (herein referred to as STATE FUNDS), as defined in the Local Assistance Program Guidelines (LAPG), for use on local authorized transportation related projects as a local administered project(s), hereinafter referred to as "PROJECT"; and
3. WHEREAS, said PROJECT will not receive any federal funds; and
4. WHEREAS, before STATE FUNDS will be made available for PROJECT, ADMINISTERING AGENCY and STATE are required to enter into an agreement to establish terms and conditions applicable to the ADMINISTERING AGENCY when receiving STATE FUNDS for a designated PROJECT facility and to the subsequent operation and maintenance of that completed facility.

NOW, THEREFORE, the PARTIES agree as follows:

ARTICLE I - PROJECT ADMINISTRATION

1. This AGREEMENT shall have no force or effect with respect to any program project unless and until a project-specific Program Supplement to this AGREEMENT for state funded projects, hereinafter referred to as "PROGRAM SUPPLEMENT", has been fully executed by both STATE and ADMINISTERING AGENCY.

2. The State approved project-specific allocation letter designate the party responsible for implementing PROJECT, type of work and location of PROJECT.

3. The PROGRAM SUPPLEMENT sets out special covenants as a condition for the ADMINISTERING AGENCY to receive STATE FUNDS from/through STATE for designated PROJECT. The PROGRAM SUPPLEMENT shall also show these STATE FUNDS that have been initially encumbered for PROJECT along with the matching funds to be provided by ADMINISTERING AGENCY and/or others. Execution of PROGRAM SUPPLEMENT by the PARTIES shall cause ADMINISTERING AGENCY to adopt all of the terms of this AGREEMENT as though fully set forth therein in the PROGRAM SUPPLEMENT. Unless otherwise expressly delegated in a resolution by the governing body of ADMINISTERING AGENCY, and with written concurrence by STATE, the PROGRAM SUPPLEMENT shall be approved and managed by the governing body of ADMINISTERING AGENCY.

4. ADMINISTERING AGENCY agrees to execute and return each project-specific PROGRAM SUPPLEMENT within ninety (90) days of receipt. The PARTIES agree that STATE may suspend future allocations, encumbrances and invoice payments for any on-going or future STATE FUNDED PROJECT performed by ADMINISTERING AGENCY if any project-specific PROGRAM SUPPLEMENT is not returned within that ninety (90) day period unless otherwise agreed by STATE in writing.

5. ADMINISTERING AGENCY further agrees, as a condition to the release and payment of STATE FUNDS encumbered for the PROJECT described in each PROGRAM SUPPLEMENT, to comply with the terms and conditions of this AGREEMENT and all of the agreed-upon Special Covenants or Remarks incorporated within the PROGRAM SUPPLEMENT, and Cooperative/Contribution Agreement where appropriate; defining and identifying the nature of the specific PROJECT.

6. STATE FUNDS will not participate in any portion of PROJECT work performed in advance of the effective date of the executed PROGRAM SUPPLEMENT for said PROJECT.

7. Projects allocated with STATE FUNDS from the STIP will be administered in accordance with the current CTC STIP Guidelines, as adopted or amended and in accordance with Chapter 23 of the Local Assistance Program Guidelines (LAPG) published by STATE.

8. Projects allocated with STATE FUNDS not programmed in the STIP will be administered in accordance with the applicable chapter of the LAPG and/or any other instructions published by STATE.

9. ADMINISTERING AGENCY's eligible costs for preliminary engineering work includes all preliminary work directly related to PROJECT up to contract award for construction, including, but not limited to, environmental studies and permits (E&P), preliminary surveys and reports, laboratory work, soil investigations, the preparation of plans, specifications and estimates (PS&E),

advertising for bids, awarding of a contract and project development contract administration.

10. ADMINISTERING AGENCY's eligible costs for construction engineering includes actual inspection and supervision of PROJECT construction work; construction staking; laboratory and field testing; and the preparation and processing of field reports, records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities.

11. Unless the PARTIES agree otherwise in writing, ADMINISTERING AGENCY's employees or its sub-contractor engineering consultant shall be responsible for all PROJECT engineering work.

12. ADMINISTERING AGENCY shall not proceed with final design of PROJECT until final environmental approval of PROJECT. Final design entails the design work necessary to complete the PS&E and other work necessary for a construction contract but not required earlier for environmental clearance of that PROJECT.

13. If PROJECT is not on STATE-owned right-of-way, PROJECT shall be constructed in accordance with Chapter 11 of the Local Assistance Procedures Manual (LAPM) that describes minimum statewide design standards for local agency streets and roads. The design standards for projects off the National Highway System (NHS) allow STATE to accept either the STATE's minimum statewide design standards or the approved geometric design standards of ADMINISTERING AGENCY. Additionally, for projects off the NHS, STATE will accept ADMINISTERING AGENCY-approved standard specifications, standard plans, materials sampling and testing quality assurance programs that meet the conditions described in the then current Local Assistance Procedures Manual.

14. If PROJECT involves work within or partially within STATE-owned right-of-way, that PROJECT shall also be subject to compliance with the policies, procedures and standards of the STATE Project Development Procedures Manual and Highway Design Manual and where appropriate, an executed cooperative agreement between STATE and ADMINISTERING AGENCY that outlines the PROJECT responsibilities and respective obligations of the PARTIES. ADMINISTERING AGENCY and its' contractors shall each obtain an encroachment permit through STATE prior to commencing any work within STATE rights of way or work which affects STATE facilities.

15. When PROJECT is not on the State Highway System (SHS) but includes work to be performed by a railroad, the contract for such work shall be prepared by ADMINISTERING AGENCY or by STATE, as the PARTIES may hereafter agree. In either event, ADMINISTERING AGENCY shall enter into an agreement with the railroad providing for future maintenance of protective devices or other facilities installed under the contract.

16. The Department of General Services, Division of the State Architect, or its designee, shall review the contract PS&E for the construction of buildings, structures, sidewalks, curbs and related facilities for accessibility and usability. ADMINISTERING AGENCY shall not award a PROJECT construction contract for these types of improvements until the State Architect has issued written approval stating that the PROJECT plans and specifications comply with the provisions of sections 4450 and 4454 of the California Government Code, if applicable. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

17. ADMINISTERING AGENCY shall provide or arrange for adequate supervision and inspection of each PROJECT. While consultants may perform supervision and inspection work for PROJECT with a fully qualified and licensed engineer, ADMINISTERING AGENCY shall provide a

full-time employee to be in responsible charge of each PROJECT.

18. Unless otherwise provided in the PROGRAM SUPPLEMENT, ADMINISTERING AGENCY shall advertise, award, and administer the PROJECT construction contract or contracts.

19. The cost of maintenance, security, or protection performed by ADMINISTERING AGENCY or contractor forces during any temporary suspension of PROJECT or at any other time may not be charged to the PROJECT.

20. ADMINISTERING AGENCY shall submit PROJECT-specific award information, using Exhibit 23-A of the LAPG, to STATE's District Local Assistance Engineer, within sixty (60) days after contract award. A copy of Exhibit 23-A shall also be included with the submittal of the first invoice for a construction contract by ADMINISTERING AGENCY to: Department of Transportation, Division of Accounting Local Programs Accounting Branch, MS #33, PO Box 942874, Sacramento, California 94274-0001.

21. ADMINISTERING AGENCY shall submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure by ADMINISTERING AGENCY to submit a "Report of Expenditures" within 180 days of project completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance Chapters 17 and 19 of the Local Assistance Procedures Manual.

22. ADMINISTERING AGENCY shall comply with the Americans with Disabilities Act (ADA) of 1990 that prohibits discrimination on the basis of disability and all applicable regulations and guidelines issued pursuant to the ADA.

23. The Governor and the Legislature of the State of California, each within their respective jurisdictions, have prescribed certain nondiscrimination requirements with respect to contract and other work financed with public funds. ADMINISTERING AGENCY agrees to comply with the requirements of the FAIR EMPLOYMENT PRACTICES ADDENDUM, attached hereto as Exhibit A and further agrees that any agreement entered into by ADMINISTERING AGENCY with a third party for performance of work connected with PROJECT shall incorporate Exhibit A (with third party's name replacing ADMINISTERING AGENCY) as parts of such agreement.

24. ADMINISTERING AGENCY shall include in all subcontracts awarded when applicable, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code sections 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective at the date of contract award by the ADMINISTERING AGENCY.

ARTICLE II - RIGHTS OF WAY

1. No contract for the construction of a STATE FUNDED PROJECT shall be awarded until all necessary rights of way have been secured. Prior to the advertising for construction of PROJECT, ADMINISTERING AGENCY shall certify and, upon request, shall furnish STATE with evidence that all necessary rights-of-way are available for construction purposes or will be available by the time of award of the construction contract.

2. The furnishing of rights of way by ADMINISTERING AGENCY as provided for herein includes, and is limited to, the following, unless the PROGRAM SUPPLEMENT provides otherwise.

(a) Expenditures to purchase all real property required for PROJECT free and clear of liens, conflicting easements, obstructions and encumbrances, after crediting PROJECT with the fair market value of any excess property retained and not disposed of by ADMINISTERING AGENCY.

(b) The cost of furnishing of right-of-way as provided for herein includes, in addition to real property required for the PROJECT, title free and clear of obstructions and encumbrances affecting PROJECT and the payment, as required by applicable law, of damages to owners of remainder real property not actually taken but injuriously affected by PROJECT.

(c) The cost of relocation payments and services provided to owners and occupants pursuant to Government Code sections 7260-7277 when PROJECT displaces an individual, family, business, farm operation or nonprofit organization.

(d) The cost of demolition and/or the sale of all improvements on the right-of-way after credit is recorded for sale proceeds used to offset PROJECT costs.

(e) The cost of all unavoidable utility relocation, protection or removal.

(f) The cost of all necessary hazardous material and hazardous waste treatment, encapsulation or removal and protective storage for which ADMINISTERING AGENCY accepts responsibility and where the actual generator cannot be identified and recovery made.

3. ADMINISTERING AGENCY agrees to indemnify and hold STATE harmless from any liability that may result in the event the right-of-way for a PROJECT, including, but not limited to, being clear as certified or if said right-of-way is found to contain hazardous materials requiring treatment or removal to remediate in accordance with Federal and State laws. ADMINISTERING AGENCY shall pay, from its own non-matching funds, any costs which arise out of delays to the construction of PROJECT because utility facilities have not been timely removed or relocated, or because rights-of-way were not available to ADMINISTERING AGENCY for the orderly prosecution of PROJECT work.

ARTICLE III - MAINTENANCE AND MANAGEMENT

1. ADMINISTERING AGENCY will maintain and operate the property acquired, developed, constructed, rehabilitated, or restored by PROJECT for its intended public use until such time as the parties might amend this AGREEMENT to otherwise provide. With the approval of STATE, ADMINISTERING AGENCY or its successors in interest in the PROJECT property may transfer this obligation and responsibility to maintain and operate PROJECT property for that intended public purpose to another public entity.

2. Upon ADMINISTERING AGENCY's acceptance of the completed construction contract or upon contractor being relieved of the responsibility for maintaining and protecting PROJECT, ADMINISTERING AGENCY will be responsible for the maintenance, ownership, liability, and the expense thereof, for PROJECT in a manner satisfactory to the authorized representatives of STATE and if PROJECT falls within the jurisdictional limits of another Agency or Agencies, it is the duty of ADMINISTERING AGENCY to facilitate a separate maintenance agreement(s) between itself and the other jurisdictional Agency or Agencies providing for the operation, maintenance, ownership and liability of PROJECT. Until those agreements are executed, ADMINISTERING AGENCY will be responsible for all PROJECT operations, maintenance, ownership and liability in a manner satisfactory to the authorized representatives of STATE. If, within ninety (90) days after receipt of notice from STATE that a PROJECT, or any portion thereof, is not being properly operated and maintained and ADMINISTERING AGENCY has not satisfactorily remedied the conditions complained of, the approval of future STATE FUNDED PROJECTS of ADMINISTERING AGENCY will be withheld until the PROJECT shall have been put in a condition of operation and maintenance satisfactory to STATE. The provisions of this section shall not apply to a PROJECT that has been vacated through due process of law with STATE's concurrence.

3. PROJECT and its facilities shall be maintained by an adequate and well-trained staff of engineers and/or such other professionals and technicians as PROJECT reasonably requires. Said operations and maintenance staff may be employees of ADMINISTERING AGENCY, another unit of government, or a contractor under agreement with ADMINISTERING AGENCY. All maintenance will be performed at regular intervals or as required for efficient operation of the complete PROJECT improvements.

ARTICLE IV - FISCAL PROVISIONS

1. All contractual obligations of STATE are subject to the appropriation of resources by the Legislature and the allocation of resources by the CTC.
2. STATE'S financial commitment of STATE FUNDS will occur only upon the execution of this AGREEMENT, the execution of each project-specific PROGRAM SUPPLEMENT and/or STATE's approved finance letter.
3. ADMINISTERING AGENCY may submit signed duplicate invoices in arrears for reimbursement of allowable PROJECT costs on a monthly or quarterly progress basis once the project-specific PROGRAM SUPPLEMENT has been executed by STATE.
4. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the STATE FUNDS are encumbered on either the project-specific PROGRAM SUPPLEMENT or through a project-specific finance letter approved by STATE. STATE reserves the right to suspend future allocations and invoice payments for any on-going or future STATE FUNDED project performed by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period
5. Invoices shall be submitted on ADMINISTERING AGENCY letterhead that includes the address of ADMINISTERING AGENCY and shall be formatted in accordance with Chapter 5 of the LAPM.
6. Invoices must have at least one copy of supporting backup documentation for allowable costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.
7. Payments to ADMINISTERING AGENCY can only be released by STATE as reimbursements of actual allowable PROJECT costs already incurred and paid for by ADMINISTERING AGENCY.
8. An indirect cost allocation plan and related documentation are to be provided to STATE (Caltrans Audits & Investigations) annually for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect cost incurred within each fiscal year being claimed for reimbursement. The indirect cost allocation plan must be prepared in accordance with the requirements set forth in Office of Management and Budget Circular A-87 and Chapter 4 of the Local Assistance Procedures Manual.
9. STATE will withhold the greater of either two (2) percent of the total of all STATE FUNDS encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.
10. The estimated total cost of PROJECT, the amount of STATE FUNDS obligated, and the required matching funds may be adjusted by mutual consent of the PARTIES with an allocation letter and finance letter. STATE FUNDING may be increased to cover PROJECT cost increases only if such additional funds are available and the CTC and/or STATE concurs with that increase in the form of an allocation and finance letter.

11. When such additional STATE FUNDS are not available, ADMINISTERING AGENCY agrees that any increases in PROJECT costs must be defrayed with ADMINISTERING AGENCY's own funds.

12. ADMINISTERING AGENCY shall use its own non STATE FUNDS to finance the local share of eligible costs and all PROJECT expenditures or contract items ruled ineligible for financing with STATE FUNDS. STATE shall make the final determination of ADMINISTERING AGENCY's cost eligibility for STATE FUNDED financing with respect to claimed PROJECT costs.

13. ADMINISTERING AGENCY will reimburse STATE for STATE's share of costs for work performed by STATE at the request of ADMINISTERING AGENCY. STATE's costs shall include overhead assessments in accordance with section 8755.1 of the State Administrative Manual.

14. STATE FUNDS allocated from the STIP are subject to the timely use of funds provisions enacted by Senate Bill 45, approved in 1997, and subsequent STIP Guidelines and State procedures approved by the CTC and STATE.

15. STATE FUNDS encumbered for PROJECT are available for liquidation only for five (5) years from the beginning of the State fiscal year when those funds were appropriated in the State Budget. STATE FUNDS not liquidated within these periods will be reverted unless a Cooperative Work Agreement (CWA) is submitted by ADMINISTERING AGENCY and approved by the California Department of Finance in accordance with Government Code section 16304. The exact date of fund reversion will be reflected in the STATE signed PROJECT finance letter.

16. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid to rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand.

17. ADMINISTERING AGENCY agrees to comply with Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

18. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items and (b) those parties shall comply with federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PROJECT funds as a contractor or sub-contractor under this AGREEMENT shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. ADMINISTERING AGENCY agrees to comply with the provisions set

forth in 23 CFR Parts 140, 645 and 646 when contracting with railroad and utility companies.

19. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under OMB Circular A-87, 48 CFR, Chapter 1, Part 31, 23 CFR Parts 140, 645 and 646 or 49 CFR, Part 18, are subject to repayment by ADMINISTERING AGENCY to STATE.

20. Upon written demand by STATE, any overpayment to ADMINISTERING AGENCY of amounts invoiced to STATE shall be returned to STATE.

21. Should ADMINISTERING AGENCY fail to refund any moneys due STATE as provided herein or should ADMINISTERING AGENCY breach this AGREEMENT by failing to complete PROJECT without adequate justification and approval by STATE, then, within thirty (30) days of demand, or within such other period as may be agreed to in writing between the PARTIES hereto, STATE, acting through the State Controller, the State Treasurer, the CTC or any other public entity or agency, may intercept, withhold and demand the transfer of an amount equal to the amount paid by or owed to STATE for each PROJECT, from future apportionments, or any other funds due ADMINISTERING AGENCY from the Highway Users Tax Fund or any other sources of funds, and/or may also withhold approval of future STATE FUNDED projects proposed by ADMINISTERING AGENCY.

22. Should ADMINISTERING AGENCY be declared to be in breach of this AGREEMENT or otherwise in default thereof by STATE, and if ADMINISTERING AGENCY is constituted as a joint powers authority, special district, or any other public entity not directly receiving funds through the State Controller, STATE is authorized to obtain reimbursement from whatever sources of funding are available, including the withholding or transfer of funds, pursuant to Article IV - 21, from those constituent entities comprising a joint powers authority or by bringing of an action against ADMINISTERING AGENCY or its constituent member entities, to recover all funds provided by STATE hereunder.

23. ADMINISTERING AGENCY acknowledges that the signatory party represents the ADMINISTERING AGENCY and further warrants that there is nothing within a Joint Powers Agreement, by which ADMINISTERING AGENCY was created, if any exists, that would restrict or otherwise limit STATE's ability to recover STATE FUNDS improperly spent by ADMINISTERING AGENCY in contravention of the terms of this AGREEMENT.

ARTICLE V

AUDITS, THIRD PARTY CONTRACTING, RECORDS RETENTION AND REPORTS

1. STATE reserves the right to conduct technical and financial audits of PROJECT work and records when determined to be necessary or appropriate and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by paragraph three (3) of Article V.

2. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred PROJECT costs and matching funds by line item for the PROJECT. The accounting system of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices sent to or paid by STATE.

3. For the purpose of determining compliance with Title 21, California Code of Regulations, Chapter 21, section 2500 et seq., when applicable, and other matters connected with the performance and costs of ADMINISTERING AGENCY's contracts with third parties pursuant to Government Code section 8546.7, ADMINISTERING AGENCY, ADMINISTERING AGENCY's contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above-referenced parties shall make such AGREEMENT and PROGRAM SUPPLEMENT materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of final payment to ADMINISTERING AGENCY under any PROGRAM SUPPLEMENT. STATE, the California State Auditor, or any duly authorized representative of STATE or the United States, shall each have access to any books, records, and documents that are pertinent to a PROJECT for audits, examinations, excerpts, and transactions and ADMINISTERING AGENCY shall furnish copies thereof if requested.

4. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of OMB Circular A-133 if it receives a total of \$500,000 or more in STATE FUNDS in a single fiscal year. The STATE FUNDS received under PROGRAM SUPPLEMENT are a part of the Catalogue of Federal Domestic Assistance (CFDA) 20.205, Highway Planning and Research.

5. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY'S annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with OMB Circular A-133.

6. ADMINISTERING AGENCY shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. All contracts awarded by ADMINISTERING AGENCY intended or used as local match credit must meet the requirements set forth in this AGREEMENT regarding local match funds.

7. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain all of the provisions of Article IV, FISCAL PROVISIONS, and this ARTICLE V, AUDITS, THIRD-PARTY CONTRACTING, RECORDS RETENTION AND REPORTS and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.

8. To be eligible for local match credit, ADMINISTERING AGENCY must ensure that local match funds used for a PROJECT meet the fiscal provisions requirements outlined in ARTICLE IV in the same manner that is required of all other PROJECT expenditures.

9. In addition to the above, the pre-award requirements of third-party contractor/consultants with ADMINISTERING AGENCY should be consistent with LOCAL ASSISTANCE PROCEDURES.

ARTICLE VI - MISCELLANEOUS PROVISIONS

1. ADMINISTERING AGENCY agrees to use all PROJECT funds reimbursed hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution and other California laws.
2. ADMINISTERING AGENCY shall conform to all applicable State and Federal statutes and regulations, and the Local Assistance Program Guidelines and Local Assistance Procedures Manual as published by STATE and incorporated herein, including all subsequent approved revisions thereto applicable to PROJECT unless otherwise designated in the project-specific executed PROJECT SUPPLEMENT.
3. This AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the State Legislature or adopted by the CTC that may affect the provisions, terms, or funding of this AGREEMENT in any manner.
4. ADMINISTERING AGENCY and the officers and employees of ADMINISTERING AGENCY, when engaged in the performance of this AGREEMENT, shall act in an independent capacity and not as officers, employees or agents of STATE.
5. Each project-specific PROGRAM SUPPLEMENT shall separately establish the terms and funding limits for each described PROJECT funded under this AGREEMENT and that PROGRAM SUPPLEMENT. No STATE FUNDS are obligated against this AGREEMENT.
6. ADMINISTERING AGENCY certifies that neither ADMINISTERING AGENCY nor its principals are suspended or debarred at the time of the execution of this AGREEMENT, and ADMINISTERING AGENCY agrees that it will notify STATE immediately in the event a suspension or a debarment occurs after the execution of this AGREEMENT.
7. ADMINISTERING AGENCY warrants, by execution of this AGREEMENT, that no person or selling agency has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by ADMINISTERING AGENCY for the purpose of securing business. For breach or violation of this warranty, STATE has the right to annul this AGREEMENT without liability, pay only for the value of the PROJECT work actually performed, or in STATE's discretion, to deduct from the price of PROGRAM SUPPLEMENT consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.
8. In accordance with Public Contract Code section 10296, ADMINISTERING AGENCY hereby certifies under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against ADMINISTERING AGENCY within the immediate preceding two (2) year period because of ADMINISTERING AGENCY's failure to comply with an order of a federal court that orders ADMINISTERING AGENCY to comply with an order of the National Labor Relations Board.
9. ADMINISTERING AGENCY shall disclose any financial, business, or other relationship with STATE that may have an impact upon the outcome of this AGREEMENT or any individual PROJECT encompassed within a PROGRAM SUPPLEMENT. ADMINISTERING AGENCY shall also list current contractors who may have a financial interest in the outcome of a PROJECT undertaken pursuant to this AGREEMENT.

10. ADMINISTERING AGENCY hereby certifies that it does not now have nor shall it acquire any financial or business interest that would conflict with the performance of any PROJECT initiated under this AGREEMENT.

11. ADMINISTERING AGENCY warrants that this AGREEMENT was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any STATE employee. For breach or violation of this warranty, STATE shall have the right, in its sole discretion, to terminate this AGREEMENT without liability, to pay only for PROJECT work actually performed, or to deduct from a PROGRAM SUPPLEMENT price or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. Any dispute concerning a question of fact arising under this AGREEMENT that is not disposed of by agreement shall be decided by the STATE's Contract Officer, who may consider any written or verbal evidence submitted by ADMINISTERING AGENCY. The decision of the Contract Officer, issued in writing, shall be conclusive and binding on the PARTIES on all questions of fact considered and determined by the Contract Officer.

13. Neither the pending of a dispute nor its consideration by the Contract Officer will excuse the ADMINISTERING AGENCY from full and timely performance in accordance with the terms of this AGREEMENT and each PROGRAM SUPPLEMENT.

14. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority or jurisdiction of ADMINISTERING AGENCY arising under this AGREEMENT. It is understood and agreed that ADMINISTERING AGENCY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims and suits or actions of every name, kind and description brought forth under, including but not limited to, tortuous, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under this AGREEMENT.

15. Neither ADMINISTERING AGENCY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by, under or in connection with any work, authority or jurisdiction arising under this AGREEMENT. It is understood and agreed that STATE shall fully defend, indemnify and save harmless the ADMINISTERING AGENCY and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including but not limited to, tortuous, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this AGREEMENT.

16. In the event of (a) ADMINISTERING AGENCY failing to timely proceed with effective PROJECT work in accordance with the project-specific PROGRAM SUPPLEMENT; (b) failing to maintain any applicable bonding requirements; and (c) otherwise materially violating the terms and conditions of this AGREEMENT and/or any PROGRAM SUPPLEMENT, STATE reserves the right to terminate funding for that PROJECT upon thirty (30) days' written notice to ADMINISTERING AGENCY.

17. No termination notice shall become effective if, within thirty (30) days after receipt of a Notice of Termination, ADMINISTERING AGENCY either cures the default involved or, if the default is not reasonably susceptible of cure within said thirty (30) day period the ADMINISTERING

AGENCY proceeds thereafter to complete that cure in a manner and time line acceptable to STATE.

18. Any such termination shall be accomplished by delivery to ADMINISTERING AGENCY of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this AGREEMENT and the applicable PROGRAM SUPPLEMENT is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the period before the effective termination date, ADMINISTERING AGENCY and STATE shall meet to attempt to resolve any dispute. In the event of such termination, STATE may proceed with the PROJECT work in a manner deemed proper by STATE. If STATE terminates funding for PROJECT with ADMINISTERING AGENCY for the reasons stated in paragraph sixteen (16) of ARTICLE VI, STATE shall pay ADMINISTERING AGENCY the sum due ADMINISTERING AGENCY under the PROGRAM SUPPLEMENT and/or STATE-approved finance letter prior to termination, provided, however, ADMINISTERING AGENCY is not in default of the terms and conditions of this AGREEMENT or the project-specific PROGRAM SUPPLEMENT and that the cost of any PROJECT completion to STATE shall first be deducted from any sum due ADMINISTERING AGENCY.

19. In the case of inconsistency or conflicts with the terms of this AGREEMENT and that of a project-specific PROGRAM SUPPLEMENT and/or Cooperative Agreement, the terms stated in that PROGRAM SUPPLEMENT and/or Cooperative Agreement shall prevail over those in this AGREEMENT.

20. Without the written consent of STATE, this AGREEMENT is not assignable by ADMINISTERING AGENCY either in whole or in part.

21. No alteration or variation of the terms of this AGREEMENT shall be valid unless made in writing and signed by the PARTIES, and no oral understanding or agreement not incorporated herein shall be binding on any of the PARTIES.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officer.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

City of Santa Fe Springs

By _____

By _____

Chief, Office of Project Implementation
Division of Local Assistance

City of Santa Fe Springs
Representative Name & Title
(Authorized Governing Body Representative)

Date _____

Date _____

EXHIBIT A - FAIR EMPLOYMENT PRACTICES ADDENDUM

1. In the performance of this Agreement, ADMINISTERING AGENCY will not discriminate against any employee for employment because of race, color, sex, sexual orientation, religion, age, ancestry or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. ADMINISTERING AGENCY will take affirmative action to ensure that employees are treated during employment without regard to their race, sex, sexual orientation, color, religion, ancestry, or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. ADMINISTERING AGENCY shall post in conspicuous places, available to employees for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment section.

2. ADMINISTERING AGENCY, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, 1290-0 et seq.), and the applicable regulations promulgated thereunder (Cal. Code Regs., Title 2, 7285.0, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12900(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of the ADMINISTERING AGENCY'S contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

3. ADMINISTERING AGENCY shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

4. ADMINISTERING AGENCY will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by STATE, the State Fair Employment and Housing Commission, or any other agency of the State of California designated by STATE, for the purposes of investigation to ascertain compliance with the Fair Employment section of this Agreement.

5. Remedies for Willful Violation:

(a) STATE may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which ADMINISTERING AGENCY was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that ADMINISTERING AGENCY has violated the Fair Employment Practices Act and had issued an order under Labor Code section 1426 which has become final or has obtained an injunction under Labor Code section 1429.

(b) For willful violation of this Fair Employment Provision, STATE shall have the right to terminate this Agreement either in whole or in part, and any loss or damage sustained by STATE in securing the goods or services thereunder shall be borne and paid for by ADMINISTERING AGENCY and by the surety under the performance bond, if any, and STATE may deduct from any moneys due

or thereafter may become due to ADMINISTERING AGENCY, the difference between the price named in the Agreement and the actual cost thereof to STATE to cure ADMINISTERING AGENCY's breach of this Agreement.

PROGRAM SUPPLEMENT NO. J23
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR STATE FUNDED PROJECTS NO 00379S

Adv Project ID Date: July 10, 2012
0700020895 Location: 07-LA-0-SFSP
Project Number: TCIFL-5340(013)
E.A. Number: 07-933889
Locode: 5340

This Program Supplement, effective _____, hereby adopts and incorporates into the Administering Agency-State Agreement No. 00379S for State Funded Projects which was entered into between the ADMINISTERING AGENCY and the STATE with an effective date of 01/20/11 and is subject to all the terms and conditions thereof. This PROGRAM SUPPLEMENT is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. _____ approved by the ADMINISTERING AGENCY on _____ (See copy attached).

The ADMINISTERING AGENCY further stipulates that as a condition to the payment by the State of any funds derived from sources noted below encumbered to this project, Administering Agency accepts and will comply with the Special Covenants and remarks set forth on the following pages.

PROJECT LOCATION:

Valley View Grade Separation Project

TYPE OF WORK: Grade Separation- demo of existing improvements, construction of an underpass and reloc of utilities

Estimated Cost	State Funds		Matching Funds	
	STATE		LOCAL	OTHER
\$25,570,000.00	\$25,570,000.00		\$0.00	\$0.00

CITY OF SANTA FE SPRINGS

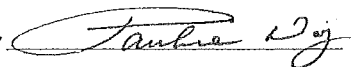
By _____
Title _____
Date _____
Attest _____

STATE OF CALIFORNIA
Department of Transportation

By _____
Chief, Office of Project Implementation
Division of Local Assistance
Date _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer



Date 7/12/12

\$25,570,000.00

Page 1 of 1

PROCUREMENT TYPE:
Local Assistance

VC 236.58 #1

07-LA-0-SFSP
TCIFL-5340(013)

07/10/2012

SPECIAL COVENANTS OR REMARKS

Chapter	Statutes	Item	Year	Program	BC	Category	Fund Source	AMOUNT

SPECIAL COVENANTS OR REMARKS

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature and the encumbrance of funds under this Agreement. Funding and reimbursement are available only upon the passage of the State Budget Act containing these STATE funds.
2. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

If no costs have been invoiced for a six-month period, ADMINISTERING AGENCY agrees to submit for each phase a written explanation of the absence of PROJECT activity along with target billing date and target billing amount.

ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

3. This PROJECT is programmed to receive State Proposition 1B Bond funds from the Trade Corridors Improvement Fund (TCIF). This PROJECT will be administered in accordance with the California Transportation Commission (CTC) - approved TCIF Guidelines, PROJECT-specific Baseline Agreement, and this Program Supplement Agreement (PSA). ADMINISTERING AGENCY agrees the PROJECT-specific Baseline Agreement (attached) and any amendments thereto are hereby made part of this PSA.

To satisfy the accountability requirements of the Governor's Executive Order # S-02-07, the ADMINISTERING AGENCY agrees to:

- 1) Submit Quarterly Progress Reports on the status and progress made toward implementation of the PROJECT including project development activities prior to the TCIF allocation and the commitment status of non-TCIF funds identified in the Baseline Agreement. The report shall include the actual and forecasted schedules, approved budget, actual expenditures and forecasted costs for each funding source and phase of work identified in the Baseline Agreement. The Quarterly Progress Reports shall be submitted to the Division of Local Assistance - Office of Bond Implementation via the Local Assistance Online Data Input System (LA-ODIS).
- 2) Submit a Corrective Plan in the event that variances from the PROJECT-specific

SPECIAL COVENANTS OR REMARKS

Baseline Agreement occur in the scope, costs, schedule, or benefits during the project implementation process. The Corrective Plan shall provide the reason(s) for the variance(s) and the corrective or preventive actions to be taken to correct, avoid, or mitigate current and future impacts and risks. The CTC may either approve the corrective plan or direct the ADMINISTERING AGENCY to modify its plan. A Corrective Plan shall be submitted concurrently with the Quarterly Progress Reports to the Caltrans Proposition 1B Program Manager with a copy to the Division of Local Assistance - Chief, Office of Bond Implementation.

3) Submit a Final Delivery Report to the CTC, within six (6) months of the project becoming operable, on the scope of the completed project, final costs, duration, and performance outcomes as compared to those indicated in the PROJECT Baseline Agreement. The ADMINISTERING AGENCY shall also provide a Supplement to the Final Delivery Report at the conclusion of all project activities (i.e., project completion) to reflect project expenditures (if different from the Final Delivery Report). The Final Delivery Report and Supplement shall be submitted to the Division of Local Assistance - Chief, Office of Bond Implementation.

The submittal of invoices for project costs shall be in accordance with the Local Assistance Procedures Manual (LAPM). The ADMINISTERING AGENCY has 180 days after project completion, to make final payment to the contractor, prepare the final invoice and final Report of Expenditures, and submit to the STATE for verification and payment.

4. Contract award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer immediately after award of the contract. Failure to do so will cause delay in processing invoices for construction expenditures. As a minimum, the award information shall include the following information: project number, TCIF ID no., project description, date funds were allocated by the CTC, date project was advertised, bid opening date, contract award date, contract award amount, number of contract working days, and estimated completion date.
5. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are

SPECIAL COVENANTS OR REMARKS

going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

6. ADMINISTERING AGENCY agrees to comply with Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Notwithstanding the foregoing, ADMINISTERING AGENCY shall not be required to comply with 49 CFR, Part 18.36 (i), subsections (3), (4), (5), (6), (8), (9), (12) and (13).



City of Santa Fe Springs

City Council Meeting

August 7, 2012

NEW BUSINESS

Request Approval to Sell a 1986 Emergency One Fire Engine to the City of Cody, Wyoming Volunteer Fire Department

RECOMMENDATION

That the City Council authorize the Director of Finance and Administrative Services to dispose of a 1986 Emergency One Fire Engine by selling it to the City of Cody, Wyoming in the amount of \$5,100.

BACKGROUND

The Department of Fire-Rescue is taking delivery of a new fire engine later this month. In doing so, the department will no longer have a front line need for the engine being replaced. It will transition to reserve apparatus status. Therefore, Staff is looking to properly dispose of the current reserve apparatus. Historically, we have done this by trading-in the apparatus to the vendor providing the new unit or selling the apparatus via auction as we do fleet vehicles.

As State fire safety requirements have evolved and become more rigorous, our vendor is not interested in our unit as a trade-in. The open cabin configuration makes the engine out of compliance with newer State requirements calling for enclosed cabins. On the auction side, our representative has indicated that the apparatus would generate up to \$2,500 if sold via auction as it is mostly collectors and scrap metal businesses that seek these engines. Again, the engine's open cab structure greatly diminishes its auction value.

As a result of the above facts, the Department of Fire-Rescue looked to maximize the sale proceeds by consulting with a private vendor/broker who sought out interested parties to purchase the apparatus. The vendor/broker located the Cody, Wyoming Volunteer Fire Department who has offered to purchase the fire engine for \$5,100 (net proceeds to the City), or more than twice than what could be expected if sold via auction. Apparently, the open cab configuration is acceptable in the State of Wyoming.

Thaddeus McCormack
City Manager



City of Santa Fe Springs

City Council

August 7, 2012

PRESENTATION

Recognition of our Guests from our Sister City of Tirschenreuth, Germany, and their Host Families

RECOMMENDATION

The Mayor may call upon Parks and Recreation Supervisor Michelle Smith to assist with the presentation.

BACKGROUND

As the Council is aware, the Sister City Committee's 24th Student Exchange is currently underway with 10 students and two chaperones visiting Santa Fe Springs from Tirschenreuth, Germany.

GERMAN CHAPERONES

Stefanie Zwolan
Florian Meyer

NAME OF HOST

Jeannette Wolf
Leonard Phillips

GERMAN STUDENTS

Franziska Böckl
Theresa Schedl
Theresa Schmid
Niko Schedl
Fabian Müller
Kevin Wagner
Louis Zrenner
Lukas Hösl
Nicolas Eismann
Lara Gradl

AMERICAN STUDENTS

Amanda Tomsick
Shaylene Smith
Alicia Estrada
Rene Ramirez
Rene Ramirez
Julian Hoyos
Jeanette Wolfe
Mark Zevallos
Susan Johnston
Susan Johnston

There may be additional German visitors who will be introduced at the meeting.

Thaddeus McCormack
City Manager



City of Santa Fe Springs

City Council

August 7, 2012

APPOINTMENTS TO BOARD, COMMITTEES, COMMISSIONS

Appointments to City Council Subcommittees

RECOMMENDATION

That the Mayor make appointments to various City Council Subcommittees as appropriate.

BACKGROUND

During the Study Session at the City Council meeting of June 20, 2012, the City Manager recommended that the Mayor appoint a Council Subcommittee on Capital Improvement Projects and a Subcommittee on Economic Development Strategy.

In addition, due to the resignation of former Councilmember Serrano, there are vacancies on the following Council Subcommittees:

Gus Velasco Neighborhood Center Subcommittee
Purchasing Policies Subcommittee
Budget Subcommittee (Events, Services, Programs)
Villages Subcommittee

If the Mayor desires, it would be appropriate to make those appointments at this time.


Thaddeus McCormack
City Manager

Attachment(s):

Council Subcommittee List

Council Subcommittees

NAME	TYPE	FORMED	MEMBERS
RDAs	Ad Hoc	2/10/2011	Gonzalez Moore
Bond Issuance	Ad Hoc	2/10/2011	Rounds Moore
Gus Velasco Neighborhood Center	Ad Hoc		Rounds Vacant
Relay for Life Subcommittee	Ad Hoc	4/12/2012	Moore Trujillo
Purchasing Policies Subcommittee	Ad Hoc	3/10/2011	Vacant Moore
Budget Subcommittee Events, Services, and Programs	Standing	4/12/2012	Moore Vacant
Budget Subcommittee Labor and Fees	Standing	4/12/2012	Gonzalez Trujillo
Development Fees	Ad Hoc	4/28/2011	Gonzalez Moore
Audit Committee	Standing	6/14/2012	Trujillo Moore
I-5 Expansion Project	Standing	8/25/2011	Trujillo Gonzalez
Villages	Ad Hoc		Vacant Rounds
Successor Agency	Ad Hoc	1/12/2012	Rounds Gonzalez
Valley View Grade Separation Project	Ad Hoc	1/12/2012	Rounds Trujillo
CIPs			
Economic Development Strategy			



APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

Committee Re-Appointments

According to the standard committee by-laws, one-half of the membership of each committee will have terms expiring June 30, 2012. The terms were originally picked by random drawing.

At the Council meeting of June 28, 2012, most of the re-appointments were made, however the attached list includes the names of those members who still wish to be re-appointed.

Any questions regarding this report can be directed to the Deputy City Clerk.

Thaddeus McCormack
City Manager

Attachments:

Committee Re-Appointment List

MAYOR PRO TEM RICHARD J. MOORE
RE-APPOINTMENT LIST

Interested

Not Interested

Beautification

Paula Minnehan

Historical

Astrid Gonzalez
Tony Reyes



City of Santa Fe Springs

City Council

August 7, 2012

APPOINTMENT TO BOARDS, COMMITTEES, COMMISSIONS

Committee	Vacancy	Councilmember
Beautification	3	González
Beautification	1	Moore
Beautification	3	Rios*
Beautification	1	Rounds
Beautification	1	Trujillo
Community Program	3	González
Community Program	3	Rios*
Community Program	3	Rounds
Community Program	5	Trujillo
Family & Humans Services	1	Moore
Heritage Arts	1	González
Historical	1	Rios*
Historical	2	Rounds
Historical	2	Trujillo
Parks & Recreation	2	González
Parks & Recreation	1	Trujillo
Planning	1	González
Senior Citizens Advisory	1	González
Senior Citizens Advisory	1	Moore
Senior Citizens Advisory	3	Rios*
Senior Citizens Advisory	2	Rounds
Senior Citizens Advisory	3	Trujillo
Sister City	2	González
Sister City	1	Moore
Sister City	2	Rios*
Sister City	2	Rounds
Sister City	2	Trujillo
Youth Leadership	2	González
Youth Leadership	2	Rios*
Youth Leadership	1	Rounds
Youth Leadership	1	Trujillo

*Councilmember Rios assumed all of former Councilmember Serrano's appointments upon taking office.



City of Santa Fe Springs

City Council

August 7, 2012

An application was received from Felipe Rangel for the Youth Leadership Committee.

Thaddeus McCormack
City Manager

Attachments:
Committee Lists
Prospective Member List

Prospective Members for Various Committees/Commissions

Beautification

Community Program

Francis Carbajal

Family & Human Services

Jimmy Mendoza, Jr.

Brandy Ordway-Roach

Francis Carbajal

Heritage Arts

Historical

Personnel Advisory Board

Parks & Recreation

Jesus Mendoza

Brandy Ordway-Roach

Planning Commission

Alma Martinez

Senior Citizens Advisory

Sister City

Francis Carbajal

Traffic Commission

Alma Martinez

Youth Leadership

Danielle Garcia

Felipe Rangel

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	Vacant	(14)
	Irene Pasillas	(14)
	Vacant	(14)
	May Sharp	(13)
	Vacant	(13)
Moore	Juliet Ray	(14)
	Paula Minnehan	(14)
	Annie Petris	(13)
	Guadalupe Placencia	(13)
	Vacant	(13)
Rios	Vacant	(14)
	Vacant	(14)
	Vacant	(14)
	Vada Conrad	(13)
	Sally Gaitan*	(13)
Rounds	Sadie Calderon	(14)
	Rita Argott	(14)
	Vacant	(13)
	Marlene Vernava	(13)
	Debra Cabrera	(13)
Trujillo	Vacant	(14)
	Eleanor Connelly	(14)
	Margaret Bustos*	(14)
	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	(14)
	Miguel Estevez	(14)
	Vacant	(14)
	Vacant	(13)
	Vacant	(13)
Moore	Rosalie Miller	(14)
	Margaret Palomino	(14)
	Mary Jo Haller	(13)
	Lynda Short	(13)
	Bryan Collins	(13)
Rios	Vacant	(14)
	Mary Anderson	(13)
	Dolores H. Romero*	(13)
	Vacant	(14)
	Vacant	(13)
Rounds	Mark Scoggins*	(14)
	Marlene Vernava	(14)
	Vacant	(14)
	Vacant	(13)
	Vacant	(13)
Trujillo	Vacant	(14)
	Vacant	(14)
	Vacant	(14)
	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	(14)
	Josephine Santa-Anna	(14)
	Angelica Miranda	(13)
Moore	Arcelia Miranda	(14)
	Vacant	(13)
	Margaret Bustos*	(13)
Rios	Lydia Gonzales	(14)
	Manny Zevallos	(13)
	Gilbert Aguirre*	(13)
Rounds	Annette Rodriguez	(14)
	Janie Aguirre*	(13)
	Ted Radoumis	(13)
Trujillo	Dolores H. Romero*	(14)
	Gloria Duran*	(14)
	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	Vacant	6/30/2014
Moore	May Sharp	6/30/2014
Rios	Paula Minnehan	6/30/2014
Rounds	A.J. Hayes	6/30/2014
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	(14)
	Gilbert Aguirre*	(13)
	Janie Aguirre*	(13)
	Sally Gaitan*	(13)
Moore	Astrid Gonzalez	(14)
	Tony Reyes	(14)
	Amparo Oblea	(13)
	Francine Rippy	(13)
Rios	Gloria Duran*	(14)
	Hilda Zamora	(14)
	Vacant	(13)
	Larry Oblea	(13)
Rounds	Vacant	(14)
	Vacant	(14)
	Mark Scoggins*	(13)
	Janice Smith	(13)
Trujillo	Vacant	(14)
	Alma Martinez	(14)
	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	(14)
	Frank Leader	(14)
	Vacant	(13)
	Raul Miranda, Jr.	(14)
	Vacant	(13)
Moore	Jimmy Mendoza	(14)
	John Salgado	(14)
	Janet Rock	(13)
	David Gonzalez	(13)
	Sheila Archuleta	(13)
Rios	Lynda Short	(14)
	Bernie Landin	(14)
	Joe Avila	(14)
	Sally Gaitan*	(13)
	Fred Earl	(13)
Rounds	Kenneth Arnold	(14)
	Richard Legarreta, Sr.	(14)
	Luigi Trujillo	(14)
	Angelica Miranda	(13)
	Mark Scoggins*	(13)
Trujillo	Miguel Estevez	(14)
	Andrea Lopez	(14)
	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	Vacant
Moore	Manny Zevallos
Rios	Michael Madrigal
Rounds	Susan Johnston
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*	(14)
	Josephine Santa-Anna	(14)
	Vacant	(13)
	Janie Aguirre*	(13)
	Ed Duran	(13)
Moore	Yoshi Komaki	(14)
	Yoko Nakamura	(14)
	Paul Nakamura	(14)
	Vacant	(13)
	Pete Vallejo	(13)
Rios	Vacant	(14)
	Louis Serrano	(14)
	Vacant	(14)
	Amelia Acosta	(13)
	Jessie Serrano	(13)
Rounds	Vacant	(14)
	Vacant	(14)
	Gloria Vasquez	(13)
	Lorena Huitron	(13)
	Berta Sera	(13)
Trujillo	Vacant	(14)
	Vacant	(14)
	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	(14)
	Kimberly Mette	(14)
	Jimmy Mendoza	(13)
	Dominique Velasco	(14)
	Vacant	(13)
Moore	Martha Villanueva	(14)
	Vacant	(14)
	Mary K. Reed	(13)
	Peggy Radoumis	(13)
	Jeannette Wolfe	(13)
Rios	Charlotte Zevallos	(14)
	Vacant	(14)
	Vacant	(13)
	Doris Yarwood	(13)
	Vacant	(13)
Rounds	Manny Zevallos	(14)
	Susan Johnston	(14)
	Vacant	(14)
	Ted Radoumis	(13)
	Vacant	(13)
Trujillo	Vacant	(14)
	Andrea Lopez	(14)
	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
Rios	Sally Gaitan
Rounds	Ted Radoumis
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)
Rios	Vacant	()
	Vacant	()
	Marisa Gonzalez	(15)
	Ariana Gonzalez	(13)
Rounds	Drew Bobadilla	(13)
	Andrea Valencia	(13)
	Vacant	()
	Lisa Baeza	(13)
Trujillo	Maxine Berg	(15)
	Martin Guerrero	(13)
	Vacant	()
	Kevin Ramirez	(13)