AGENDA

REGULAR MEETINGS
OF THE
SANTA FE SPRINGS
PUBLIC FINANCING AUTHORITY
WATER UTILITY AUTHORITY
HOUSING SUCCESSOR
SUCCESSOR AGENCY
AND CITY COUNCIL

June 23, 2016
6:00 P.M.

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

Richard J. Moore, Mayor
William K. Rounds, Mayor Pro Tem
Jay Sarno, Councilmember
Juanita Trujillo, Councilmember
Joe Angel Zamora, 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**
Jay Sarno, Councilmember
Juanita Trujillo, Councilmember
Joe Angel Zamora, Councilmember
William K. Rounds, Mayor Pro Tem
Richard J. Moore, Mayor

PUBLIC FINANCING AUTHORITY

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

Approval of Minutes

a. Minutes of the May 26, 2016, Public Financing Authority Meeting
Recommendation: That the Public Financing Authority approve the minutes as submitted.

Monthly Reports

b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)
Recommendation: That the Public Financing Authority receive and file the report.

WATER UTILITY AUTHORITY

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

Approval of Minutes

a. Minutes of the May 26, 2016, Water Utility Authority Meeting
Recommendation: That the Water Utility Authority approve the minutes as submitted.

Monthly Reports

b. Monthly Report on the Status of Debt Instruments Issued through the Water Utility Authority (WUA)
Recommendation: That the Water Utility Authority receive and file the report.

c. Status Update of Water-Related Capital Improvement Projects
Recommendation: That the Water Utility Authority receive and file the report.

SUCCESSOR AGENCY

5. Resolution No. SA 2016-004 – Confirming the Issuance of 2016 Tax Allocation Refunding Bonds and Approving the Preliminary and Final Official Statements and a Bond Purchase Agreement Relating Thereto

Recommendation: That the Successor Agency adopt Resolution No. SA 2016-004 confirming the issuance of 2016 Tax Allocation Refunding Bonds and approving preliminary and final Official Statements and a Bond Purchase Agreement relating thereto.

CITY COUNCIL

6. **CITY MANAGER REPORT**

7. **CONSENT AGENDA**

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

Approval of Minutes

A. Minutes of the May 26, 2016 City Council Meetings

Recommendation: That the City Council:

- Approve the minutes of the May 26, 2016, meetings as submitted.

UNFINISHED BUSINESS

8. Adoption of Two-Year (FY 2016-17 and FY 2017-18) City Budget, Including Actions as Set Forth in the Recommendations Contained Herein

Recommendation: That the City Council:

- Adopt a Two-Year (FY 2016-17 and FY 2017-18) City Budget as proposed, including the actions as set forth herein.

9. Approval of Agreement between the City of Santa Fe Springs and the Santa Fe Springs Executive Management Confidential (EMC) Employees Association

Recommendation: That the City Council:

- Approve the Fiscal Year 2016-18 labor agreement with the EMC and authorize the Mayor to execute said agreement.

PUBLIC HEARING

10. Alcohol Sales Conditional Use Permit No. 66

Recommendation: That the City Council:

- Allow the operation and maintenance of an alcoholic beverage use involving the sale of alcoholic beverages for on-site consumption at Salt and Pepper Restaurant located at 13225 Telegraph Road, in the Community Commercial (C-4) Zone and in the Telegraph Road Corridor Zone, within the Consolidated Redevelopment Project Area. (Salt and Pepper Restaurant)

PUBLIC HEARING

11. Alcohol Sales Conditional Use Permit No. 67

Recommendation: That the City Council:

- Allow the operation and maintenance of an alcoholic beverage use involving the wholesale distribution of beer and wine, at OB USA, Inc. located in the M-2, Heavy Manufacturing, Zone at 13152 Imperial Highway within the Consolidated Redevelopment Project Area. (OB USA, Inc.)

NEW BUSINESS

12. Fire Station Headquarters and Police Services Center: Generator Replacement – Final Payment

Recommendation: That the City Council:

- Approve the Final Payment (less 5% Retention) to AG Engineering, Inc. of Rancho Cucamonga, California in the amount of $21,379.35 for the subject project.

13. Resolution No. 9512 and 9513 – Approval of Engineer's Report (FY 2016-17) in Conjunction with Annual Levy of Assessment for Heritage Springs Assessment District No. 2001-01 (Hawkins Street & Palm Drive)

Recommendation: That the City Council:

- Adopt Resolution 9512, approving the Engineer's Report (FY 2016-17) in conjunction with the annual levy of assessments for the Heritage Springs Assessment District No. 2001-01; and
- Adopt Resolution No. 9513, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Heritage Springs Assessment District No. 2001-01, and setting the public hearing for the Council meeting of July 14, 2016.

14. Resolution No. 9514 and 9515 – Approval of Engineer's Report (FY 2016-17) in Conjunction with Annual Levy Assessments for Street Lighting District No. 1

Recommendation: That the City Council:

- Adopt Resolution No. 9514, approving the Engineer's Report (FY 2016-17) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and
- Adopt Resolution No. 9515, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Lighting District No. 1, and setting the public hearing for the Council meeting of July 14, 2016.

15. Fire Station Headquarters HVAC Improvements – Rejects All Bids & Re-Advertise for Bids

Recommendation: That the City Council:

- Reject the bids submitted for the Fire Station Headquarters-HVAC Improvements; and
- Authorize the City Engineer to re-advertise for bids on the subject project.

16. Heritage Park Perimeter Fence Repair – Final Payment
Recommendation: That the City Council:
- Approve the Final Payment (less 5% Retention) to Quality Fence Co., Inc. of Paramount, California in the amount of $80,497.30 for the subject project.

17. Clarke Estate Exterior Painting – Final Payment
Recommendation: That the City Council:
- Approve the Final Payment (less 5% Retention) to AJ Fistes Corporation of Long Beach, California in the amount of $9,500 for the subject project.

18. Facility Use Agreement for Athletic Fields with Santa Fe Springs 49ers Youth Football & Cheer
Recommendation: That the City Council:
- Approve the Facility Use Agreement for Athletic Fields between the City of Santa Fe Springs and Santa Fe Springs 49ers Youth Football & Cheer for the right to use the Lake Center Athletic Park for a period of time, commencing June 23, 2016 through November 30, 2016 and from July 1, 2016 through November 30, 2016.

19. Adoption of Resolution No. 9511 and the Approval of the Contract with the State Department of Education
Recommendation: That the City Council:
- Adopt Resolution No. 9511 authorizing the renewal of Contract CSPP-6157 with the State Department of Education for Fiscal Year 2016/2017 for the purpose of providing child care and development services for preschool age children.

20. Adoption of Resolution 9516 – Annual Appropriation (GANN) Limit for Fiscal Year (FY) 2016-17
Recommendation: That the City Council:
- Adopt Resolution No. 9516 setting the appropriation limit for FY 2016-17.

21. Adoption of the City's Fiscal Year (FY) 2016-17 Investment Policy
Recommendation: That the City Council:
- Adopt the Investment Policy for FY 2016-17.

CLOSED SESSION

22. CONFERENCES WITH LABOR NEGOTIATORS
(Section 54957.6)
Agency Designated Representatives: City Manager, Assistant City Manager/Director of Finance, Senior Human Resources Analyst, City Attorney
Employee Organizations: Santa Fe Springs City Employees' Association and Santa Fe Springs Firefighters' Association

23. CONFERENCES WITH LABOR NEGOTIATORS
(Section 54957.6)
Agency Designated Representatives: City Manager, City Attorney, Labor Negotiator

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

Items 24 – 32 will occur in the 7:00 p.m. hour.

24. **INVOCATION**

25. **PLEDGE OF ALLEGIANCE**

26. **INTRODUCTIONS**
- Representatives from the Chamber of Commerce

27. **ANNOUNCEMENTS**

28. **PRESENTATIONS**
a. Introduction of New Santa Fe Springs Policing Team Members
b. Proclaiming the month of July as "Parks Make Life Better" Month in Santa Fe Springs

29. **APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS**
a. Committee Appointments

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

31. **EXECUTIVE TEAM REPORTS**

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

Janet Martinez, CMC
City Clerk

June 16, 2016
Date

FOR ITEM NO. 3A

PLEASE SEE ITEM NO. 7A

NEW BUSINESS

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

RECOMMENDATION

That the Public Financing Authority receive and file the report.

BACKGROUND

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2001 Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$13,965,000

Consolidated Redevelopment Project 2002 Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$5,150,000

Consolidated Redevelopment Project 2003 Taxable Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$2,775,000

Water Revenue Bonds, 2005 Series A

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$2,140,000

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$36,713,999

Consolidated Redevelopment Project 2006-B Taxable Tax Allocation Bonds

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$7,085,000

Consolidated Redevelopment Project 2007-A Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$33,395,000

Report Submitted By: Travis Hickey
Finance and Administrative Services

Date of Report: June 15, 2016

ITEM NO. 3B

Bond Repayment

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2005 Water Revenue Bonds.

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012 and is administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment. Instead distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately $19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

Thaddeus McCormack
City Manager/Executive Director

Report Submitted By: Travis Hickey
Finance and Administrative Services

Date of Report: June 15, 2016

FOR ITEM NO. 4A

PLEASE SEE ITEM NO. 7A

NEW BUSINESS

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

RECOMMENDATION

That the Water Utility Authority receive and file the report.

BACKGROUND

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 5/31/16	None
Outstanding principal at 5/31/16	$6,890,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of $6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds (issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of $2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.

Thaddeus McCormack
City Manager/Executive Director

Report Submitted By: Travis Hickey
Finance and Administrative Services

Date of Report: June 15, 2016

ITEM NO. 4B

NEW BUSINESS

Status Update of Water-Related Capital Improvement Projects

RECOMMENDATION
That the Water Utility Authority receive and file the report.

BACKGROUND

This report is for informational purposes only. The following is a listing of current active water projects.

New Well Siting Study, Zone 1
Currently the City is under contract with Richard Slade and Associates (RCS) to provide a well siting study within zone No. 1. A kick off meeting was held earlier in June and RCS are currently working on developing the siting study.

Engineering Design Services Water Treatment System Water Well No. 12
Staff are currently evaluating proposals for water treatment for Water Well No. 12. Staff are planning provide the Council with a recommendation to award a contract to the most qualified consultant to design a treatment system for Water Well No. 12 at the July 14, 2016 City Council meeting.

FISCAL IMPACT

The Water Well Siting Study for Zone 1 is funded by Capital Improvement Plan Bond Funds.

Thaddeus McCormack
Executive Director

Attachment:
None

Report Submitted By: Noe Negrete, Director
Department of Public Works

Date of Report: June 15, 2016

ITEM NO. 4C

NEW BUSINESS

Resolution SA-2016-004 – Confirming the Issuance of 2016 Tax Allocation Refunding Bonds and Approving Preliminary and Final Official Statements and a Bond Purchase Agreement Relating Thereto

RECOMMENDATION

That the Successor Agency adopt Resolution No. SA-2016-004 confirming the issuance of 2016 Tax Allocation Refunding Bonds and approving preliminary and final Official Statements and a Bond Purchase Agreement relating thereto.

BACKGROUND

The Successor Agency to the Santa Fe Springs Community Development Commission (the "Successor Agency") has assumed responsibility for repayment of all the outstanding bonds from the former Santa Fe Springs Community Development Commission ("CDC"). Per Assembly Bill (AB) 1484, the Successor Agency may refund existing bonds, with approval of the Oversight Board and the State Department of Finance, for the purpose of creating debt service savings.

Prior to dissolution, the CDC issued the following tax allocation bonds (the "Outstanding Bonds"):

- In 2001, $28,845,000 of Series A Bonds (the "2001A Bonds"), of which $13,965,000 is currently outstanding;
- In 2002, $50,915,000 of Series A Bonds (the "2002A Bonds"), of which $5,150,000 is currently outstanding;
- In 2003, $6,530,000 of Series A Housing Taxable Revenue Bonds (the "2003A Bonds"), of which $2,775,000 is currently outstanding;
- In 2006, $4,710,000 of Series A Current Interest Bonds (the "2006A CIBs"), of which $2,875,000 is currently outstanding;
- In 2006, $22,948,493 of Series A Capital Appreciation Bonds (the "2006A CABs"), of which $22,948,493 is currently outstanding;
- In 2006, $18,760,000 of Series B Current Interest Bonds (the "2006B Bonds"), of which $7,085,000 is currently outstanding; and
- In 2007, $43,015,000 of Series A Bonds (the "2007A Bonds"), of which $33,395,000 is currently outstanding.

On April 14, 2016, the Successor Agency adopted Resolution No. SA-2016-003, and on April 20, 2016, the Oversight Board adopted Resolution No. OB-2016-005. Both Resolutions authorized the issuance of 2016 Tax Allocation Refunding Bonds (the "2016 Bonds") by the Successor Agency.

On June 6, 2016, the State Dept. of Finance issued a letter approving the issuance of the 2016 Bonds by the Successor Agency.

With current municipal bond interest rates at historic lows, an opportunity exists to refund eligible outstanding bonds with lower interest bonds and realize future year savings. Of the above-listed bonds, the 2001A Bonds, 2002A Bonds, 2003A Bonds, 2006A CIBs, and the 2006B Bonds (the "Refunded Bonds") are eligible to be refunded with new tax allocation bonds (Proposed "2016 Bonds") in a principal amount not to exceed $31.8 million, resulting in future year debt service savings of approximately $3.55 million (or a present value savings of $3.25 million based on current market conditions and rates at roughly 2.5% for this type of bond issue). The final repayment or maturity date (2024) of the Refunded Bonds would be matched by the 2016 Bonds. Certainly, the final savings depend upon market interest rates at the time the 2016 Bonds are priced.

Estimated annual savings amounts would be allocated to the various taxing entities, including the county, school districts, and the City's General Fund. It is important to note that the City's anticipated portion of the savings is very modest, totaling about $227,500 or $25,275 per year through 2024. This is consistent with the City's relatively low property tax share of seven percent (7%).

Existing Successor Agency Bond Issues

Issue Description	Original Par	Outstanding Par	Dated Date	Final Maturity	Final Rate
2001A Bonds	$28,845,000	$13,965,000	09/19/01	2024	4.750%
2002A Bonds	50,915,000	5,150,000	06/12/02	2022	5.000%
2003A Bonds	6,530,000	2,775,000	07/29/03	2024	5.750%
2006A CIBs	4,710,000	2,875,000	12/07/06	2019	5.000%
2006A CABs*	22,948,493	22,948,493	12/07/06	2028	4.600%
2006B Bonds	18,760,000	7,085,000	12/07/06	2018	5.350%
2007 Bonds**	43,015,000	33,395,000	06/05/07	2022	4.500%
TOTALS	**$175,723,493**	**$114,760,000**			

* Non-callable securities. Capital appreciation bonds accrue and pay principal and interest at maturity

** Not currently eligible to be refinanced

In addition to the projected savings benefits, the proposed bonds would provide an additional benefit of value. If issued as taxable bond securities (as opposed to tax-

exempt bonds), they would allow for more time flexibility in the expenditure of currently available bond proceeds that the City has earmarked for Capital Improvement Projects (CIPs).

The 2001A, 2002A, and 2003A Bonds are all currently callable (eligible for refunding) on any date with no premium to be paid. The 2006A CIBs and 2006B Bonds are eligible to be called on September 1, 2016, also with no premium. The 2006A CABs are non-callable (not eligible for refunding) and the 2007A Bonds cannot be refinanced until 2017.

At the time of this writing, the City Council Finance Subcommittee (consisting of Mayor Moore and Councilmember Sarno) are scheduled to convene prior to the City Council meeting to review the proposed refunding and make a recommendation to the City Council.

Based on a preliminary schedule, it is anticipated that the Proposed 2016 Bonds would close by the third week of July 2016, at which time a redemption notice would be issued to fully redeem the refunded bonds.

The Successor Agency's financing team of Urban Futures, Inc. as municipal advisor and fiscal consultants ("Financial Advisor"), Jones Hall, a Professional Corporation, as bond and disclosure counsel (Bond Counsel/Disclosure Counsel"), Stifel, Nicolaus & Company, Incorporated, as bond underwriter ("Underwriter"), and US Bank National Association, as trustee, are proposed ("Trustee"). The related fees for all firms are entirely contingent upon a completion of the financing.

The Successor Agency has, with the assistance of Bond Counsel/Disclosure Counsel and its Financial Advisor, caused to be prepared a form of the preliminary Official Statement describing the 2016 Bonds and containing material information relating to the redevelopment project areas and tax increment revenues. The Successor Agency is being asked to approve distribution of the preliminary Official Statement by the Underwriter. Counsel to the Underwriter has also prepared, and Bond Counsel has reviewed, the form of the Bond Purchase Agreement.

Documents to be Approved

Approval of Resolution SA-2016-004 confirming the issuance of 2016 Tax Allocation Refunding Bonds and approving preliminary and final Official Statements and a Bond Purchase Agreement relating thereto will authorize the execution of the following documents which are not included with the document due to their length, but are available for review in the City Clerk's Office:

Preliminary Official Statement – The preliminary Official Statement will be provided to potential buyers of the 2016 Bonds, and contains information about the redevelopment project area, the form of the Continuing Disclosure Certificate, and a description of the security for repayment of principal and interest on the 2016 Bonds, consisting of a portion of the tax increment revenues that are deposited into the Successor Agency's Redevelopment Property Tax Trust Fund ("RPTTF") from the Consolidated Redevelopment Project Area. After the 2016 Bonds are priced, the final interest rates and terms will be inserted into a final Official Statement.

The attached preliminary Official Statement has been reviewed and approved for transmittal to the Successor Agency by staff and the Successor Agency's financing team. The distribution of the preliminary Official Statement by the Successor Agency is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the preliminary Official Statement to include all facts that would be material to an investor in the 2016 Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the 2016 Bonds. The proposed resolution authorizes staff to execute a certificate to the effect that the preliminary Official Statement has been "deemed final."

The key sections of the preliminary Official Statement are summarized below:

INSIDE COVER/"THE 2016 BONDS": These sections summarize the key terms of the bonds, including principal amount, interest rate and the Successor Agency's redemption/prepayment rights.

"SECURITY FOR THE 2016 BONDS": This section summarizes the key sources of security for the 2016 Bonds. The 2016 Bonds are payable from Tax Revenues, which consist of a portion of the revenues generated in the Consolidated Redevelopment Project; the 2016 Bonds are payable on a subordinate basis to two series of outstanding bonds:

- City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A
- $43,015,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2007

"THE PROJECT AREA": This section provides financial and operating information about the Consolidated Redevelopment Project.

"RISK FACTORS": This section summarizes the key risks associated with ownership of the Bonds, most of which relate to things that could impact assessed values in the Consolidated Redevelopment Project.

Bond Purchase Agreement - This document has been prepared in draft form, and describes the terms and conditions under which the Underwriter will purchase the 2016 Bonds from the Successor Agency. After the 2016 Bonds are priced, the Bond Purchase Agreement will be finalized with the interest rates and terms resulting from the bond sale.

FISCAL IMPACT

The Proposed 2016 Bonds will generate an estimated total debt service savings of $3.55 million, net of all costs of issuance. The savings will result in increased allocations of RPTTF to the various taxing entities, including the City's General Fund. The term of the 2016 Bonds will not exceed the existing term of the Refunded Bonds, and overall debt service will be reduced in each year until 2024, when the 2016 Bonds will be completely repaid.

The source of repayment of the 2016 Bonds will not change and will continue to be limited to tax revenues of the Consolidated Redevelopment Project Area deposited by the County into the Successor Agency's RPTTF.

If approved, the 2016 Bonds will not be a debt of the City, but a special limited obligation of the Successor Agency in the same manner as the existing bonds.

Thaddeus McCormack
City Manager

Attachments:
Resolution SA-2016-004
Preliminary Official Statement
Bond Purchase Agreement

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: June 16, 2016

ITEM NO. 5

RESOLUTION NO. SA-2016-004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, ACTING AS THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, CONFIRMING THE ISSUANCE OF REFUNDING BONDS PURSUANT TO AN INDENTURE OF TRUST, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A BOND PURCHASE AGREEMENT AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Community Development Commission of the City of Santa Fe Springs (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (as amended, the "Redevelopment Law");

WHEREAS. Assembly Bill x1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act");

WHEREAS, pursuant to Section 34172(a) of the Dissolution Act, the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Dissolution Act, the City of Santa Fe Springs has become the successor entity to the Agency (the "Successor Agency");

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued the following outstanding series of bonds (the "Prior Bonds"):

(i) $28,845,000 initial principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2001 Series A (the "2001 Bonds"), issued pursuant to the Indenture of Trust, dated as of February 1, 1992 (the "Master Indenture"), by and between the Agency and U.S. Bank National Association, as successor trustee, as supplemented and amended by a Third Supplement to Indenture of Trust, dated as of July 1, 2001 (the "Third Supplement");

(ii) $50,915,000 initial principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2002 Series A (the "2002 Bonds") issued pursuant to the Master Indenture and a Fourth Supplement to Indenture of Trust, dated as of June 1, 2002 (the "Fourth Supplement");

(iii) $6,530,000 Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2003 Series A (Housing Tax Revenues) (the "2003 Bonds") issued pursuant to an Indenture of Trust, dated as of December 1, 1993, as supplemented by a Second Supplement to Indenture of Trust, dated as of July 1, 2003 (the "Housing Indenture");

(iv) $27,658,493.15 Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A (the "2006A Bonds"), issued pursuant to the Master Indenture and a Fifth Supplement to Indenture of Trust, dated as of August 1, 2006 (the "Fifth Supplement"), a portion of

which were issued as current interest bonds (the "2006A Current Interest Bonds") and a portion of which were issued as capital appreciation bonds (the "2006A Capital Appreciation Bonds");

(v) $18,760,000 Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2006 Series B (the "2006B Bonds"), issued pursuant to the Master Indenture and a Sixth Supplement to Indenture of Trust, dated as of August 1, 2006 (the "Sixth Supplement"); and

(vi) $43,015,000 Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2007 Series A ("2007 Bonds), issued pursuant to the Master Indenture and a Seventh Supplement to Indenture of Trust, dated as of June 1, 2007 (the "Seventh Supplement");

WHEREAS, Section 34177.5 of the Dissolution Act authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, the Successor Agency wishes to refund the 2001 Bonds, the 2002 Bonds, the 2003 Bonds, the 2006A Current Interest Bonds and the 2006B Bonds (the "Refunded Prior Bonds");

WHEREAS, the Successor Agency, pursuant to Resolution No. SA-2016-003 (the "SA Resolution"), adopted on April 14, 2016, approved the issuance by the Successor Agency of the Successor Agency to the Community Development Commission of the City of Santa Fe Springs 2016 Subordinate Tax Allocation Refunding Bonds (Federally Taxable) (the "Refunding Bonds") subject to the Savings Parameters being met;

WHEREAS, the Successor Agency requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Refunding Bonds by the Successor Agency;

WHEREAS, the Oversight Board, by Resolution No. OB-2016-005 (the "OB Resolution"), adopted April 20, 2016, approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, were submitted to the California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds;

WHEREAS, on June 6, 2016, the Successor Agency received the approval of the California Department of Finance for the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency, with the assistance of Jones Hall, A Professional Law Corporation, as disclosure counsel to the Successor Agency, has prepared a draft of the Official Statement for the Refunding Bonds (the "Official Statement"), which contains, among other things, information regarding the Refunding Bonds, the Former Agency and the Successor Agency, the preliminary form of which is on file with the City Clerk;

WHEREAS, the Successor Agency has also prepared a draft of a Bond Purchase Agreement between the Successor Agency and Stifel Nicolaus & Company, Incorporated, as the underwriter of the Refunding Bonds (the "Underwriter"), which will contain the final terms and conditions for the issuance of the Refunding Bonds, a form of which is on file with the City Clerk;

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Official Statement and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities, and the Successor Agency further wishes to approve the execution and delivery by the Successor Agency of the Bond Purchase Agreement;

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

SECTION 1. Confirmation of Approval of Issuance of the Refunding Bonds. The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds.

SECTION 2. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form on file with the City Clerk. Distribution of the preliminary Official Statement by the Successor Agency and the Underwriter is hereby approved, and, prior to the distribution of the preliminary Official Statement, Mayor of the City of Santa Fe Springs, as Chair of the Successor Agency, the City Manager of the City of Santa Fe Springs, as the chief administrative officer of the Successor Agency, the Finance Director, as the chief financial officer of the Successor Agency, the City Attorney of the City, as the general counsel of the Successor Agency, or the written designee of any such officer (each, an "Authorized Officer"), , each acting alone, are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and each Authorized Officer, acting alone, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a continuing disclosure undertaking substantially in the form appended to the final Official Statement.

SECTION 3. Bond Purchase Agreement. The Successor Agency hereby approves the sale of the Refunding Bonds to the Underwriter pursuant to the Bond Purchase Agreement. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

The Successor Agency hereby authorizes the delivery and performance of its obligations under the Bond Purchase Agreement.

SECTION 4. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 5. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 23rd day of June 2016.

_____
Mayor

Attest:

_____
City Clerk

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2016

NEW ISSUE—BOOK-ENTRY

RATING: S&P: "__"
See "CONCLUDING INFORMATION – Rating"

The interest on the 2016 Bonds is not intended by the Successor Agency to be excluded from gross income for federal income tax purposes. However, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the 2016 Bonds is exempt from California personal income taxes. See "TAX MATTERS."

**$_____*
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS
2016 SUBORDINATE TAX ALLOCATION REFUNDING BONDS
(FEDERALLY TAXABLE)**

Dated: Delivery Date **Due: September 1, as shown on the inside front cover**

Purpose. The above-captioned bonds (the "2016 Bonds") are being issued by the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the "Successor Agency"), as successor to the former Community Development Commission of the City of Santa Fe Springs (the "Former Agency"), pursuant to an Indenture of Trust, dated as of July 1, 2016 (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"), to refund certain outstanding obligations of the Successor Agency as more particularly described in this Official Statement.

Book-Entry. The 2016 Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in integral multiples of $5,000, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the 2016 Bonds.

Payments. Semiannual interest on the 2016 Bonds due March 1 and September 1 of each year (each, an "Interest Payment Date"), commencing March 1, 2017, and principal on the 2016 Bonds due September 1 of each year, commencing September 1, 2017, will be payable by the Trustee to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the 2016 Bonds. See "THE 2016 BONDS – Description of the 2016 Bonds."

Redemption. The 2016 Bonds are subject to optional redemption and mandatory sinking account redemption prior to maturity. See "THE 2016 BONDS – Redemption."

Security. The 2016 Bonds are secured by a pledge of, security interest in and lien on all of the Tax Revenues (as defined in this Official Statement), including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund (as defined in this Official Statement). In addition, the 2016 Bonds are payable from and secured by moneys in certain funds and accounts established under the Indenture. See "SECURITY FOR THE 2016 BONDS."

Existing Senior Debt. The payment of principal of and interest on the 2016 Bonds is subordinate to the payment of the Senior Obligations (as defined in this Official statement), currently outstanding in the aggregate principal amount of approximately $66.2 million (including accreted value of the 2006A Capital Appreciation Bonds (as defined in this Official Statement) as of March 1, 2016). See "THE 2016 BONDS – Existing Senior Debt."

No Future Senior Debt; Future Parity Debt. The Indenture prohibits the Successor Agency from encumbering, pledging or placing any charge or lien upon any of the Tax Revenues or other amounts pledged to the 2016 Bonds superior to the pledge and lien created for the benefit of the 2016 Bonds in the Indenture. The Indenture authorizes the Successor Agency to issue bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on a parity with the 2016 Bonds only to refund all or a portion of the 2016 Bonds or other bonds issued in the future on a parity therewith subject to satisfaction of certain conditions as further described in this Official Statement. See "THE 2016 BONDS – No Future Senior Debt; Future Parity and Subordinate Debt."

Insurance Policy or Reserve Policy. The Successor Agency has applied for a municipal bond insurance policy and a debt service reserve policy and will decide whether to purchase such policies in connection with the pricing of the 2016 Bonds.

Limited Obligations. The 2016 Bonds are limited obligations of the Successor Agency and are secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and other funds described in this Official Statement. The principal of and interest on the 2016 Bonds are not a debt of the County of Los Angeles (the "County"), the State of California (the "State") or any of their political subdivisions except the Successor Agency, and none of the County, the State nor any of their political subdivisions except the Successor Agency is liable thereon. The principal of and interest on the 2016 Bonds is not payable out of any funds other than those set forth in the Indenture. Neither the members of the Successor Agency, the Oversight Board of the Successor Agency, the City Council of the City, the Board of Supervisors of the County nor any persons executing the 2016 Bonds are liable personally on the 2016 Bonds.

This cover page of the Official Statement contains information for quick reference only. It is not a complete summary of the 2016 Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Attention is hereby directed to certain risk factors more fully described in this Official Statement. See "RISK FACTORS."

The 2016 Bonds are offered, when, as and if issued, subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the Successor Agency. Jones Hall, A Professional Law Corporation, is also serving as Disclosure Counsel to the Successor Agency. In addition, certain legal matters will be passed upon for the Successor Agency by the City Attorney of the City, as general counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California, as Underwriter's Counsel. It is anticipated that the 2016 Bonds will be available for delivery through the facilities of DTC on or about July 14, 2016.

STIFEL

The date of this Official Statement is _____, 2016.

** Preliminary, subject to change*

MATURITY SCHEDULE*

$_____
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS
2016 SUBORDINATE TAX ALLOCATION REFUNDING BONDS
(FEDERALLY TAXABLE)

Maturity Date (September 1)	Principal Amount*	Interest Rate	Yield	Price	CUSIP† (Base _____)

$_____ __% Term Bonds Due September 1, 20__, Yield ___%,
Price: _____, CUSIP _____

Preliminary; subject to change.

† Copyright 2016, CUSIP Global Services, and a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the Successor Agency nor the Underwriter assumes any responsibility for the accuracy of the CUSIP data.

SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS

CITY COUNCIL/
SUCCESSOR AGENCY BOARD
Richard J. Moore, *Mayor*
William K. Rounds, *Mayor Pro-Tem*
Jay Sarno, *Council Member*
Juanita A. Trujillo, *Council Member*
Joe Angel Zamora, *Council Member*

CITY/
SUCCESSOR AGENCY STAFF
Richard J. Moore, *Chair*
Thaddeus McCormack, *City Manager*
Jose A. Gomez, *Assistant City Manager/Director of Finance and Administrative Services*
Travis Hickey, *Director of Fiscal Services*
Steven N. Skolnik, *City Attorney*
Janet Martinez, *City Clerk*

SPECIAL SERVICES

Municipal Advisor and Fiscal Consultant
Urban Futures, Inc.
Orange, California

Bond and Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Trustee
U.S. Bank National Association
Los Angeles, California

Verification Agent
_____
_____, _____

TABLE OF CONTENTS

	Page
INTRODUCTION	
Authority and Use of Proceeds	1
The City and the Successor Agency	2
The Redevelopment Plan and the Project Area	3
Tax Allocation Financing	6
Authority to Issue Refunding Bonds	6
Security for the 2016 Bonds	6
Existing Senior Debt	7
No Future Senior Debt; Future Parity and Subordinate Debt	8
Limited Obligation	8
Debt Service Reserve Account	9
Application for Bond Insurance and Reserve Policy	9
Professionals Involved in the Offering	9
Further Information	9
REFUNDING PLAN	11
Redemption of the Refunded Bonds	11
Verification of Mathematical Accuracy	11
Estimated Sources and Uses of Funds	12
Debt Service Schedules	13
THE 2016 BONDS	14
Authority for Issuance	14
Description of the 2016 Bonds	14
Redemption	15
Existing Senior Debt	17
No Future Senior Debt; Future Parity and Subordinate Debt	17
THE DISSOLUTION ACT	19
SECURITY FOR THE 2016 BONDS	21
Pledge Under the Indenture	21
Tax Revenues	21
Flow of Funds Under the Indenture	22
Debt Service Reserve Account	24
Recognized Obligation Payment Schedules	24
Negotiated Pass-Through Agreements	29
Section 33676 Payments	31
Statutory Pass-Through Payments	31
PROPERTY TAXATION IN CALIFORNIA	34
Property Tax Collection Procedures	34
Rate of Collections – No Teeter Plan	35
Unitary Property	36
Article XIIIA of the State Constitution	36
Appropriations Limitation – Article XIIIB	38
Proposition 87	38
Appeals of Assessed Values	39
Proposition 8	39
Proposition 218 and 26	40
Future Initiatives	40
THE SUCCESSOR AGENCY	41
Successor Agency Powers	41
Status of Compliance with Dissolution Act	41
THE PROJECT AREA	42
Project Description	42
Land Use	43
The Redevelopment Plan	43
Historical and Estimated Assessed Values and Tax Revenues	45
Unitary Property	45
Largest Taxable Property Owners	46
Tax Rates	47
No Teeter Plan	47
Appeals of Assessed Values	48
Projected Tax Increment Revenues and Estimated Debt Service Coverage	49
RISK FACTORS	52
Recognized Obligation Payment Schedules	52
Challenges to Dissolution Act	53
Reduction in Taxable Values	54
Risk to Real Estate Market	54
Reduction in Inflationary Rate	55
Levy and Collection of Taxes	55
Bankruptcy and Foreclosure	55
Estimated Revenues	55
Seismic and Flood Considerations	56
Hazardous Substances	57
Changes in the Law	58
Secondary Market	58
CONCLUDING INFORMATION	60
Underwriting	60
Legal Opinion	60
Litigation	60
Rating	60
Continuing Disclosure	61
Audited Financial Statements	61
Miscellaneous	61

APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE
APPENDIX B – FORM OF BOND COUNSEL OPINION
APPENDIX C – BOOK-ENTRY ONLY SYSTEM
APPENDIX D – FORM OF SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE
APPENDIX E – SUCCESSOR AGENCY FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2015
APPENDIX F – STATE DEPARTMENT OF FINANCE APPROVAL LETTER
APPENDIX G – CITY OF SANTA FE SPRINGS AND LOS ANGELES COUNTY GENERAL INFORMATION

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2016 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2016 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Area since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2016 Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2016 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market price of the 2016 Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2016 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2016 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" as described in the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE SUCCESSOR AGENCY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Website. The City maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

OFFICIAL STATEMENT

$_____*
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS
2016 SUBORDINATE TAX ALLOCATION REFUNDING BONDS
(FEDERALLY TAXABLE)

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the "**Successor Agency**") of the above-captioned bonds (the "**2016 Bonds**").

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description and guide to, and is qualified by, the more complete and detailed information contained in the entire Official Statement including the cover page and the appendices hereto, and the documents summarized or described herein. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. The offering of the 2016 Bonds to potential investors is made only by means of the entire Official Statement.

Authority and Use of Proceeds

The Successor Agency is issuing the 2016 Bonds pursuant to authority granted by the Constitution of the State of California (the "**State**"), Section 34177.5 of the Health and Safety Code of the State, Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "**Refunding Law**") and an Indenture of Trust dated as of July 1, 2016 (the "**Indenture**"), between the Successor Agency and U.S. Bank National Association, as trustee (the "**Trustee**"). See "THE 2016 BONDS – Authority for Issuance."

The Successor Agency is issuing the 2016 Bonds to redeem and defease all amounts outstanding under the following five series of bonds issued by the former Community Development Commission of the City of Santa Fe Springs (the "**Former Agency**"):

- $28,845,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2001 Series A (the "**2001 Bonds**"), which are outstanding in the aggregate principal amount of $13,965,000;

- $50,915,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation

* *Preliminary, subject to change.*

Refunding Bonds, 2002 Series A (the "**2002 Bonds**"), which are outstanding in the aggregate principal amount of $5,150,000;

- $6,530,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2003 Series A (Housing Tax Revenues) (the "**2003 Bonds**"), which are outstanding in the aggregate principal amount of $2,775,000;

- $4,710,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A, issued as current interest bonds (the "**2006A Current Interest Bonds**"), which are outstanding in the aggregate principal amount of $2,875,000; and

- $18,760,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2006 Series B (the "**2006B Bonds**"), which are outstanding in the aggregate principal amount of $7,085,000.

The 2001 Bonds, the 2002 Bonds, the 2003 Bonds, the 2006A Current Interest Bonds and the 2006B Bonds are referred to collectively in this Official Statement as, the "**Refunded Bonds**."

The remaining proceeds of the 2016 Bonds will be used to (i) fund a debt service reserve account for the 2016 Bonds by depositing in such account an amount equal to the Reserve Requirement (as hereinafter defined) or to pay the premium of a debt service reserve policy for the 2016 Bonds and (ii) pay the costs of issuing the 2016 Bonds.

The City and the Successor Agency

The City. The City of Santa Fe Springs (the "**City**") is located in Los Angeles County (the "**County**"). The City is a municipal corporation duly organized and existing under the Constitution and the laws of the State. The City was incorporated in 1957, and operates as a general law city. It maintains a council-manager form of government. The members of the City Council of the City (the "**City Council**") are elected at-large for alternating four-year terms with the Mayor selected annually among their number by the City Council. For certain information regarding the City, see "APPENDIX G – City of Santa Fe Springs and Los Angeles County General Information."

Former Agency. The Successor Agency is the successor entity to the Former Agency, which was dissolved under the Dissolution Act (described herein). The Former Agency was a redevelopment agency with all of the powers vested in such organizations under the Community Redevelopment Law (as amended or supplemented from time to time, the "**Redevelopment Law**"). The City Council was the governing board of the Former Agency.

Dissolution Act. On June 29, 2011, Assembly Bill No. 26 ("**AB X1 26**") was enacted, together with a companion bill, Assembly Bill No. 27 ("**AB X1 27**"). The provisions of AB X1 26 provided for the dissolution of all redevelopment agencies statewide as of February 1, 2012. The provisions of AB X1 27 permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.,* 53 Cal. 4th 231 (Cal. Dec. 29, 2011),

challenging the constitutionality of AB X1 26 and AB X1 27. The California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are found in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("**AB 1484**"), enacted as Chapter 26, Statutes of 2012 and as further amended on September 22, 2015 by Senate Bill No. 107 ("**SB 107**"), enacted as Chapter 325, Statutes of 2015. The provisions of Part 1.85, as amended by AB 1484 and SB 107 are referred to in this Official Statement as the "**Dissolution Act**." The Redevelopment Law together with the Dissolution Act and the acts amendatory thereof and supplemental thereto are sometimes referred to in this Official Statement as, the "**Law**."

Successor Agency. Pursuant to Section 34173 of the Dissolution Act, the City made an election to act as the successor agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public and legal entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

The Redevelopment Plan and the Project Area

Redevelopment Plan. The City Council established the Consolidated Redevelopment Project (the "**Original Project Area**"), and approved a redevelopment plan for the Original Project Area (the "**Original Redevelopment Plan**") pursuant to Ordinance No. 592, adopted by the City Council on November 13, 1980. The Original Redevelopment Plan has been amended several times since adoption, including pursuant to Ordinance No. 605 adopted on July 9, 1981 ("**Amendment No. I**") and pursuant to Ordinance No. 770 adopted on November 20, 1990 ("**Amendment No. III**") which collectively added approximately 1,359 acres on land to the Original Project Area as described below. The Original Redevelopment Plan as amended from time to time is hereinafter referred to as the "**Redevelopment Plan**."

See "THE PROJECT AREA – The Redevelopment Plan" for further information regarding the Redevelopment Plan.

Project Area. The Original Project Area was formed as a result of the merger of the following four formerly separate redevelopment project areas established by the Former Agency:

- Flood Ranch Project, initially formed on April 14, 1966 (the "**Flood Ranch Project**"),
- Pioneer-Telegraph Redevelopment Project, initially formed on June 8, 1972 (the "**Pioneer-Telegraph Project**"),

- Norwalk Boulevard Redevelopment Project, initially formed on July 31, 1972 (the "**Norwalk Boulevard Project**"), and

- Oil Field Redevelopment Project, initially formed on August 9, 1973 (the "**Oil Field Project**").

Immediately after the merger, the Original Project Area consisted of approximately 2,090 acres of land.

Since formation, the Original Project Area has been amended as follows:

- Pursuant to Amendment No. I which added approximately 1,337 acres of land (the "**Amendment No. I Area**") to the Original Project Area; and

- Pursuant to Amendment No. III which added approximately 22.6 acres of land (the "**Amendment No. III Area**").

The Original Project Area, as amended, consists approximately 3,450 acres of land, and is referred to in this Official Statement as the "**Project Area**."

In addition to the Project Area, the Former Agency established the Washington Boulevard Redevelopment Project (the "**Washington Boulevard Project Area**") on July 17, 1986. The Washington Boulevard Project Area consists of approximately 55 acres of commercial and light industrial zoned land. The 2016 Bonds are secured solely by an irrevocable pledge of, and are payable as to principal and interest from, Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund, and moneys in certain funds and accounts established and held by the Trustee under the Indenture as described in this Official Statement. Tax Revenues consists primarily of tax increment revenues generated solely in the Project Area and therefore, the information set forth in this Official Statement regarding the Former Agency's redevelopment project areas is limited to the Project Area and does not include any information regarding the Washington Boulevard Project Area.

See "THE PROJECT AREA" for additional information on land use and property ownership within the Project Area. Set forth on the next page is a map of the Project Area.

[Insert Project Area Map from 2007 OS]

Tax Allocation Financing

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues, and the Los Angeles County Auditor-Controller (the "**County Auditor-Controller**") apportioned tax increment revenue to all redevelopment agencies as described in the Redevelopment Law. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopted the redevelopment plan became the base year valuation. Assuming the taxable valuation never dropped below the base year level, the taxing agencies receiving property taxes thereafter received only that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion of property taxes produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of redevelopment agency obligations.

Authority to Issue Refunding Bonds

Section 34177.5(a)(1) of the Dissolution Act authorizes the issuance of refunding bonds to provide debt service savings, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance.

Successor agencies have no power to levy property taxes and must rely on the allocation of taxes as described above. See "RISK FACTORS."

Security for the 2016 Bonds

The 2016 Bonds are secured only by a pledge of, security interest in and lien on, all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund, and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the certain funds and accounts established and held by the Trustee under the Indenture, as further described in this Official Statement. See "Limited Obligation" below.

The Dissolution Act requires the County Auditor-Controller to annually determine the amount of property taxes that would have been allocated to the Former Agency from the Project Area had the Former Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20 of each year, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller (the "**Redevelopment Property Tax Trust Fund**") pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same lien priority and legal effect as if such bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provisions of the Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule (see "SECURITY FOR THE 2016 BONDS – Recognized Obligation Payment Schedules").

The Dissolution Act further provides that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the 2016 Bonds, are taxes allocated to the successor agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Under the Dissolution Act, property tax revenues are distributed to the Successor Agency on a semi-annual basis (on January 2 and June 1) based on a Recognized Obligation Payment Schedule submitted by the Successor Agency to an oversight board established for the Successor Agency (the "**Oversight Board**") and the State Department of Finance (the "**DOF**"). Pursuant to SB 107, the functions of the Oversight Board will be assumed by an oversight board established for all successor agencies within the County commencing on July 1, 2018. The County Auditor-Controller distributes funds from the Redevelopment Property Tax Trust Fund for each six-month period in the order specified in the Dissolution Act. See "SECURITY FOR THE 2016 BONDS – Recognized Obligation Payment Schedules."

In accordance with the Dissolution Act, the term "**Tax Revenues**" is defined under the Indenture to mean, for each Fiscal Year, all moneys derived from that portion of taxes levied upon assessable property within the Project Area deposited from time to time in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law, excluding (i) for each Senior Obligation (as defined below), the amount pledged under the Senior Obligation Indenture (as defined below) to make payments on such Senior Obligation, but only to the extent required to make such payments and (ii) amounts, if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5, 33607.7 and 34183(a)(1) of the Law, including amounts payable under the Pass-Through Agreements, except to the extent that such amounts are payable on a basis subordinate to the payment of Annual Debt Service on the 2016 Bonds or any Parity Debt pursuant to Sections 33607.5(e) and 34177.5(c) of the Law or pursuant to the terms of the Pass-Through Agreements, as applicable.

The Indenture defines "**Redevelopment Obligation Retirement Fund**" to mean the fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the Law.

See "SECURITY FOR THE 2016 BONDS – Negotiated Pass-Through Agreements," "– Section 33676 Payments" and "– Statutory Pass-Through Payments" for information regarding the Successor Agency's negotiated and statutory pass-through obligations.

Existing Senior Debt

The payment of debt service on the 2016 Bonds is subordinate to the payment of debt service on the following bonds issued by the Former Agency (collectively, the "**Senior Obligations**"):

- $22,948,493.15 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A, issued as capital appreciation bonds (the "**2006A Capital Appreciation Bonds**"), which are outstanding in the aggregate principal amount of $32,831,792 (as of March 1, 2016, including accreted value); and

$43,015,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation

Refunding Bonds, 2007 Series A (the "**2007 Bonds**"), which are outstanding in the aggregate principal amount of $33,395,000.

The 2006A Capital Appreciation Bonds were issued pursuant to the Indenture of Trust, dated as of February 1, 1992 (the "**1992 Indenture**"), by and between the Former Agency and U.S. Bank National Association, as successor trustee, as supplemented and amended from time to time, up to and including, a Fifth Supplement to Indenture of Trust, dated as of August 1, 2006 (the "**Fifth Supplement**").

The 2007 Bonds were issued pursuant to the 1992 Indenture, as supplemented and amended from time to time, up to and including, a Seventh Supplement to Indenture of Trust, dated as of June 1, 2007 (the "**Seventh Supplement**").

The 1992 Indenture as supplemented and amended from time, including the Fifth Supplement and the Seventh Supplement, is referred to herein as, the "**Senior Obligation Indenture**."

See "THE 2016 BONDS – Existing Senior Debt."

No Future Senior Debt; Future Parity and Subordinate Debt

No Future Senior Debt. The Indenture prohibits the Successor Agency from encumbering, pledging or placing any charge or lien upon any of the Tax Revenues or other amounts pledged to the 2016 Bonds superior to the pledge and lien created for the benefit of the 2016 Bonds in the Indenture.

See "THE 2016 BONDS – No Future Senior Debt; Future Parity and Subordinate Debt."

Future Parity and Subordinated Debt. The Indenture authorizes the Successor to issue additional bonds, notes or other obligations payable from and secured by a lien on Tax Revenues that is on parity with the lien under the Indenture in favor 2016 Bonds (such bonds, notes or other obligations referred to herein as, "**Parity Debt**") to refund all or a portion of the 2016 Bonds or future bonds issued on a parity therewith subject to certain conditions. See "THE 2016 BONDS – No Future Senior Debt; Future Parity and Subordinate Debt."

The Indenture permits the Successor Agency to issue Subordinate Debt (as hereinafter defined).

See "THE 2016 BONDS – No Future Senior Debt; Future Parity and Subordinate Debt."

Limited Obligation

The 2016 Bonds are limited obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal and interest from, Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and moneys in certain funds and accounts established and held by the Trustee under the Indenture. The principal of and interest on the 2016 Bonds are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions except the Successor Agency are liable thereon. The principal of and interest on the 2016 Bonds are not payable out of any funds other than those set forth in the Indenture. No member, officer, agent or employee of the City, the County, the Successor Agency, the Oversight Board, the City Council, the Board of Supervisors

of the County or any person executing the 2016 Bonds is liable personally on the 2016 Bonds by reason of their issuance.

Debt Service Reserve Account

A portion of the proceeds of the 2016 Bonds will fund a deposit of $_____ to satisfy the "**Reserve Requirement**" (as hereinafter defined); in the alternative, the Reserve Requirement may be met with the deposit of a debt service reserve policy. See "SECURITY FOR THE 2016 BONDS – Debt Service Reserve Account."

Application for Bond Insurance and Reserve Policy

The Successor Agency has applied for a municipal bond insurance policy for the 2016 Bonds and for a debt service reserve policy. Should the Successor Agency select a provider for any such policies, then the Successor Agency will supplement this Official Statement prior to the offering of the 2016 Bonds, to reflect the terms of any commitment to issue such policies.

Professionals Involved in the Offering

Urban Futures, Inc., Orange, California, has acted as fiscal consultant to the Successor Agency (the "**Fiscal Consultant**") and advised the Successor Agency as to the taxable values within the Project Area and tax increment revenues from the Project Area projected to be available to pay debt service on the 2016 Bonds as described in this Official Statement. The report prepared by the Fiscal Consultant is referred to herein as the "**Fiscal Consultant's Report**" and is attached as Appendix H.

Urban Futures, Inc., Orange, California, has also acted as municipal advisor to the Successor Agency (the "**Municipal Advisor**").

U.S. Bank National Association, Los Angeles, California, will act as Trustee with respect to the 2016 Bonds.

Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**") is underwriting the 2016 Bonds.

All proceedings in connection with the issuance of the 2016 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the Successor Agency. Jones Hall, A Professional Law Corporation, is also acting as Disclosure Counsel. The City Attorney of the City, as general counsel to the Successor Agency, will render certain opinions on behalf of the Successor Agency. Certain legal matters will be passed on for the Underwriter by Norton Rose Fulbright US LLP as Underwriter's Counsel. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor and Underwriter's Counsel is contingent upon the sale and delivery of the 2016 Bonds.*

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2016 Bonds, the Indenture, the Successor Agency, the Former Agency, the Redevelopment Plan, the Project Area, the City and the County are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in

this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2016 Bonds, the Indenture, the Redevelopment Plan, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the 2016 Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture. Capitalized terms used and not otherwise defined in this Official Statement shall have the meanings given to such terms in the Indenture.

During the period of the initial offering of the 2016 Bonds, copies of the draft forms of all documents are available from the Underwriter or from the City Clerk, City of Santa Fe Springs, 11710 E. Telegraph Road, Santa Fe Springs, California 90670.

REFUNDING PLAN

Redemption of the Refunded Bonds

Pursuant to the Escrow Agreement (the "**Escrow Agreement**"), by and between the Successor Agency and U.S. Bank National Association, as escrow agent (in such capacity, the "**Escrow Agent**"), the Successor Agency will deliver a portion of the proceeds of the 2016 Bonds, along with other available amounts, to the Escrow Agent for deposit in an escrow fund established under the Escrow Agreement (the "**Escrow Fund**").

The Escrow Agent will invest a portion of the funds in government securities and will hold the remainder in cash, uninvested. From the moneys on deposit in the Escrow Fund, the Escrow Agent will pay, within thirty days of delivery of the 2016 Bonds, the outstanding principal amount of all of the Refunded Bonds and the accrued interest thereon to the date of repayment.

Under the terms of the indentures relating to the Refunded Bonds, all of the outstanding Refunded Bonds will be deemed to be paid and discharged by irrevocably depositing with the trustee thereof, in trust, at or before maturity, money and certain federal securities permitted under the respective indentures relating to the Refunded Bonds, which, together with the available amounts then on deposit in the funds and accounts established pursuant to such indenture, is determined by independent account to be fully sufficient to pay all or such portion of such bonds outstanding, including all principal, interest and redemption premiums.

The amounts held by the Escrow Agent in the Escrow Fund are pledged solely to the amounts due and payable by the Successor Agency with respect to the Refunded Bonds. The funds deposited in the Escrow Fund will not be available for the payment of debt service with respect to the 2016 Bonds.

Verification of Mathematical Accuracy

_____ (the "**Verification Agent**"), will verify the sufficiency of the deposits in the Escrow Fund for the purposes described above. Assuming the accuracy of the Verification Agent's computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the Successor Agency's obligations with respect to the Refunded Bonds will be discharged.

The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds are summarized below.

Sources:	
Principal Amount of 2016 Bonds	$
Plus: Refunded Bonds - Available Funds	
Plus: [Net] Original Issue Premium/*Less*: [Net] Original Issue Discount	
Total Sources	$
Uses:	
Refunding of Refunded Bonds	$
[Reserve Account]	
Costs of Issuance Fund [(1)]	
Underwriter's Discount	$
Total Uses	

(1) Costs of Issuance include the fees and expenses for Bond Counsel, Disclosure Counsel, Fiscal Consultant, Municipal Advisor, Verification Agent, Trustee, premiums for the municipal bond insurance and the debt service reserve policies, if any, Successor Agency administrative staff, City Attorney as general counsel to the Successor Agency, printing expenses, rating fee and other costs related to the issuance of the 2016 Bonds.

Debt Service Schedules

2016 Bonds Debt Service. The following table shows the annual debt service schedule for the 2016 Bonds, assuming no optional redemption of the 2016 Bonds.

Bond Year Ending September 1	2016 Bonds Principal	2016 Bonds Interest	Total Debt Service
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
Total			

Aggregate Debt Service. The following table shows the annual combined debt service schedule for the 2016 Bonds and Senior Obligations, assuming no optional redemptions.

Bond Year Ending September 1	2006A Capital Appreciation Bonds Debt Service	2007 Bonds Debt Service	Total Senior Obligations Debt Service	2016 Bonds Debt Service	Total Debt Service
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
Total					

THE 2016 BONDS

Authority for Issuance

The issuance of the 2016 Bonds and the execution and delivery of the Indenture were authorized by the Successor Agency pursuant to Resolution No. SA-2016-003 adopted on April 14, 2016 (the "**Resolution**"), and approved by the Oversight Board pursuant to Resolution No. OB 2016-005 adopted on April 21, 2016 (the "**Oversight Board Resolution**").

Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF. On June 6, 2016, the DOF provided a letter to the Successor Agency stating that based on the DOF's review and application of the law, the Oversight Board Resolution approving the 2016 Bonds is approved by the DOF. See "APPENDIX F – State Department of Finance Approval Letter."

Section 34177.5(f) of the Dissolution Act provides that when, as in this case, a successor agency issues refunding bonds with the approval of the oversight board and the DOF, the oversight board may not unilaterally approve any amendments to or early termination of the 2016 Bonds, and the scheduled payments on the 2016 Bonds shall be listed in the Recognized Obligation Payment Schedule and are not subject to further review and approval by the DOF or the California State Controller.

Description of the 2016 Bonds

The 2016 Bonds will be issued and delivered in fully-registered form without coupons in integral multiples of $5,000 for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"), New York, New York, as registered owner of all 2016 Bonds. The initially executed and delivered 2016 Bonds will be dated the date of delivery (the "**Closing Date**") and mature on September 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the 2016 Bonds (including the final interest payment upon maturity or earlier redemption) will be payable on March 1 and September 1 in each year commencing March 1, 2017 (each an, "**Interest Payment Date**") to the person whose name appears on the records maintained by the Trustee for the registration and transfer of ownership of the 2016 Bonds pursuant to the Indenture (the "**Registration Books**") as the owner thereof as of the Record Date immediately preceding each such Interest Payment Date, by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such owner at the address of such owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of 2016 Bonds in the aggregate principal amount of $1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. The Indenture defines the term "**Record Date**" to mean, with respect to any Interest Payment Date, the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth calendar day is a Business Day.

Each 2016 Bond will bear interest from the Interest Payment Date next preceding the date of authentication, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a 2016 Bond is authenticated on or before the first Record Date, in which event it

shall bear interest from the Closing Date; *provided, however,* that if, as of the date of authentication of any 2016 Bond, interest thereon is in default, such 2016 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

One fully-registered bond will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM."

Redemption[*]

Optional Redemption. The 2016 Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The 2016 Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the 2016 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Account Redemption. The 2016 Bonds that are Term Bonds maturing September 1, 20__ and September 1, 20__ (the "**Term Bonds**") shall be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing on September 1 in the years as set forth below, from sinking fund payments made by the Successor Agency, to the Principal Account pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (i) in lieu of redemption thereof such Term Bonds may be purchased by the Successor Agency pursuant to the Indenture, and (ii) if some but not all of such Term Bonds have been optionally redeemed, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of $5,000 as determined by the Successor Agency.

Term Bonds Maturing September 1, 20__

Sinking Account Redemption Date (September 1)	Principal Amount To Be Redeemed

Term Bonds Maturing September 1, 20__

Sinking Account Redemption Date (September 1)	Principal Amount To Be Redeemed

[*] *Preliminary, subject to change.*

Purchase in Lieu of Redemption. In lieu of redemption of the Term Bonds as described above, amounts on deposit in the Special Fund or in the Principal Account or Sinking Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the written request of the Successor Agency, for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Term Bonds so purchased by the Successor Agency in any twelve-month period ending on June 15 in any year shall be credited towards and shall reduce the par amount of the Term Bonds required to be redeemed pursuant to partial redemption of the 2016 Bonds on September 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said June 15. In no event shall the Successor Agency purchase any Term Bonds in lieu of redemption without canceling such Term Bonds.

Notice of Redemption. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty but not more than forty-five days prior to the redemption date, to (i) to the Owners of any 2016 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Information Services; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such 2016 Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that optional redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the 2016 Bonds to be redeemed, shall state the individual number of each 2016 Bond to be redeemed or shall state that all 2016 Bonds between two stated numbers (both inclusive) or all of the 2016 Bonds Outstanding are to be redeemed, and shall require that such 2016 Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such 2016 Bonds will not accrue from and after the redemption date.

Right to Rescind Notice. The Successor Agency has the right to rescind any notice of the optional redemption of 2016 Bonds by written notice to the Trustee on or prior to the date fixed for redemption, and the redemption notice may provide that the proposed redemption is subject to the availability of sufficient funds on the scheduled redemption date. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2016 Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2016 Bonds being redeemed with the proceeds of such check or other transfer.

Manner of Redemption. Whenever any 2016 Bonds or portions thereof are to be selected for redemption by lot within a maturity, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to

the extent 2016 Bonds are no longer held in book-entry form. All 2016 Bonds redeemed or purchased pursuant to the Indenture shall be cancelled and destroyed.

Partial Redemption of 2016 Bonds. In the event only a portion of any 2016 Bond is called for redemption, then upon surrender of such 2016 Bond the Successor Agency will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2016 Bond or 2016 Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2016 Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the 2016 Bonds so called for redemption have been duly deposited with the Trustee, the 2016 Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest will accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any 2016 Bonds or portions thereof are to be selected for redemption by lot within a maturity, the Trustee will make the selection, in such manner as the Trustee deems appropriate.

Existing Senior Debt

The payment of debt service on the 2016 Bonds is subordinate to the payment of debt service on the Senior Obligations. The Senior Obligations are currently outstanding in the aggregate principal amount of $66,226,792 (including accreted value of the 2006A Capital Appreciation Bonds of $32,831,792 as of March 1, 2016).

No Future Senior Debt; Future Parity and Subordinate Debt

No Future Senior Debt. The Indenture prohibits the Successor Agency from encumbering, pledging or placing any charge or lien upon any of the Tax Revenues or other amounts pledged to the 2016 Bonds superior to the pledge and lien created for the benefit of the 2016 Bonds in the Indenture.

Future Parity Debt. The Indenture authorizes the Successor Agency to issue Parity Debt to refund all or a portion of the 2016 Bonds or any Parity Debt provided that with respect to any such refunding:

(i) annual debt service on such Parity Debt, as applicable, is lower than annual debt service on the obligations being refunded during every year the obligations would otherwise be outstanding,

(ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded,

(iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt,

(iv) principal payments shall be on September 1 and interest payments on September 1 and March 1, and

(v) prior to the issuance of any Parity Debt, the Successor Agency shall use commercially reasonable efforts, to the extent permitted by law, to subordinate all amounts, if any, payable to a taxing entity pursuant to Section 33607.5 and 33607.7 or payable pursuant to the Pass-Through Agreements to the payment of debt service on such Parity Debt.

The 2016 Bonds and Parity Debt are sometimes referred to herein collectively as, the "**Bonds**"

Future Subordinate Debt. The Indenture permits the Successor Agency to issue and sell any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues under the Indenture for the security of the 2016 Bonds (such loan, advances or indebtedness, "**Subordinate Debt**").

THE DISSOLUTION ACT

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule (see "SECURITY FOR THE 2016 BONDS – Recognized Obligation Payment Schedules").

The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the 2016 Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "**taxing agencies**") after the effective date of the ordinance approving the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Project Area, if any, are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Project Area, if any (the "**base year valuation**"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Redevelopment Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by

the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the Redevelopment Plan, following the date of issuance of the 2016 Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above. Additionally, effective September 22, 2015, debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project, that are not pledged to or needed for debt service on successor agency obligations are allocated and paid to the entity that levies the override and will not be deposited into the Redevelopment Property Tax Trust Fund. See "PROPERTY TAXATION IN CALIFORNIA – Proposition 87" for further information regarding voter approved debt service overrides.

SECURITY FOR THE 2016 BONDS

The County Auditor-Controller will deposit property tax revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Dissolution Act, including *inter alia* Health and Safety Code sections 34183 and 34170.5(b). The 2016 Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund or in the Special Fund (if applicable), and a first and exclusive pledge of, security interest in and lien upon moneys in certain funds and accounts established and held by the Trustee under the Indenture as described below.

Pledge Under the Indenture

Pursuant to the Indenture, the 2016 Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund, and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account, the Sinking Account, and the Redemption Account) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The 2016 Bonds and any Parity Debt are additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Account established under the Indenture. The 2016 Bonds and any Parity Debt are also equally secured by the pledge and lien created with respect to the 2016 Bonds and any Parity Debt by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the 2016 Bonds.

The Indenture further provides that, in consideration of the acceptance of the 2016 Bonds by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the 2016 Bonds, and the covenants and agreements therein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2016 Bonds without preference, priority or distinction as to security or otherwise of any of the 2016 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Tax Revenues

Definition. "**Tax Revenues**" is defined in the Indenture to mean, for each Fiscal Year, all moneys derived from that portion of taxes levied upon assessable property within the Project Area deposited from time to time in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law, (i) for each Senior Obligation, the amount pledged under the Senior Obligation Indenture to make payments on such Senior Obligation, but only to the extent required to make such payments and (ii) excluding amounts if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5,33607.7 Section 34183(a)(1) of the including amounts payable under the Pass-Through Agreements, except to the extent that such amounts are payable on a basis subordinate to the payment of Annual Debt Service on the 2016 Bonds or any Parity Debt pursuant to Sections 33607.5(e) and 34177.5(c) of the Law or pursuant to the terms of the Pass-Through Agreements, as applicable.

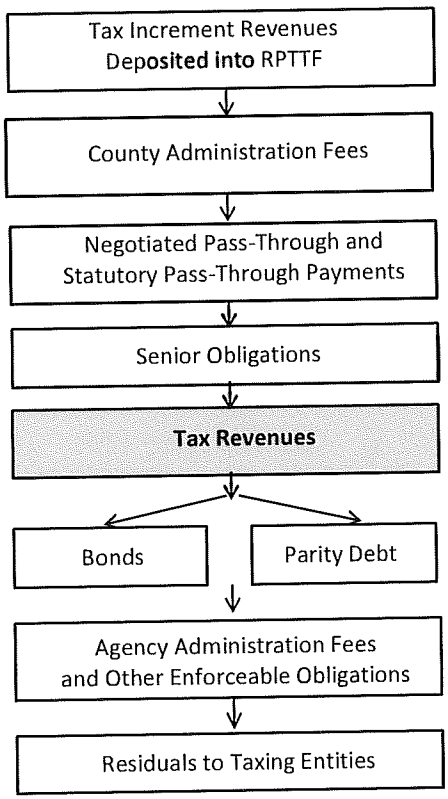
Housing Set-Aside. Before it was amended by the Dissolution Act, the Redevelopment Law required the Former Agency to set aside not less than 20% of all tax increment generated in the Project Area into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing. These tax increment revenues were commonly referred to as "Housing Set-Aside."

The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside. As a result, and because the Successor Agency has no obligations that will be payable from Housing Set-Aside after the issuance of the 2016 Bonds, the former Housing Set-Aside is available to pay debt service on the 2016 Bonds except to the extent the former Housing Set-Aside relates to tax increment revenues generated in the Amendment No. I Area excess of the Annual Amendment No. I Limit (as hereinafter defined) for a particular fiscal year or the Cumulative Amendment No. I Limit (as hereinafter defined and together with the Annual Amendment No. I Limit, the "**Amendment No. I Limits**"); the projection of tax increment revenues from the Project Area available to pay debt service prepared by the Fiscal Consultant and set forth in the section of this Official Statement entitled "THE PROJECT AREA – Projected Tax Increment Revenues and Estimated Debt Service Coverage," assumes the availability of the former Housing Set-Aside for this purpose taking into the Amendment No. I Limits. See "SECURITY FOR THE 2016 BONDS – Negotiated Pass-Through Agreements" for further discussion regarding the Amendment No. I Limits.

Flow of Funds Under the Indenture

General. The following diagram illustrates the application of tax increment funds from the Project Area under the Dissolution Act generally. The application of Tax Revenues to the payment of the 2016 Bonds and any Parity Debt is governed by the Indenture and is described below.

Flow of Funds



Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund. The Indenture provides that the Successor Agency shall deposit all of the Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt. All Tax Revenues received by the Successor Agency in excess of the amounts required to pay debt service on the 2016 Bonds during the applicable period or as additionally required pursuant to a Supplemental Indenture or authorizing document for Parity Debt, and except as may be provided to the contrary in any Senior Obligation Indenture or Parity Debt Instrument, shall be released from the pledge and lien under the Indenture and shall be applied in accordance with the Redevelopment Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the 2016 Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Deposit of Amounts by Trustee. A trust fund to be known as the Debt Service Fund, will be established and held in trust by the Trustee under the Indenture. Concurrently with making transfers with respect to Parity Debt, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

Interest Account. On or before the fifth Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee, for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable.

Principal Account. On or before the fifth Business Day preceding each September 1 on which the principal of the Bonds (including any mandatory sinking account payment due with respect to a Term Bond) becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal (including any mandatory sinking account payment due with respect to a Term Bond) coming due and payable on such date on the Bonds. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal (including any mandatory sinking account payment due with respect to a Term Bond) to become due on the next September 1 on all of the Outstanding Bonds and any Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt (including any mandatory sinking account payment due with respect to a Term Bond) as it shall become due and payable.

Reserve Account. Within the Debt Service Fund there will be established a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency pursuant to the Indenture, which shall be held by the Trustee in trust for the benefit of the Owners of the 2016 Bonds. See "Debt Service Reserve Account" below.

[If the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Redevelopment Law, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account.]

Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to the optional redemption provisions of the Indenture, other than mandatory sinking account redemption of Term Bonds, the Trustee will withdraw from the Debt Service Fund any amount transferred by the Successor Agency for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date. All moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed pursuant to an optional redemption on the date set for such redemption, other than mandatory sinking account redemption of Term Bonds. Interest due on the Bonds to be redeemed on the date set for redemption will, if applicable, be paid from funds available therefor in the Interest Account.

Debt Service Reserve Account

Definition of Reserve Requirement. The Indenture defines "**Reserve Requirement**" to mean, with respect to the 2016 Bonds and any Parity Debt issued as Bonds pursuant to a Supplemental Indenture, the lesser of (i) 10% of the original aggregate principal amount of the 2016 Bonds and such Parity Debt (if there is more than a de minimis amount of original issue discount or premium (as defined in the Code), the issue price shall be used instead of principal amount) or (ii) 125% of the average Annual Debt Service with respect to the 2016 Bonds and such Parity Debt, as applicable or (iii) Maximum Annual Debt Service with respect to the 2016 Bonds and such Parity Debt, as applicable. The Supplemental Indenture for a Parity Debt issued as Bonds pursuant to a Supplemental Indenture may provide that the Successor Agency may meet all or a portion of the Reserve Requirement for such Parity Debt by depositing a Qualified Reserve Account Credit Instrument in a reserve account for the Parity Debt.

The Reserve Requirement for the 2016 Bonds may be met with the deposit of a debt service reserve policy.

All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the 2016 Bonds then Outstanding.

Recognized Obligation Payment Schedules

Submission of Recognized Obligation Payment Schedule. The Dissolution Act requires successor agencies to prepare, and submit to the successor agency's oversight board

and the DOF for approval, a Recognized Obligation Payment Schedule (the "**Recognized Obligation Payment Schedule**") pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation.

Commencing on February 1, 2016, successor agencies were transitioned to an annual Recognized Obligation Payment Schedule process pursuant to which successor agencies are required to file Recognized Obligation Payment Schedules with the DOF and the County Auditor-Controller for approval on or before each February 1 for the July 1 through June 30 period immediately following such February 1. For example, on February 1, 2016, the Successor Agency was required to file a Recognized Obligation Payment Schedule for the period commencing July 1, 2016 through June 30, 2017.

In addition, commencing on September 22, 2015, successor agencies that have received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, may at their option, file a "Last and Final" Recognized Obligation Payment Schedule. If approved by the DOF, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties, and the Successor Agency will no longer submit a Recognized Obligation Payment Schedule to the DOF or the Oversight Board. The county auditor-controller will remit the authorized funds to the Successor Agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid. A Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with approval of the DOF and the County Auditor-Controller. [The Successor Agency currently has no plans to file a Last and Final Recognized Obligation Payment Schedule.]

Payment of Amounts Listed on the Recognized Obligation Payment Schedule. As defined in the Dissolution Act, "**enforceable obligation**" includes bonds, including the required debt service, reserve set-asides (including the Reserve Account), and any other payments required under the Indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency or the successor agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency or the successor agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

Order of Priority of Distributions from Redevelopment Property Tax Trust Fund. Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act:

(i) first, subject to certain adjustments (as described below) for subordinations to the extent permitted under the Dissolution Act and no later than each January 2 and June 1, to each local taxing agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have

received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations (see "– Negotiated Pass-Through Agreements," "– Section 33676 Payments" and "Statutory Pass-Through Payments" below);

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments (and amounts required to replenish the related reserve funds, if any) scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule;

(iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

The Dissolution Act requires the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund amounts required to be distributed for statutory pass-through obligations to the taxing entities on each January 2 and June 1 before amounts are distributed by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund, unless: (i) pass-through payment obligations have been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded to by the Successor Agency; (ii) the Successor Agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the Redevelopment Property Tax Trust Fund allocation to the Successor Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the Successor Agency's enforceable obligations, pass-through payments and the Successor Agency's administrative cost allowance for the applicable Recognized Obligation Payment Schedule period; and (iii) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes.

If the requirements set forth in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed on the applicable January 2 or June 1 property tax distribution date (as adjusted for weekends and holidays). To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Successor Agency's enforceable obligations, pass-through payments and the Successor Agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable Recognized Obligation Payment Schedule period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts

to be distributed under subordinated negotiated pass-through agreements, if any, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted. The Dissolution Act provides for a procedure by which the Successor Agency may make statutory pass-through payments subordinate to the 2016 Bonds. The Successor Agency has not undertaken the requisite procedures to obtain such subordination of statutory pass-through payments required to be made from tax increment revenues generated in the Project Area and, therefore, statutory pass-through payments are payable on a senior basis to the payment of the 2016 Bonds as described below. In addition, amounts payable under the Pass-Through Agreements (as hereinafter defined) are payable on a senior basis to the payment of the 2016 Bonds as described below. See "SECURITY FOR THE 2016 BONDS — Negotiated Pass-Through Agreements," "– Section 33676 Payments" and "– Statutory Pass-Through Payments."

Sources of Payments for Enforceable Obligations. Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the former low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance (successor agencies are entitled to receive not less than $250,000, unless that amount is reduced by the oversight board), (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that only those payments listed in the Recognized Obligation Payment Schedule may be made by a successor agency and only from the funds specified in the Recognized Obligation Payment Schedule.

Relevant Covenant by the Successor Agency. In the Indenture, the Successor Agency covenants to comply with all of the requirements of the Law. In particular, the Successor Agency covenants in the Indenture to, pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) amounts due with respect to the Senior Obligations under the Senior Obligation Indenture, (ii) debt service on the Bonds and (iii) all amounts due and owing to the issuer of bond insurance policy and/or debt service reserve policy for the 2016 Bonds (the "**2016 Bond Insurer**") under the Indenture, so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached to the Indenture, or as such Schedule may be amended in the future, as well as all amounts due and owing to the 2016 Bond Insurer, if any, thereunder.

In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2016 Bond Insurer, if any, under the Indenture on a timely basis, the Successor Agency shall, not later than February 1, 2017 (or at such earlier time as may be required by the Dissolution Act), submit an Oversight Board-approved Recognized Obligation Payment Schedule to the DOF and to the County Auditor-Controller that shall include (i) amounts required to be included on such Schedule pursuant to

the Senior Obligation Indenture, (ii) all of the debt service due on all Outstanding Bonds on September 1, 2017, which shall be distributed to the Successor Agency on June 1, 2017 (but only to the extent that there are not other amounts previously reserved therefor), and (iii) all of the interest due on the 2016 Bonds on March 1, 2018 and 50% of the principal due on the Outstanding Bonds on September 1, 2018, which shall be distributed to the Successor Agency on January 2, 2018. Thereafter, not later than each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the DOF and to the County Auditor-Controller that shall include (a) amounts required to be included on such Schedule pursuant to the Senior Obligation Indenture, (b) interest on all Outstanding Bonds due on the immediately succeeding September 1 plus 50% of principal due on the Outstanding Bonds on such September 1, which amounts shall distributed to the Successor Agency on such June 1, (c) interest on all Outstanding Bonds due on the immediately succeeding March 1 plus 50% of principal due on all Outstanding Bonds on the September 1 in the following calendar year, which amounts shall distributed to the Successor Agency on the following January 2, and (d) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2016 Bond Insurer, if any, thereunder).

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2016 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one of half of debt service due during each Bond Year on all Outstanding Bonds prior to March 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding September 1.

History of Submission of the Recognized Obligation Payment Schedules. The Successor Agency has procedures in place to ensure full and timely compliance with the above-described covenant. Under the direction of the Director of Fiscal Services, the Successor Agency has submitted its Recognized Obligation Payment Schedules on a timely basis with exception of ROPS I as described in the table on the following page.

	Funding Period	ROPS Approved by Oversight Board	Approved ROPS Submitted to DOF	Deadline to Submit ROPS to DOF	ROPS Submitted On Time?
ROPS I	1/1/12-6/30/12	4/25/12*	4/25/12*	4/15/12	No
ROPS II	7/1/12-12/31/12	4/25/12*	4/25/12*	5/15/12	Yes
ROPS III	1/1/13-6/30/13	8/29/12	8/30/12	9/4/12	Yes
ROPS 2013-14A	7/1/13-12/31/13	2/27/13	2/28/13	3/1/13	Yes
ROPS 2013-14B	1/1/14-6/30/14	9/11/13	9/12/13	10/1/13	Yes
ROPS 2014-15A	7/1/14-12/31/14	2/26/14	2/27/14	3/3/14	Yes
ROPS 2014-15B	1/1/15-6/30/15	9/10/14	9/15/14	10/3/14	Yes
ROPS 2015-16A	7/1/15-12/31/15	2/23/15	2/25/15	3/3/15	Yes
ROPS 2015-16B	1/1/16-6/30/16	9/16/15	9/21/15	10/4/15	Yes
ROPS 2016-17	7/1/16-6/30/17	1/27/16	1/29/16	2/1/16	Yes

* Amended ROPS I and II were approved by the Oversight Board and submitted to DOF on 5/21/12 after the initial ROPS I and II were returned to the Successor Agency by the DOF for revision.

In addition, there are strong incentives for the Successor Agency to submit Recognized Obligation Payment Schedules on time. If the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board, the County Auditor-Controller and the DOF on or before each February 1 commencing February 1, 2016 (unless the Successor Agency submits and obtains approval from the DOF of a Last and Final Recognized Obligation Payment Schedule), then the Successor Agency will be subject to a $10,000 per day civil penalty for every day the schedule is not submitted to the DOF. See "SECURITY FOR THE 2016 BONDS – Recognized Obligation Payment Schedules" for discussion regarding submission of Last and Final Recognized Obligation Payment Schedule. Additionally, if the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board and the DOF within 10 days of the deadline, then the Successor Agency's maximum administrative cost allowance may be reduced by up to 25%. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications for the 2016 Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedules."

Negotiated Pass-Through Agreements

The Redevelopment Law authorized the Former Agency to enter into negotiated pass-through agreements with taxing agencies whose territory was located within the Project Area to alleviate the financial burden or detriment caused by the Redevelopment Project.

As previously described, the Original Redevelopment Plan was amended pursuant to Amendment No. I and Amendment No. III to add the Amendment No. I Area (adding approximately 1,337 acres to the Original Project Area) and the Amendment No. III Area (adding approximately 22.6 acres to the Original Project Area), respectively, to the Original Project Area. The County and other affected taxing entities expressed concern over the fiscal impact of the proposed additions to the Original Project Area. This concern ultimately resulted in the negotiation of the following negotiated pass-through agreements (collectively, the "**Pass-Through Agreements**"):

- Agreement dated as of June 23, 1981, by and between the Former Agency, the City and the County (the "**County Agreement - Amendment No. I Area**");
- Agreement dated as of September 27, 1990, by and between the City, the Former Agency and the County (the "**County Agreement - Amendment No. III Area**");
- Agreement dated as of December 13, 1990, by and between the City, the Former Agency and the Little Lake City School District (the "**Little Lake City School District Agreement**"); and
- Agreement dated as of December 13, 1990, by and between the City, the Former Agency and the Whittier Union High School District (the "**Whittier UHS District Agreement**").

County Agreement- Amendment No. I Area. Pursuant to the County Agreement - Amendment No. I Area, the Successor Agency, as successor to the Former Agency, is required to annually reimburse the County and the County Flood Control District (i) 40 percent of the total tax increment dollars derived from the Amendment No. I Area (exclusive of those derived from

the area designated as Parcel #1 within the Amendment No. I Area) and (ii) 50 percent of the total tax increment dollars derived from the area designated as Parcel #1 within the Amendment No. I Area. The County Agreement - Amendment No. I further requires that the Successor Agency, as successor to the Former Agency, pay the County any increase in tax increments attributable to increases in the tax rate imposed by the County taxing entities within the Amendment No. I Area.

The County Agreement - Amendment No. I also provides that tax increment revenues derived from and allocated to the Former Agency, and the Successor Agency as successor thereto, from the Amendment No. I Area cannot exceed $65 million in the aggregate (the "**Cumulative Amendment No. I Limit**") or $3.5 million in any one fiscal year (the "**Annual Amendment No. I Limit**") in each case excluding (i) tax increment revenues necessary for the Former Agency to satisfy it's Housing Set-Aside obligations and (ii) pass-through payments to the County and County Flood Control District. As discussed in "THE PROJECT AREA – The Redevelopment Plan," in accordance with the Redevelopment Law, redevelopment plans like the Redevelopment Plan were required to include certain limits on the financing of the redevelopment projects, including a limit on tax increment revenues from a particular project area that could be allocated to a redevelopment agency. SB 107 clarifies that former tax increment limits set forth in redevelopment plans such as the Redevelopment Plan no longer apply for purposes of paying approved enforceable obligations such as the 2016 Bonds. However, because SB 107 applies only to such limits contained in redevelopment plans, the Amendment No. I Limits survive SB 107 and continue in effect. See "THE PROJECT AREA – The Redevelopment Plan" for further discussion regarding effect of SB 107 on limits contained in the Redevelopment Plan.

According to the Fiscal Consultant, due to the passage of the Dissolution Act, the County began calculating the Annual Amendment No. I Limit in fiscal year 2013-14 without excluding tax increment revenues from the Amendment No. I Area representing the former Housing Set-Aside. See "SECURITY FOR THE 2016 BONDS – Tax Revenues – Housing Set-Aside" for discussion of the former Housing Set-Aside.

The Fiscal Consultant further reports that in fiscal year 2013-14, the County retroactively recalculated the Amendment No. I Limit for fiscal years 2011-12 and 2012-13 without excluding amounts representing former Housing Set-Aside revenues from the Amendment No. I Area. Based on such calculations, the County determined that the Successor Agency was allocated tax increment revenues in excess of such limit in fiscal year 2011-12 (after the passage of the Dissolution Act in 2012) and in fiscal year 2012-13. As a result, the County made a one-time adjustment to tax increment revenues allocated to the Successor Agency from the Project Area in fiscal year 2013-14 to account for such excess tax increment revenues. See "THE PROJECT AREA – Historical and Estimated Assessed Values and Tax Revenues."

The Fiscal Consultant further reports that the Annual Amendment No. I Limit has been reached for fiscal year 2015-16 and the Cumulative Amendment No. I Limit is anticipated to be reached by fiscal year 2019-20. In the event the Annual Amendment No. I Limit is reached in any fiscal year, tax increment revenues from the Amendment No. I Area for such fiscal year in excess of such limit will not be available to pay debt service on the 2016 Bonds. Once the Cumulative Amendment No. I Limit is reached, tax increment revenues from the Amendment No. I in excess of such limit for such fiscal year and all fiscal years thereafter will not be available to be pay debt service on the 2016 Bonds. The projections of tax increment revenues from the Project Area available to pay debt service prepared by the Fiscal Consultant and set forth in the section of this Official Statement entitled "THE PROJECT AREA – Projected Tax

Increment Revenues and Estimated Debt Service Coverage" take into account the Amendment No. I Limits.

Other Pass-Through Agreements. The County Agreement - Amendment No. III Area, the Little Lake City School District Agreement and the Whittier UHS District Agreement relate to tax increment revenues generated in the Amendment No. III Area. Such agreements require that the County, the Little Lake City School District and the Whittier Union High School District receive the tax increment revenues that each would have received in the absence of the Amendment No. III Area and the division of taxes pursuant to the Redevelopment Law, which is 16.83% of the basic levy tax increment revenues generated from the Amendment No. III Area for the Whittier Union High School District, 9.22% of such tax increment revenues for Little Lake City School District and 61.06% of such revenues for the County.

The Successor Agency's obligations under the Pass-Through Agreements are payable on a senior basis to the 2016 Bonds.

Section 33676 Payments

General. Pursuant to former Health and Safety Code Section 33676(b)(2), local education agencies that were basic aid districts or offices at the time the ordinance amending a redevelopment plan, like the Original Redevelopment Plan, was adopted and received no state funding, other than pursuant to Section 6 of Article IX of the State Constitution, pursuant to Section 2558, 42238, or 84751, as appropriate, of the Education Code, are entitled to receive (A) if an agreement exists that requires payments to the basic aid district, the amount required to be paid by an agreement between the agency and the basic aid district entered into prior to January 1, 1994, or (B) if an agreement does not exist, the percentage share of the increase in property taxes from the project area allocated among all of the affected taxing entities during the fiscal year the funds in the project area are allocated, derived from 80 percent of the growth in assessed value that occurs within the portion of the district within the redevelopment project area from the year in which the amendment takes effect pursuant to subdivision (c) of Section 33607.7.

Effect of Section 33676. Any payments under Section 33676 reduce the amount of tax increment allocated to the Successor Agency and, therefore, the amount of Tax Revenues.

Relevance to the Project Area. School districts within the Project Area currently receive payments pursuant to Section 33676. No other payments consisting of tax revenues from the Project Area are being made to taxing entities pursuant to Section 33676. See "APPENDIX I – FISCAL CONSULTANT'S REPORT" for further information.

Statutory Pass-Through Payments

General. In certain circumstances, Sections 33607.5 and 33607.7 of the Redevelopment Law require redevelopment agencies and successor agencies to make statutory pass-through payments to taxing agencies whose territory is located within a redevelopment project area, to alleviate the financial burden or detriment caused by the redevelopment project.

Generally speaking, the County Auditor-Controller is required to deduct from the Successor Agency's Redevelopment Property Tax Trust Fund to pay to the affected taxing agencies percentages of tax increment generated in a project area as follows:

Tier 1: throughout the period that the Successor Agency is eligible to receive property tax revenues from a project area, 25% of revenues in excess of revenues generated in such project area from the date the redevelopment plan for such project area was adopted, for post-1994 plans, and from the year in which one of several specified plan limitations would have been reached, in the absence of an amendment to a redevelopment plan extending or eliminating such limitation, for pre-1994 plans with such amendments, all computed as though housing set-aside is still in effect; plus,

Tier 2: for the 11th year of the receipt of tax increment and thereafter, 21% of revenues in excess of revenues based on assessed values in the project area for the 10th year of statutory pass-through payments; plus,

Tier 3: for the 31st year of the receipt of tax increment and thereafter, 14% of revenues in excess of revenues based on assessed values in the project area for the 30th year of statutory pass-through payments.

Statutory Pass-Through Obligations in the Project Area. In 1993, the State Legislature enacted Assembly Bill 1290 ("**AB 1290**"), which contained several significant changes in the Redevelopment Law. Among the changes made by AB 1290 was a provision that limits the period of time for incurring and repaying loans, advances and indebtedness payable from tax increment revenues. Under AB 1290, redevelopment agencies were required to commence making pass-through payments under Section 33607.7 of the Redevelopment Law to certain taxing entities with respect to project areas formed on or before 1993, upon amendment of the related redevelopment plans to eliminate the time during which the redevelopment agency could incur debt with respect to particular project areas as set for in such redevelopment plans, to extend the life of the redevelopment plan or to increase the tax increment limit.

Under AB 1290, statutory pass-through payments were required to commence in the first year following the year in which the first of the revised limits would otherwise have gone into effect. With respect to project areas formed or territory added to existing project areas after 1993, AB 1290 required redevelopment agencies to commence making pass-through payments under 33607.7 of the Redevelopment Law upon formation of such project areas.

Pursuant to Ordinance No. 936, adopted by the City Council on July 10, 2003, the Redevelopment Plan was amended to eliminate the limitation on the issuance of new indebtedness to be repaid with tax increment revenue. As a result, the Former Agency was required to make statutory pass-through payments with respect to the Project Area pursuant to AB 1290.

No Subordination of Statutory Pass-Through Payments. Statutory pass-through payments are payable on a senior basis to debt service on bonds under the Dissolution Act, unless the pass-through payments have been subordinated. The Redevelopment Law, as amended by the Dissolution Act, allows statutory pass-through payments to be subordinated to debt service on the Successor Agency's bonds. **However, the Successor Agency did not seek or obtain the consent from any taxing entities to subordinate their right to receive statutory payments to the payment of debt service on the 2016 Bonds. Accordingly, statutory pass-through payments from the Project Area are payable on a senior basis to debt service on the 2016 Bonds.**

See "APPENDIX H – FISCAL CONSULTANT'S REPORT" for information about the Former Agency's statutory pass-through obligations and the County's payment practices with regard to statutory pass-through payments.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, ad valorem taxes are collected by a county (the "**Taxing Authority**") for the benefit of the various entities (e.g., cities, schools and special districts) that share in the ad valorem tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Funds.

Collections. Secured and unsecured property is entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 (Chapter 498 of the Statutes of 1983) provides for the reassessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of increase or decrease in a property's value and prorating

the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against real property. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes.

Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased or decreased property taxes from the new assessments for up to 14 months. This statute provides increased or decreased revenue to the Redevelopment Property Tax Trust Fund to the extent that Supplemental Assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such Supplemental Assessments occur within the Project Area, Tax Revenues may increase or decrease. The Fiscal Consultant has not included supplemental assessments in the projections of Tax Revenues.

Property Tax Administrative Costs. In 1990, the State Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to recover charges for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each, in an amount equal to the fiscal year 1989-90 property tax administration costs, as adjusted annually.

SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. The portions of the reimbursement amount that are allocated to each taxing entity within the County are based on the percentage of the total assessed value in the County that each taxing entity's assessed value represents. The Fiscal Consultant reports that the SB 2557 charge for fiscal year 2014-15 was 1.59% of gross tax increment revenues fro the Project Area.

In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 2557/SB 1559 amounts, to be deducted from property tax revenues before monies are deposited into the Redevelopment Property Tax Trust Fund.

The County's administrative charge relating to the dissolution of the Former Agency was $653,596 and $603,944 for fiscal years 2014-15 and 2015-16, respectively. **The County's administrative charges are payable on a senior basis to debt service on the 2016 Bonds.**

Recognized Obligation Payment Schedule. See "SECURITY FOR THE 2016 BONDS – Recognized Obligation Payment Schedules" and "RISK FACTORS – Recognized Obligation Payment Schedules."

Rate of Collections – No Teeter Plan

The County has not adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds with respect to property taxes (the "**Teeter Plan**"). Consequently, the amount of the levy of property tax revenue that can be allocated to the Successor Agency depends upon the actual collections of taxes within the Project Area.

Substantial delinquencies in the payment of property taxes could impair the timely receipt by the Successor Agency of Tax Revenues. See "THE PROJECT AREA – No Teeter Plan."

Unitary Property

Legislation enacted in 1986 and 1987 provided for a modification of the distribution of tax revenues derived from utility property assessed by the State Board of Equalization ("**SBE**"), other than railroads. Prior to fiscal year 1988-89, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area.

Assembly Bill ("**AB**") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the county. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the SBE. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of a project area; therefore, the base year value of the Project Area has been reduced by the amount of utility value that existed originally in the base year.

The Fiscal Consultant reports that the Los Angeles County Controller estimates that the Successor Agency will receive $220,743 in unitary revenue from the Project Area in fiscal year 2015-16.

Article XIIIA of the State Constitution

Article XIIIA limits the amount of ad valorem taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIIIA (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIIIA has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIIIA. Proposition 58 amended Article XIIIA to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIIIA, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first $1,000,000 of other property between parents and children. This amendment to Article XIIIA may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIIIA to permit the State Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the State Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the State Legislature to implement Article XIIIA provides that all taxable property is shown at full-assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Each year the SBE announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. During the ten previous fiscal years, the inflation factor has been less than 2% on five occasions. The table below reflects the inflation adjustment factors for the current fiscal year, the 9 prior fiscal years and the adjustment factor for fiscal year 2016-17.

Historical Inflation Adjustment Factors

Fiscal Year	Inflation Adj. Factor
2006-07	2.000
2007-08	2.000
2008-09	2.000
2009-10	2.000
2010-11	-0.237
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454
2015-16	1.998
2016-17	1.525

Appropriations Limitation – Article XIIIB

Article XIIIB limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The "base year" for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIIIB, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (other than the Former Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies. Effective September 22, 2015, the Dissolution Act provides that such debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project that are not pledged to or not needed for debt service on successor agency obligations will be allocated and paid to the entity that levies the override.

Appeals of Assessed Values

Pursuant to State law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "**Appeals Board**"). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within four years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

See "THE PROJECT AREA – Appeals of Assessed Values" for information regarding historical and pending appeals of assessed valuations by property owners in the Project Area.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIIIA of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

The Fiscal Consultant reports that information regarding reductions and restorations of assessed values within the Project Area pursuant to Proposition 8 is not currently available from the County.

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIIIC and XIIID to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Proposition 26 amended Article XIIIC of the State Constitution by adding an expansive definition for the term "tax," which previously was not defined under the State Constitution.

Tax Revenues securing the 2016 Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency's ability to expend revenues.

THE SUCCESSOR AGENCY

As described in "INTRODUCTION," the Dissolution Act dissolved the Former Agency as of February 1, 2012. Thereafter, pursuant to Section 34173 of the Dissolution Act, the City became the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

Successor Agency Powers

All powers of the Successor Agency are vested in its five members who are elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, substantially all Successor Agency actions are subject to approval by the Oversight Board, as well as review by the DOF.

Status of Compliance with Dissolution Act

The Dissolution Act requires a due diligence review to determine the unobligated balances of each successor agency that are available for transfer to taxing entities. The due diligence review involves separate reviews of each successor agency's low and moderate income housing fund and of all other funds and accounts. Once a successor agency completes the due diligence review and any transfers to taxing entities, the DOF will issue a finding of completion that expands the authority of each successor agency in carrying out the wind down process. A finding of completion allows a successor agency to, among other things, retain real property assets of the dissolved redevelopment agency and utilize proceeds derived from bonds issued prior to January 1, 2011.

The Successor Agency completed the due diligence process and received its Finding of Completion on December 5, 2013.

After receiving a finding of completion, each successor agency is required to submit a Long Range Property Management Plan detailing what it intends to do with its inventory of properties. Successor agencies are not required to immediately dispose of their properties but are limited in terms of what they can do with the retained properties. Permissible uses include: sale of the property, use of the property to satisfy an enforceable obligation, retention of the property for future redevelopment, and retention of the property for governmental use. These plans must be filed by successor agencies within six months of receiving a finding of completion, and the DOF will review these plans as submitted on a rolling basis.

The DOF approved the Successor Agency's Long Range Property Management Plan on November 24, 2015.

THE PROJECT AREA

Project Description

General. The Project Area is one of two redevelopment project areas of the Successor Agency, along with the Washington Boulevard Project Area. Tax Revenues pledged to the payment of the 2016 Bonds are derived solely from tax increment revenues generated in the Project Area and therefore, the discussion in this Official Statement regarding the Successor Agency's project areas is limited to the Project Area.

The Project Area was formed as a result of the merger of four formerly separate redevelopment project areas established by the Former Agency: (i) the Flood Ranch Project; (ii) the Pioneer -Telegraph Project; (iii) the Norwalk Boulevard Project; and (iv) the Oil Field Project. After its formation, the Original Project Area was amended to add the Amendment No. I Area and the Amendment No. III Area. As so amended, the Project Area currently consists of approximately 3,450 acres of land.

Component Areas. Following are brief descriptions of the component areas of the Project Area:

- Flood Ranch Project. The land within the Project Area originally composing the former Flood Ranch Project. It consists of approximately 65 acres and is predominantly residential in nature.

- Pioneer-Telegraph Project. The land within the Project Area originally composing the former Pioneer-Telegraph Project. It consists of approximately 183 industrially zoned acres adjacent to a residential community, which includes the Town Center complex.

- Norwalk Boulevard Project. The land within the Project Area originally composing the former Norwalk Boulevard Project. It consists of approximately 879 acres of land and is predominantly residential and commercial in nature.

- Oil Field Project. The land within the Project Area originally composing the former Oil Field Project consists of approximately 964 acres of land. The Santa Fe Springs oil field underlies the former Oil Field Project, and approximately 35% of the surface lands are controlled by petroleum interests. Property ownership within the former Oil Field Project is highly fragmented which discourages land assembly for other uses by private interests. Petroleum production from the Santa Fe Springs field has been declining for several years. In effort to address idle wells and unused facilities and thereby permit more productive uses of surface rights, the City adopted its Oil and Gas Code in 1977. In 1987, the City's Oil and Gas Code was amended to reduce the number of idle wells in existence from one for every producing well to one for every two producing wells. During the five year phase-in period, about 80 idle wells were abandoned. Development within the former Oil Field Project is anticipated to be slow in the future because it is impacted by methane gas and crude oil contaminated soil.

- Amendment Areas. The Amendment No. I Area consists of approximately 1,337 acres of land, including 108 acres of freeway right-of-way for the San Gabriel River Freeway (I-605) and the Santa Ana Freeway (I-5). The Amendment No. I Area also

included the 265-acre former Golden West Refinery, which was redeveloped as a 30 building, 5 million square foot master planned industrial and commercial project completed in 2007. The Amendment No. III consists of approximately 22.6 acres.

Land Use

The following table summarizes the current land use in the Project Area by the number of parcels and by assessed value for fiscal year 2015-16. The assessed values shown have been reduced to reflect non-homeowner exemptions.

As shown in the table below, land within the Project Area is predominantly used for industrial purposes (approximately 79% in terms of secured assessed valuation).

TABLE 1
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Consolidated Redevelopment Project
Land Use by Secured Assessed Value
Fiscal Year 2015-16

Category	No. of Parcels	Secured Assessed Valuation	% of Total FY 2015-16 Secured Assessed Value
Industrial	785	$2,714,680,313	78.98%
Commercial	119	270,956,718	7.88
Single Family Residential	705	239,742,704	6.98
Vacant Industrial	151	95,540,455	2.78
Multi-Family Residential	18	44,546,228	1.30
Governmental/Institutional/Other	159	42,688,436	1.24
Vacant Governmental/Institutional/Other	64	14,209,017	0.41
Vacant Commercial	11	12,857,941	0.37
Recreational	1	1,115,337	0.03
Vacant Residential	4	636,590	0.02
Total	**2,017**	**$3,436,973,741**	**100.00%**

Source: County Assessor; Urban Futures, Inc.

The Redevelopment Plan

General. The Original Project Area was formally established with the adoption by the City Council of the Original Redevelopment Plan pursuant to Ordinance No. 592, adopted on November 13, 1980. Since adoption, the Original Redevelopment Plan has been amended several times, including in 1981 and 1982 to add the Amendment No. I Area and the Amendment No. III Area, respectively.

Plan Limits. In accordance with the Redevelopment Law, redevelopment plans like the Redevelopment Plan were required to include certain limits on the financing of the redevelopment projects. These limits could include a time limit on the life of the redevelopment plan, a time limit on the incurrence of indebtedness, a time limit on the receipt of property tax increment and the repayment of indebtedness and a limit on the amount of bonded

indebtedness outstanding at any time. SB 107 clarifies that former tax increment limits set forth in redevelopment plans such as the Redevelopment Plan no longer apply for purposes of paying approved enforceable obligations such as the 2016 Bonds. However, the Fiscal Consultant reports that, notwithstanding SB 107, the County continues to monitor the cumulative limit on receipt of tax increment revenues from the Project Area in the Redevelopment Plan of approximately $9.993 billion. According to the Fiscal Consultant, in order for such limit to be reached prior to the final maturity of the 2016 Bonds on September 1, 2028, it is estimated that tax increment revenues would need to increase in excess of 43% in fiscal year 2016-17 and each fiscal year thereafter up and including fiscal year 2027-28. Therefore, the Successor Agency believes it is highly unlikely that such limit will be met prior to the maturity of the 2016 Bonds.

SB 107 does not apply to limits on the financing of the redevelopment projects included in pass-through agreements entered into with taxing agencies such as the County Agreement-Amendment Area No. I. Therefore, the Amendment No. I Limits remain in effect. See "SECURITY FOR THE 2016 BONDS – Negotiated Pass-Through Agreements" for further discussion regarding the Amendment No. I Limits. The projections of tax increment revenues from the Project Area available to pay debt service prepared by the Fiscal Consultant and set forth in the section of this Official Statement entitled "THE PROJECT AREA – Projected Tax Increment Revenues and Estimated Debt Service Coverage" take into account the Amendment No. I Limits.

Historical and Estimated Assessed Values and Tax Revenues

The table below shows the historical assessed valuations for the Project Area for fiscal years 2011-12 to 2015-16 based upon the County Auditor-Controller's equalized rolls. The table below also calculates available Tax Revenues from the Project Area for each of the past four fiscal years and an estimate for fiscal year 2015-16.

TABLE 2
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Consolidated Redevelopment Project
Historical and Estimated Tax Revenues

Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Secured Assessed Values	$2,977,669,718	$3,054,400,264	$3,154,004,414	$3,342,687,789	$3,436,973,741
Unsecured Assessed Values	511,051,258	530,570,737	524,970,956	552,335,916	564,918,827
Total Assessed Values	3,488,720,976	3,584,971,001	3,678,975,370	3,895,023,705	4,001,892,568
Percent Change	--	2.76%	2.62%	5.87%	2.74 %
Base Year Assessed Values	349,432,789	349,432,789	349,432,789	349,432,789	349,432,789
Incremental Assessed Values	3,139,288,187	3,235,538,212	3,329,542,581	3,545,590,916	3,652,459,779
Incremental Value [1]	31,392,882	32,355,382	33,295,426	35,455,909	36,524,598
Gross Tax Increment Revenues [2]	27,991,000	35,540,464	29,331,936 [5]	37,910,149 [6]	35,570,269
Adjustments to Gross Tax Revenue:					
County Administrative Fees	498,208	686,882	608,458	643,527	606,991
Pass Through Payments [3]	3,817,570	6,528,241	3,504,135	5,839,971	6,057,739
Senior Obligations [4]	2,463,250	2,463,000	4,756,500	5,689,000	5,692,750
Tax Revenues	$21,211,972	$25,862,341	$20,462,843	$25,737,651	$23,212,789

(1) Based on a tax rate of 1.00% applied to incremental assessed value.
(2) Actual revenues; includes supplemental and prior year payments. Fiscal year 2015-16 is estimated based on 1.00% tax rate applied to incremental assessed valuation, adjusted for Annual Amendment No. I Limit.
(3) Represents statutory pass-through payments with respect to the Project Area required pursuant to AB 1290 and Section 33676 of the Health and Safety Code and payments required to be made pursuant to the Pass-Through Agreements. See "SECURITY FOR THE 2016 BONDS – Section 33676 Payments," "– Statutory Pass-Through Payments" and "– Negotiated Pass-Through Agreements."
(4) Represents debt service on the Senior Obligations.
(5) Gross tax increment revenues for fiscal year 2013-14 include a one-time deduction by the County Auditor of approximately $3.1 million representing amounts previously allocated to the Successor Agency after the passage of the Dissolution Act in excess of the Annual Amendment No. I Limit in years 2011 through 2014.(6) Fiscal year 2014-15 gross tax revenues include a one-time payment of approximately $4.9 million of secured defaulted revenues and penalty amounts.*Source: County Assessor; Urban Futures, Inc.*

As shown in the table above, total assessed values within the Project Area increased by approximately $513 million or 14.7% from fiscal years 2011-12 through 2015-16. Such increase was due primarily to an increase in total secured assessed values within the Project Area of approximately $459.3 million or 15.4% during such period with a majority of the increase (approximately $188.7 million) occurring in fiscal year 2014-15. See "APPENDIX H – FISCAL CONSULTANT'S REPORT" for further information.

Unitary Property

As the result of the enactment of Assembly Bill 2890 (Chapter 1457, Statutes of 1986) and Assembly Bill 454 (Chapter 921, Statutes of 1987), a portion of the County-wide unitary values assigned to public utilities is allocated to the Project Area. Any substantial reduction in

the values of public utility properties, either because of deregulation of a utility industry or for any other reason, will have an adverse impact on the amount of tax increment revenues. However, any such impact with respect to utility properties within the Project Area will be lessened because the impact will be spread on a County-wide basis.

The Fiscal Consultant reports that the County Controller estimates that the Successor Agency will receive $220,743 in unitary revenue fiscal year 2015-16.

Largest Taxable Property Owners

The following table lists the 10 largest payers of secured property taxes in the Project Area for fiscal year 2015-16. The total assessed valuation of the top 10 secured property taxpayers accounted for 21.30% of the total secured assessed valuation of the Project Area and 20.61% of the incremental assessed value of the Project Area for fiscal year 2015-16. The Fiscal Consultant reports that 3 of the 10 largest payers of property taxes in the Project Area had pending assessment appeals as of the date of this Official Statement.

TABLE 3
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Consolidated Redevelopment Project
Largest Fiscal Year 2015-16 Local Secured Property Taxpayers

Property Owner	Type of Use	Business Type	Total Secured Assessed Value	% of Total Secured Assessed Value	% of Incremental Value
Golden Springs Development	Industrial	Business Park	$283,350,638	8.24%	7.76%
McMaster Carr Supply Company	Industrial	Equipment Distribution	82,883,802	2.41%	2.27
Ppf Industrial 12016 Telegraph [1]	Industrial	Business Park	65,178,835	1.90%	1.78
Teachers Insurance & Annuity [1]	Industrial	Business Park	64,437,803	1.87%	1.76
Sdco Sfs Logistics Center Inc [1]	Industrial	Distribution Center	60,000,000	1.75%	1.64
McKesson Property Company Inc	Industrial	Distribution Center	57,870,870	1.68%	1.58
Carmenita Plaza LLC	Commercial	Shopping Center	36,077,257	1.05%	0.99
Goodman Santa Fe Springs Spe LLC	Vacant Industrial	Industrial Site	34,852,712	1.01%	0.95
Ppf Industrial Valley View LP	Industrial	Industrial/Office Center	34,524,387	1.00%	0.95
14141 Alondra LP	Industrial	Distribution Center	33,543,562	0.98%	0.92
			$752,719,866	**21.90%**	**20.61%**

Total Fiscal Year 2015-16 Secured AV: $3,436,973,741
Total Fiscal Year 2015-16 Incremental AV: $3,652,459,779

(1) Taxpayers have pending assessment appeals with respect to property within the Project Area as of the date hereof. See "– Appeals of Assessed Values."
Source: County Assessor; Urban Futures, Inc.

A brief description of the top two largest payers of secured property taxes in the Project Area is set forth in the following paragraphs:

Largest Secured Property Taxpayer – Golden Springs Development. Golden Springs Development, the largest payer of secured property taxes in the Project Area, is a real estate development and property management company. Golden Springs Development owns and manages an area of land within the Project Area commonly known as the Golden Springs Business Center. The Golden Springs Business Center represents the redevelopment of the original Golden West Oil Refinery and is the City's largest and most successful brownfield redevelopment project to date. Golden Springs Business Center is a 264-acre master planned business park with 23 buildings and over 5 million square feet of Class A, mixed-use industrial and commercial building space and over 60,000 square feet for retail. A MetroRail station is located adjacent to the center.

Second Largest Secured Property Taxpayer – McMaster Carr Supply Company. McMaster Carr Supply Company, the second largest payer of secured property taxes in the Project Area, distributes and ships industrial products to business in the United States and internationally, including building products, fastening and joining equipment, hand tools and hardware products.

Tax Rates

Tax rates will vary from area to area within the State, as well as within a community and a redevelopment project area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of $1.00 per $100 of taxable value and any over-ride tax rate. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition XIII.

As previously indicated, Section 34183(a)(1) of the Dissolution Act requires the County Auditor-Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal of and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. In addition, effective September 22, 2015, debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project, that are not pledged to or needed for debt service on successor agency obligations are allocated and paid to the entity that levies the override and will not be deposited into the Redevelopment Property Tax Trust Fund.

The Fiscal Consultant reports that the Former Agency has not been allocated debt service override revenues. The Fiscal Consultant's projections of tax increment available to pay debt service on the 2016 Bonds are based only on revenue derived from the general levy tax rate.

No Teeter Plan

As previously indicated, the County has not adopted the Teeter Plan. Consequently, property tax payments are not adjusted for delinquencies, redemptions, penalties or interest, and property tax revenues from the Project Area reflect actual collections.

See "PROPERTY TAXATION IN CALIFORNIA – Rate of Collections – No Teeter Plan."

Appeals of Assessed Values

Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion.

Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Appeals may also be filed under Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Significant reductions have taken place in some counties due to declining real estate values. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. After a roll reduction is granted under this section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and it may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIIIA of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "PROPERTY TAXATION IN CALIFORNIA" above.

The Fiscal Consultant reviewed assessment appeals data from County for the Project Area for the period commencing January 1, 2010 through November 10, 2015 to determine the potential impact that pending appeals may have on projected tax increment revenues available to pay debt service on the 2016 Bonds. According to the Fiscal Consultant Report and based on information provided by the County Assessment Appeals Office, the Fiscal Consultant estimates that, assuming a 13.01% reduction in assessed value (based on actual reductions of assessed value for the period commencing January 1, 2010 through November 10, 2015 of 13.01%), the Successor Agency can expect to experience a further reduction in assessed value of the Project Area of approximately $154.4 million thereby resulting in a reduction in Tax Revenues from the Project Area of approximately $1.54 million. The projections of tax increment revenues from the

Project Area available to pay debt service prepared by the Fiscal Consultant and set forth in the section of this Official Statement entitled "THE PROJECT AREAS – Projected Tax Increment Revenues and Estimated Debt Service Coverage" do not take into account reductions in assessed value related to pending appeals.

The following table shows the number of appeals that are pending, the values under appeal and the property owners' opinion of value for the Project Area.

TABLE 4
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Consolidated Redevelopment Project
Assessment Appeals

Historic Assessment Appeals for Appeals Reviewed January 1, 2010 through November 10, 2015

Number of Appeals Filed	Number of Successful Appeals	Assessed Value of Property	Owner's Opinion of Value	Total Requested AV Reduction	Reduction Allowed by Board	Allowed Reductions as % of Requested
610	170	$2,878,433,613	$1,730,658,176	$1,147,775,437	$149,290,077	13.01%

Outstanding Assessment Appeals as of November 10, 2015

Roll Year Appealed	Number of Appeals Filed	Assessed Value of Property	Owner's Opinion of Value	Potential Loss of Assessed Value	Assumed Success Rate[(1)]	Reduction (based on assumed success)
2010	21	$39,119,570	$5,864,185	$33,255,385	13.01%	$4,325,497
2011	299	267,241,770	122,578,357	144,663,413	13.01	18,816,235
2012	497	426,361,709	183,167,363	243,194,346	13.01	31,632,061
2013	364	783,013,434	367,444,638	415,568,796	13.01	54,052,644
2014	156	755,730,042	437,004,050	318,725,992	13.01	41,456,392
2015	13	72,073,213	39,969,900	32,103,313	13.01	4,175,648

(1) Based on historical reduction rate.
Source: Urban Futures, Inc.

Projected Tax Increment Revenues and Estimated Debt Service Coverage

The Fiscal Consultant prepared projections of tax increment revenues available to pay debt service for the Project Area assuming 1.525% inflationary assessed value growth in fiscal year 2016-17 and 2% each fiscal year thereafter and they are shown in Table 5. Other assumptions made by the Fiscal Consultant in calculating the projected tax increment revenues available to pay debt service for the Project Area are described in the Fiscal Consultant's Report. See "APPENDIX H – FISCAL CONSULTANT'S REPORT." Housing Set-Aside is not shown as a separate category of revenues because the former Housing Set-Aside from the Project Area is included in tax increment revenues except to the extent such revenues exceed the Amendment No. I Limits. See "SECURITY FOR THE 2016 BONDS – Tax Revenues – Housing Set-Aside." See "SECURITY FOR THE 2016 BONDS – Negotiated Pass-Through Agreements" for further discussion regarding the Amendment No. I Limits.

Table 6 below shows the projected debt service coverage based on total debt service on the 2016 Bonds and the Senior Obligations assuming 1.525% inflationary assessed value

growth in fiscal year 2016-17 and 2% each fiscal year thereafter. Table 6 below also shows the projected debt service coverage based on total debt service on 2016 Bonds and the Senior Obligations.

TABLE 5
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Consolidated Redevelopment Project
Projection of Incremental Value and Tax Increment Revenues

Fiscal Year Ending June 30	Gross Tax Increment (1)	Less Pass Through Payments (2)	Less County Admin. Fees (3)	Tax Increment Revenues Available for Debt Service
2017	$36,193,417	$6,186,769	$618,907	$29,387,740
2018	36,829,650	6,318,547	629,787	29,881,316
2019	37,479,245	6,453,132	640,895	30,385,218
2020 (4)	38,142,481	6,590,584	652,236	30,899,661
2021	30,055,236	3,473,721	513,945	26,067,570
2022	30,698,125	3,547,920	524,938	26,625,268
2023	31,353,873	3,623,703	536,151	27,194,018
2024	32,022,735	3,701,106	547,589	27,774,041
2025	32,704,974	3,780,161	559,255	28,365,558
2026	33,400,859	3,860,905	571,155	28,968,799
2027	34,110,661	3,943,374	583,292	29,583,994
2028	34,834,659	4,027,605	595,673	30,211,382

(1) Based on tax rate of 1.00%; adjusted for Amendment No. 1 Limits. See "SECURITY FOR THE 2016 BONDS – Negotiated Pass-Through Agreements" for discussion regarding Amendment No. 1 Limits.
(2) Represents statutory pass-through payments with respect to the Project Area required pursuant to AB 1290 and Section 33676 of the Health and Safety Code and payments required to be made pursuant to the Pass-Through Agreements. See "SECURITY FOR THE 2016 BONDS – Section 33676 Payments," "– Statutory Pass-Through Payments" and "– Negotiated Pass-Through Agreements."
(3) Estimated County administration fees based on 1.71% of gross tax increment.
(4) Projections of gross tax increment revenues from the Project Area for fiscal year 2020-21 and each fiscal year thereafter do not include tax increment revenues generated in the Amendment No. I Area because the Cumulative Amendment No. I Limit is anticipated to be met commencing in fiscal year 2020-21. See "SECURITY FOR THE 2016 BONDS – Negotiated Pass-Through Agreements" for discussion regarding Amendment No. 1 Limits.
Source: Urban Futures, Inc.

TABLE 6
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Consolidated Redevelopment Project
Estimated Debt Service Coverage

Fiscal Year Ending June 30	Tax Revenues Available for Debt Service	Debt Service on Senior Obligations [1]	Debt Service on 2016 Bonds*[1]	Total Debt Service*	Aggregate Debt Service Coverage*
2017	$28,905,539				
2018	29,387,740				
2019	29,881,316				
2020	30,385,218				
2021	30,899,661				
2022	31,424,866				
2023	31,961,058				
2024	32,508,467				
2025	33,067,328				
2026	33,637,880				
2027	34,220,368				
2028	34,815,041				

(1) Represents Bond Year debt service.
* *Preliminary; subject to change.*
Source: Urban Futures, Inc.; Stifel, Nicolaus & Company, Incorporated.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the 2016 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the 2016 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the 2016 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Recognized Obligation Payment Schedules

The Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by a successor agency from the funds specified in the Recognized Obligation Payment Schedule. Pursuant to Section 34177 of the Dissolution Act, on or before each February 1 commencing February 1, 2016, the Successor Agency shall submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule unless, at the option of the Successor Agency and subject to DOF approval and satisfaction of certain other conditions, a Last and Final Recognized Obligation Payment Schedule is filed by the Successor Agency and is approved by the DOF in which event no such periodic filing requirements apply. In instances where a Last and Final Recognized Obligation Payment Schedule is not filed, for each semiannual or annual period, as applicable, the Dissolution Act requires each successor agency to prepare and approve, and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Consequently, in instances where a Last and Final Recognized Obligation Payment Schedule is not filed, Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Successor Agency without a duly approved and effective Recognized Obligation Payment Schedule to pay debt service on the 2016 Bonds and to pay other enforceable obligations for each applicable annual period. In the event the Successor Agency were to fail to file a Recognized Obligation Payment Schedule as required, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "SECURITY FOR THE 2016 BONDS – Recognized Obligation Payment Schedules."

In instances where a Last and Final Recognized Obligation Payment Schedule is not filed, if a successor agency does not submit a Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the DOF may determine if any amount should be withheld by the county auditor-controller for payments for enforceable obligations from distribution to taxing entities, pending approval of a Recognized Obligation Payment Schedule. The county auditor-controller is then required to distribute the portion of any of the sums withheld as described above to the affected taxing entities in accordance with applicable provisions of the Dissolution Act upon notice by the DOF that a portion of the withheld balances are in excess of the amount of enforceable obligations. The Dissolution Act provides that the county auditor-controller shall distribute withheld funds to a successor agency

only in accordance with a Recognized Obligation Payment Schedule approved by the DOF. [Nothing in the Indenture limits the Successor Agency's ability to file a Last and Final Recognized Obligation Payment Schedule.]

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a Recognized Obligation Payment Schedule as required. Specifically, an oversight board approved Recognized Obligation Payment Schedule must be submitted by the successor agency to the county auditor-controller and the DOF, no later than each February 1 for the subsequent annual period. If a successor agency does not submit a Recognized Obligation Payment Schedule by such deadlines, the city or county that established the redevelopment agency will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, a successor agency's administrative cost allowance is reduced by 25% if the successor agency does not submit an oversight board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline, with respect to the Recognized Obligation Payment Schedule for the subsequent annual period.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "**Syncora**") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the "Redistribution Provisions" thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the "contract clauses" of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the "Takings Clauses" of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora's constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora's takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency's ability to timely pay debt service on the 2016 Bonds.

Reduction in Taxable Value

Tax increment revenue available to pay principal of and interest on the 2016 Bonds are determined by the amount of incremental taxable value in the Project Area and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property in the Project Area caused by economic factors beyond the Successor Agency's control, such as relocation out of the Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the tax increment available to pay debt service on the 2016 Bonds. Such reduction of tax increment available to pay debt service on the 2016 Bonds could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the 2016 Bonds.

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIIIA of the State Constitution," Article XIIIA provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 2016 Bonds could reduce tax increment available to pay debt service on the 2016 Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or State Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the California Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or State Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the 2016 Bonds and adversely affect the source of repayment and security of the 2016 Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the 2016 Bonds will be dependent upon the economic strength of the Project Area. The general economy of the Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of any Project Area, the owners of property within such Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Successor Agency from the Project Area. See "THE PROJECT AREA – Projected Tax Increment Revenues and Estimated Debt Service Coverage" for a description of the debt service coverage on the 2016 Bonds.

Reduction in Inflationary Rate

As described in greater detail below, Article XIIIA of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The Successor Agency is unable to predict if any further adjustments to the full cash value base of real property within the Project Area, whether an increase or a reduction, will be realized in the future.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Successor Agency to repay the 2016 Bonds.

Although delinquencies in the payment of property taxes by the owners of land in the Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes as described below, could have an adverse effect on the Successor Agency's ability to make timely payments on the 2016 Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by tax increment revenues from the Project Area. See "THE PROJECT AREA – Projected Tax Increment Revenues and Estimated Debt Service Coverage" for a description of the debt service coverage on the 2016 Bonds.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2016 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments with respect to unsecured property taxes not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the 2016 Bonds.

Estimated Revenues

In estimating that tax increment revenues from the Project Area will be sufficient to pay debt service on the 2016 Bonds, the Successor Agency and Fiscal Consultant have made certain assumptions with regard to present and future assessed valuation in the Project Area,

future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the tax increment revenues from the Project Area available to pay debt service on the 2016 Bonds will be less than those projected and such reduced tax increment revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the 2016 Bonds.

See "THE PROJECT AREA – Projected Tax Increment Revenues and Estimated Debt Service Coverage" above.

Seismic and Flood Considerations

The value of the property in the Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties could affect the ability or willingness of the property owners to pay their property taxes.

Seismic. The areas in and surrounding the Project Area, like those in much of California, may be subject to unpredictable seismic activity. There are no known major faults within the City's limits, however, there are several faults in the City that potentially could result in damage to buildings, roads, bridges, and property within the City in the event of an earthquake.

Historically, the State and the Los Angeles basin have always been seismically active. There are approximately ten faults which impact the seismic characteristics of the Los Angeles basin. Six of these faults have been classified as "active" faults by the California Division of Mines and Geology. The five "'active"' faults which have the most direct impact on the City are the following:

Whittier-Elsinore Fault is approximately two miles north of the City. This northwest trending fault continues eastward from the Alhambra area through the Santa Ana Mountains to the Mexican border. The fault has historically experienced moderate activity, having produced numerous magnitude 4 earthquakes and a few at magnitude 5. The largest historical earthquake on this fault occurred in 1976 and had a magnitude of 4.2. The maximum credible earthquake for this fault is estimated to be of magnitude 7.0

Norwalk Fault is generally known only from subsurface information and is approximately two miles south of the City. It is believed that a magnitude 4.7 earthquake occurred on the Norwalk Fault in 1929.

Newport-Inglewood Fault is approximately nine miles southwest of the City. The fault consists of an echelon series of northwest trending faults reaching from the southern edge of the Santa Monica mountains south-eastward to the offshore area near Newport Beach. High historic seismic activity is suggested by numerous shocks greater than magnitude 4 and by the historic magnitude 6.3 Long Beach earthquake centered off-shore near Newport Beach in 1933.

This fault is considered to be capable of generating a 7.0 magnitude earthquake within the next 50 to 100 years.

Sierra Madre Fault System is located approximately 25 miles north of the City, and forms a prominent 50-mile long east-west structural zone on the south side of the San Gabriel Mountains. A 5.8 magnitude earthquake occurred on the fault in 1991, seven miles north of the City of Monrovia. It is estimated that a 7.0 magnitude earthquake is credible on this fault system.

San Andreas Fault is widely recognized as the longest and most active fault in the State. The northwest to southeast-trending fault has been mapped continuously from Cape Mendocino to the Gulf of California, a distance, of over 700 miles. The south-central segment of the fault is approximately 37 miles east of the City. The San Andreas Fault has produced two 8 plus magnitude earthquakes: one in 1857 at Cajon pass, central segment and one in 1906 in northern California, the northern segment. The maximum credible earthquake is estimated to be magnitude 8.5.

Historically, a number of earthquakes have affected the Santa Fe Springs area. Since 1812, almost 20 earthquakes having Richter Magnitude between 4.7 and 7.9 have occurred in the Santa Fe Springs area. Earthquake insurance is available but many property owners elect not to purchase it.

If an earthquake were to substantially damage or destroy taxable property within the Project Area, the assessed valuation of such property would be reduced. Such reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the 2016 Bonds and any Parity Bonds, which in turn could impair the ability of the Commission to make timely payments of debt service on the 2016 Bonds.

Flood. Although a portion of the Project Area originally lay within a 100-year flood plain, mitigation measures have been implemented with the result that no portion of the Project Area is considered to be part of the 100-year flood plain.

The Whittier Narrows Dam is located five miles northwest of the City and is an earth-filled structure constructed in 1956 by the U.S. Army Corps of Engineers. Under conditions of catastrophic failure, dam flows would follow a southerly path that cross through the City, including portions of the former Norwalk Boulevard Project. The City has identified a Flood Inundation Evacuation Plan that identifies six major evacuation routes.

If a flood were to substantially damage or destroy taxable property within the Project Area, the assessed valuation of such property would be reduced. Such reduction of assessed valuations could result in a reduction of tax increment available to pay debt service on the 2016 Bonds.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should

any of the property within the Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Because of the exploitation of the large oil reservoir discovered beneath the City and the history of chemical production in the City, much of the land available for development in the Project Area was contaminated by hazardous materials.

Methane gas is associated with the underground oil reservoir. In addition, there is methane gas associated with the seven closed landfills in the City. All of the methane zones in the City are located in the Project Area and account for more than 50% of the acreage of the Project Area. Grading and construction create a risk of methane leakage. Methane gas is non-toxic, but highly explosive at certain concentrations. The City adopted a Methane Ordinance, which requires all new and existing buildings in methane zones to have either an underground barrier or a detection system to protect those living or working near methane gas. As a result, the Successor Agency believes the risk of methane leakage in the Project Area is insignificant.

If methane leakage were to substantially damage or destroy taxable property within the Project Area, the assessed valuation of such property would be reduced unless or until remedied (whether as a result of insurance coverage or otherwise). Similarly, the presence of hazardous materials could impact property owners' ability to develop their property, which would reduce the assessed valuation of such property. Such reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the 2016 Bonds and any Parity Bonds.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the State Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the 2016 Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2016 Bonds, or, if a secondary market exists, that the 2016 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Tax Status. The interest on the 2016 Bonds is not intended by the Successor Agency to be excluded from gross income for federal income tax purposes. However, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the 2016 Bonds is exempt from California personal income taxes. The proposed form of opinion of Bond Counsel with respect to the 2016 Bonds to be delivered on the date of issuance of the 2016 Bonds is set forth in Appendix B.

Owners of the 2016 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2016 Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the 2016 Bonds other than as expressly described above.

Form of Bond Counsel Opinion. At the time of issuance of the 2016 Bonds, Bond Counsel expects to deliver an opinion for the 2016 Bonds in substantially the form set forth in Appendix B.

CONCLUDING INFORMATION

Underwriting

The 2016 Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the 2016 Bonds at a price of $_____ (being the principal amount of the 2016 Bonds [less]/[plus] [net] original issue [discount]/[premium] of $_____ and less an Underwriter's discount of $_____). The Underwriter will purchase all of the 2016 Bonds if any are purchased.

The Underwriter may offer and sell 2016 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

Legal Opinion

The final approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, will be furnished to the purchaser at the time of delivery of the 2016 Bonds. A copy of the proposed form of Bond Counsel's final approving opinion with respect to the 2016 Bonds is attached hereto as Appendix B.

Certain legal matters will be passed on by Jones Hall, A Professional Law Corporation, as Disclosure Counsel and Norton Rose Fulbright US LLP, Los Angeles, California, as Underwriter's Counsel.

In addition, certain legal matters will be passed upon for the Successor Agency by the City Attorney of the City, as general counsel to the Successor Agency.

Compensation paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the sale and delivery of the 2016 Bonds.

Litigation

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the 2016 Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing or seeking to restrain or enjoin the repayment of the 2016 Bonds or which, in any manner, questions the right of the Successor Agency to use the Tax Revenues for repayment of the 2016 Bonds or affects in any manner the right or ability of the Successor Agency to collect or pledge the Tax Revenues. See, however, "RISK FACTORS – Challenges to Dissolution Act."

Rating

Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**") has assigned its rating of "___" to the 2016 Bonds. Such rating reflects only the view of S&P, and any explanation of the significance of such rating should be obtained from S&P. There is no assurance that such rating will be retained for any given period of time or that a rating will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P,

circumstances so warrant. Any such downward revision or withdrawal of any rating obtained may have an adverse effect on the market price of the 2016 Bonds.

Continuing Disclosure

The Successor Agency will covenant for the benefit of owners of the 2016 Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than March 31 after the end of each fiscal year of the Successor Agency (currently June 30th), commencing not later than March 31, 2017 with the report for the 2015-16 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain listed events. The specific nature of the information to be contained in the Annual Report or the notices of listed events is summarized in "APPENDIX D – FORM OF SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE," attached to this Official Statement. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**").

The Former Agency previously entered into certain disclosure undertakings under the Rule in connection with the issuance of long-term obligations. [During the past five years, the Former Agency and the Successor Agency, as successor thereto, have failed to comply in all material respects with their undertakings in the previous five years as follows: _____].

The Successor Agency has retained _____ to provide continuing disclosure services to the Successor Agency to ensure compliance with its continuing disclosure undertakings in the future. To further ensure such compliance, the Successor Agency has appointed the _____, to coordinate, on behalf the Successor Agency, the preparation and filing of annual disclosure reports by _____ and has adopted policies and procedures related thereto.

Audited Financial Statements

The City of Santa Fe Springs's Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015 (the "**City CAFR**") is attached as Appendix E. The City's CAFR includes the Successor Agency's audited financial statements for the fiscal year ended June 30, 2015. The Successor Agency's audited financial statements were audited by Lance, Soll & Lunghard, LLP (the "**Auditor**"). The Auditor has not been asked to consent to the inclusion of the Successor Agency's audited financial statements in this Official Statement and has not reviewed this Official Statement.

As described in "SECURITY FOR THE 2016 BONDS – Limited Obligation," the 2016 Bonds are payable from and secured by a pledge of Tax Revenues and the 2016 Bonds are not a debt of the City. The City's CAFR is attached as Appendix E to this Official Statement only because it includes the Successor Agency's audited financial statements.

Miscellaneous

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plan for the Project Area, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2016 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the City Manager of the City, as the chief administrative officer of the Successor Agency, has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS

By: _____
Thaddeus McCormack, *City Manager*

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX B

FORM OF BOND COUNSEL OPINION

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2016 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2016 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2016 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the 2016 Bonds. The 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing Successor Agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written

confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2016 Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2016 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from

time to time. Principal, premium (if any), and interest payments with respect to the 2016 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2016 Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the 2016 Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the 2016 Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE

$_____
SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS
2016 SUBORDINATE TAX ALLOCATION REFUNDING BONDS
(FEDERALLY TAXABLE)

This CONTINUING DISCLOSURE CERTIFICATE (this "**Disclosure Certificate**") is executed and delivered by the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the "**Successor Agency**") in connection with the execution and delivery of the bonds captioned above (the "**Bonds**"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2016, between the Successor Agency and U.S. Bank National Association, as trustee (the "**Indenture**").

The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is nine months after the end of the Successor Agency's fiscal year (currently March 31 based on the Successor Agency's fiscal year end of June 30).

"*Dissemination Agent*" means, initially, _____, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

"*Participating Underwriter*" means, Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2017, with the report for the 2015-16 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The Successor Agency's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency's

audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) Principal amount of Bonds outstanding as of June 30 of the most recently-completed fiscal year.

(ii) Balance in the Reserve Account and a statement of the Reserve Requirement as of June 30 of the most recently-completed fiscal year.

(iii) Information for the most recently-completed fiscal year of the type included in Tables 1, 2, 3, 5 and 6 of the Official Statement (without any requirement to update any projections in Tables 5 and 6 regarding tax increment revenues from the Project Area for future fiscal years).

(iv) to the extent available from the County, information on aggregate appeals pending and resolved in the most recently completed fiscal year in the Project Area.

(v) the cumulative tax increment revenues generated in the Amendment No. I Area (as defined in the Official Statement) for the most recently-completed fiscal year.

(vi) the tax increment revenues generated in the Amendment No. I Area for the most recently completed fiscal year.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Successor Agency shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the

qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be _____. Any Dissemination Agent may resign by providing 30 days' written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any

information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2016

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED:

_____
AS DISSEMINATION AGENT

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

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

Name of Issue: $_____ Successor Agency to the Community Development Commission of the City of Santa Fe Springs 2016 Subordinate Tax Allocation Refunding Bonds (Federally Taxable)

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated July 1, 2016, executed and delivered by the Successor Agency in connection with the execution and delivery of the Bonds. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

_____

By: _____
Its: _____

APPENDIX E

SUCCESSOR AGENCY FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2015

APPENDIX F

STATE DEPARTMENT OF FINANCE APPROVAL LETTER

APPENDIX G

CITY OF SANTA FE SPRINGS AND LOS ANGELES COUNTY GENERAL INFORMATION

The following information in this section of the Official Statement concerning the City of Santa Fe Springs and surrounding areas is included only for the purpose of supplying general information regarding the community. The taxing power of the City of Santa Fe Springs, Los Angeles County, the State of California, and any political subdivision thereof is not pledged to the payment of the 2016 Bonds. The 2016 Bonds are not a debt of the City of Santa Fe Springs, Los Angeles County, the State of California, or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The County. Located along the southern coast of California, Los Angeles County covers about 4,080 square miles. It measures approximately 75 miles from north to south and 70 miles from east to west. The county includes Santa Catalina and San Clemente Islands and is bordered by the Pacific Ocean and Ventura, San Bernardino and Orange Counties.

Almost half of the county is mountainous and some 14 percent is a coastal plain known as the Los Angeles Basin. The low Santa Monica Mountains and Hollywood Hills run east and west and form the northern boundary of the Basin and the southern boundary of the San Fernando Valley. The San Fernando Valley terminates at the base of the San Gabriel Mountains whose highest peak is over 10,000 feet. Beyond this mountain range the rest of the county is a semi-dry plateau, the beginning of the vast Mojave Desert.

According to the Los Angeles County Regional Planning Commission, the 86 incorporated cities in the county cover about 1,344 square miles or 27 percent of the total county. About 16 percent of the land in the County is devoted to residential use and over two thirds of the land is open space and vacant.

The City of Santa Fe Springs. Santa Fe Springs was incorporated on May 15, 1957, and encompasses about 9 square miles. The City is centrally located between Los Angeles, Long Beach and Orange County. It is a well-planned community with numerous park sites, and miles of landscaped medians and parkways. The area is highly developed and offers convenient access to transportation corridors and social and cultural amenities.

Population

The following table lists population estimates for the City, County and the State for the last five calendar years, as of January 1.

CITY OF SANTA FE SPRINGS, LOS ANGELES COUNTY
Population Estimates
Calendar Years 2011 through 2015 as of January 1

Area	2011	2012	2013	2014	2015
City of Santa Fe Springs	16,432	16,524	16,826	17,356	17,627
Los Angeles County	9,847,712	9,889,467	9,963,811	10,054,852	10,136,559
State of California	37,427,946	37,668,804	37,984,138	38,357,121	38,714,725

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The City is located in the Los Angeles-Long Beach-Glendale Metropolitan District ("**MD**"). The seasonally adjusted unemployment rate in Los Angeles County improved over the month to 5.6% in February 2016 from a revised 5.8% in January 2016 and was below the rate of 7.5% one year ago. Civilian employment increased by 25,000 to 4,723,000 in February 2016, while unemployment declined by 10,000 to 281,000 over the month. The civilian labor force increased by 15,000 over the month to 5,004,000 in February 2016. (All of the above figures are seasonally adjusted.) The unadjusted unemployment rate for the County was 5.5% in February 2016.

The California seasonally adjusted unemployment rate was 5.5% in February 2016, 5.7% in January 2015, and 6.7% a year ago in February 2015. The comparable estimates for the nation were 4.9% in February 2016, 4.9% in January 2016, and 5.5% a year ago.

The table below lists employment by industry group for Los Angeles County for the past five years for which data is available.

LOS ANGELES LONG BEACH GLENDALE MD
(County of Los Angeles)
Annual Average Labor Force
Employment by Industry Group
March 2015 Benchmark

	2011	2012	2013	2014	2015
Civilian Labor Force	4,936,400	4,901,300	4,982,300	5,025,900	5,011,700
Employment	4,331,500	4,365,800	4,495,700	4,610,800	4,674,800
Unemployment	604,900	535,500	486,600	415,100	336,900
Unemployment Rate	12.3%	10.9%	9.8%	8.3%	6.7%
Wage and Salary Employment: [1]					
Agriculture	5,600	5,400	5,500	5,200	5,000
Mining and Logging	4,100	4,300	4,500	4,300	3,900
Construction	105,100	109,200	116,200	119,600	126,100
Manufacturing	366,900	367,400	368,200	364,100	360,800
Wholesale Trade	205,800	211,900	218,700	222,500	227,000
Retail Trade	393,000	400,900	405,600	413,000	420,500
Trans., Warehousing, Utilities	151,800	154,500	157,500	163,400	170,400
Information	192,000	191,500	196,400	198,000	202,700
Financial and Insurance	138,500	140,200	138,300	134,500	134,300
Real Estate, Rental & Leasing	71,600	72,200	74,700	76,700	79,900
Professional and Business Services	542,500	570,100	593,200	599,100	600,300
Educational and Health Services	677,300	699,500	702,100	720,700	742,200
Leisure and Hospitality	394,700	415,800	440,500	466,600	488,100
Other Services	137,000	141,700	145,700	150,500	151,700
Federal Government	49,000	48,100	47,200	46,700	47,400
State Government	82,700	83,100	83,600	85,300	87,400
Local Government	433,800	425,600	420,500	424,200	431,600
Total All Industries [2]	3,951,300	4,041,400	4,118,100	4,194,200	4,279,200

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) May not add due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Comprehensive Annual Financial Report for fiscal year ending June 30, 2015.

CITY OF SANTA FE SPRINGS
Principal Employers

Employer	Number of Employees	Percent of Total Employment
McMaster Carr Supply Company	845	1.92%
The Vons Companies, Inc.	745	1.69
L.A. Specialty Produce Company	511	1.16
Swift & Company	429	0.98
Vance and Hines, Inc.	414	0.94
Southern Wine and Spirits	395	0.90
Trojan Battery Company LLC	365	0.83
FedEx Ground Package System Inc.	350	0.80
Performance Team	337	0.77
Shaw Diversified Services, Inc.	336	0.76

Source: City Of Santa Fe Springs, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015.

Major Employers

The table below lists the major employers in the Los Angeles County area. Major private employers in the Los Angeles area include those in aerospace, health care, entertainment, electronics, retail and manufacturing. Major public sector employers include public universities and schools, the State of California and Los Angeles County.

COUNTY OF LOS ANGELES
Major Employers
(Listed Alphabetically)
March 2015

Employer Name	Location	Industry
AHMC Healthcare Inc	Alhambra	Billing Service
American Honda Motor Co Inc	Torrance	Automobile and Truck Brokers (whls)
California State University	Long Beach	Schools-Universities & Colleges Academic
California State-Northridge	Northridge	Schools-Universities & Colleges Academic
Cedars-Sinai Medical Center	West Hollywood	Hospitals
Children's Hospital	Long Beach	Dentists
Commerce Casino	Commerce	Casinos
Fox Networks LLC	Los Angeles	Television-Cable & CATV
Kaiser Permanente	Los Angeles	Hospitals
LAC & USC Medical CTR	Los Angeles	Hospitals
Long Beach City Hall	Long Beach	Government Offices-City, Village & Twp
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles Police Dept	Los Angeles	Police Departments
Miller Children's Hospital	Long Beach	Hospitals
Nestle USA Inc.	Glendale	Food Facilities (whls)
Paramount Petroleum Corp	Paramount	Asphalt & Asphalt Products-Manufacturers
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags Magic Mountain Inc	Valencia	Marketing Programs & Services
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
Torrid	City Of Industry	Women's Apparel-Retail
UCLA	Los Angeles	Schools-Universities & Colleges Academic
UCLA Health System	Los Angeles	Schools-Universities & Colleges Academic
Vxi Global Solutions	Los Angeles	Call Centers
Walt Disney Co.	Burbank	Motion Picture Producers & Studios
Warner Bros. Studio	Burbank	Television Program Producers

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2016 1st Edition

Median Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City of Santa Fe Springs, County of Los Angeles, the State and the United States for the period 2010 through 2014. Effective Buying Income data is not yet available for calendar year 2015.

COUNTY OF LOS ANGELES
Effective Buying Income
2010 through 2014

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2010	City of Santa Fe Springs	$ 261,955	$44,664
	Los Angeles County	196,757,991	43,133
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Santa Fe Springs	$ 246,263	$44,719
	Los Angeles County	197,831,465	43,083
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of Santa Fe Springs	$ 254,800	$44,156
	Los Angeles County	210,048,048	44,384
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Santa Fe Springs	$ 255,963	$43,323
	Los Angeles County	205,133,995	45,013
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Santa Fe Springs	$ 277,225	$45,797
	Los Angeles County	214,247,274	46,449
	California	901,189,699	50,072
	United States	7,357,153,421	45,448

Source: The Nielsen Company (US), Inc.

Construction Activity

Provided below are the building permits and valuations for the City and the County for calendar years 2010 through 2014. Annual figures are not yet available for calendar year 2015.

CITY OF SANTA FE SPRINGS
New Construction
(Dollars in Thousands)

	2010	2011	2012	2013	2014
Permit Valuation					
New Single-family	$23,697.0	$5,195.4	$21,138.2	$18,339.3	$ 0.0
New Multi-family	1,400.2	0.0	8,261.1	19,464.1	21,780.4
Res. Alterations/Additions	1,312.2	4,243.6	1,291.6	971.8	1,395.4
Total Residential	24,409.4	9,439.0	30,690.9	38,775.2	23,175.8
New Commercial	0.0	0.0	4,730.1	4,023.0	2,087.2
New Industrial	600.0	4,950.0	22,902.0	21,500.0	650.0
New Other	3,920.6	0.0	0.0	0.0	12,469.8
Com. Alterations/Additions	54,193.8	34,340.1	18,479.5	19,704.1	33,448.7
Total Nonresidential	58,714.4	39,290.1	46,111.6	45,227.1	48,655.7
New Dwelling Units					
Single Family	72	15	72	58	0
Multiple Family	5	0	21	83	156
TOTAL	77	15	93	141	156

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF LOS ANGELES
New Construction
(Dollars in Thousands)

	2010	2011	2012	2013	2014
Permit Valuation					
New Single-family	$922,092.0	$1,026,679.4	$1,127,916.8	$1,523,457.5	$1,744,290.3
New Multi-family	810,621.4	1,225,553.4	1,484,648.9	1,953,088.6	2,290,197.4
Res. Alterations/Additions	1,109,768.6	1,431,581.5	1,208,758.1	1,267,408.4	1,474,930.1
Total Residential	2,842,482.0	3,683,814.3	$3,821,323.8	4,743,954.5	5,509,417.8
New Commercial	521,995.6	612,800.9	1,364,188.7	1,788,462.0	2,229,307.8
New Industrial	55,772.9	135,976.2	202,882.5	155,035.2	120,740.5
New Other	436,807.8	286,119.7	107,608.9	338,223.4	1,041,249.7
Com. Alterations/Additions	1,662,362.9	1,774,207.9	2,199,249.7	2,171,248.4	3,266,273.2
Total Nonresidential	2,676,939.1	2,809,104.7	3,873,929.8	4,452,969.0	6,657,571.2
New Dwelling Units					
Single Family	2,439	2,338	2,820	3,607	4,358
Multiple Family	5,029	8,052	8,895	13,243	14,349
TOTAL	7,468	10,390	11,715	16,850	18,707

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2014 in the City were reported to be $1,683.1 billion a 7.07% increase over the total taxable sales of $1,572 billion reported during the first three quarters of calendar year 2013. Annual figures for calendar year 2014 are not yet available.

CITY OF SANTA FE SPRINGS
Taxable Transactions
Calendar years 2009 through 2013
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2009	3,398	490,020	5,308	1,769,061
2010	3,813	458,713	5,702	1,783,685
2011	3,792	465,959	5,654	1,927,623
2012	3,309	497,054	5,138	2,013,215
2013	2,835	523,955	4,587	2,123,053

Source: State of California, Board of Equalization.

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2014 in the County were reported to be $108,119.5 billion, a 5.15% increase over the total taxable sales of $102,820.1 billion reported during the first three quarters of calendar year 2013. Annual figures for calendar year 2014 are not yet available.

COUNTY OF LOS ANGELES
Taxable Transactions
Calendar years 2009 through 2013
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2009	175,461	78,444,115	264,928	112,744,727
2010	182,491	82,175,416	271,293	116,942,334
2011	179,872	89,251,447	266,868	126,440,737
2012	180,359	95,318,603	266,414	135,295,582
2013	179,370	99,641,174	263,792	140,079,708

Source: State of California, Board of Equalization.

$_____

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS 2016 SUBORDINATE TAX ALLOCATION REFUNDING BONDS (FEDERALLY TAXABLE)

BOND PURCHASE AGREEMENT

_____, 2016

Successor Agency to the
Community Development Commission
of the City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), acting in its capacity as a principal and not as an agent or fiduciary, offers to enter into this bond purchase agreement (the "Purchase Agreement") with the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the "Agency"), which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Agreement and its delivery to the Underwriter on or before 6:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Agency hereby agrees to sell to the Underwriter, and the Underwriter hereby agrees to purchase from the Agency, all (but not less than all) of the $_____ aggregate principal amount of the Successor Agency to the Community Development Commission of the City of Santa Fe Springs 2016 Subordinate Tax Allocation Refunding Bonds (Federally Taxable) (the "Bonds"). The purchase price for the Bonds shall be as shown on Appendix A hereto.

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Agency and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter

has provided other services or is currently providing other services to the Agency on other matters); and (iv) the Agency has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

2. Description of the Bonds. The Bonds shall be issued pursuant to an Indenture of Trust (the "Indenture"), dated as of July 1, 2016, by and between the Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds shall be issued pursuant to Part 1, Division 24 of the California Health and Safety Code (the "Law") and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), and resolutions of the Agency adopted _____, 2016 and _____, 2016 (collectively, the "Agency Resolution"). The issuance of the Bonds was approved by the Oversight Board for the Agency (the "Oversight Board") by resolution on _____, 2016 (the "Oversight Board Resolution").

The Bonds shall be as described in the Indenture and the Official Statement, as defined herein, relating to the Bonds. The net proceeds of the Bonds will be used (i) to refund and defease all of the outstanding Refunded Bonds (as defined in the Official Statement defined below). In connection with such refunding, the Agency will enter into an Escrow Deposit and Trust Agreement (the "Escrow Agreement"), dated as of July 1, 2016, by and between the Agency and U.S. Bank National Association, as escrow bank (the "Escrow Bank").

3. Public Offering. The Underwriter agrees to make a bona fide public offering of all the Bonds initially at the public offering prices (or yields) set forth on Appendix A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Appendix A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

4. Delivery of Official Statement. The Agency has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement copies of the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"). Such Preliminary Official Statement, except for omissions permitted under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule"), is the official statement deemed final by the Agency for purposes of the Rule and approved for distribution by resolution of the Agency.

The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of: (i) the business day preceding the Closing Date (as defined herein); or (ii) the seventh (7th) business day following the date of this Purchase Agreement: (A) the form of the Official Statement relating to the Bonds in "designated electronic format" (as defined in Municipal Securities Rule Making Board ("MSRB") Rule G-32; and (B) copies of the Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements approved by the Agency and the Underwriter, the "Official Statement"), in such quantity as the Underwriter shall reasonably request. The Agency hereby approves of the distribution and use by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Preliminary Official Statement and the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Agency and the Underwriter. If the Official Statement is

prepared for distribution in electronic form, the Agency hereby confirms that it does not object to distributions of the Official Statement in electronic form.

5. The Closing. At 8:00 a.m., California time, on July ____, 2016 (the "Closing Date"), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Agency and the Underwriter, the Agency will deliver: (i) the Bonds in book-entry form; and (ii) the closing documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation ("Bond Counsel"), in San Francisco, California, or another place to be mutually agreed upon by the Agency and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the Agency. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing."

6. Agency Representations, Warranties and Covenants. The Agency represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Agency is a public entity validly existing under the laws of the State of California (the "State") with full right, power and authority to adopt the Agency Resolution, to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, this Purchase Agreement, the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate, dated as of the Closing Date (collectively, the "Agency Documents"), and to carry out and consummate the transactions contemplated by the Agency Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action, the Agency has duly adopted the Agency Resolution at a meeting properly noticed at which a quorum was present and acting throughout and has duly authorized and approved the execution and delivery of the Official Statement, and the execution and delivery of the performance by the Agency of the obligations contained in the Agency Documents, and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the Agency, and assuming due authorization and execution and delivery by the counterparties thereto, the Agency Documents will constitute the legally valid and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental agencies in the State of California. The Agency has complied, and will at the Closing be in compliance in all respects, with the terms of the Agency Documents.

(c) Official Statement, Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not contain and up to and including the Closing will not contain a misstatement of any material fact and do not, and up to and including the Closing will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except that this representation does not include statements under the caption "TAX MATTERS"

that summarize the State and federal tax law, and information relating to the Insurer, the Surety Bond, The Depository Trust Company or the book-entry only system).

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The Agency will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Agency will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Agency is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Agency is a party or is otherwise subject which breach or default has or will have a material adverse effect on the Agency's ability to perform its obligations under the Agency Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Agency Documents, and compliance with the provisions of each of such agreements or instruments do not and will not in any material respect conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other to which the Agency (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Agency Documents.

(f) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending and notice of which has been received by the Agency or to the best of the Agency's knowledge threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Agency Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Agency or its authority to issue the Bonds; (iii) which may result in any material adverse change relating to the Agency; (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in

the light of the circumstances under which they were made, not misleading; and (v) there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this paragraph.

(g) Preliminary Official Statement. For purposes of the Rule, the Agency has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriter, except for the information specifically permitted to be omitted by paragraph (b)(l) of the Rule.

(h) End of Underwriting Period. Until the date which is twenty-five (25) days after the "end of the underwriting period" (as hereinafter defined), if any event shall occur of which the Agency is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the Agency shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time, and the Agency shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as: (i) the Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the "end of the underwriting period" shall be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Agency at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the "end of the underwriting period."

(i) Tax Exemption. The Agency will refrain from taking any action with regard to which the Agency may exercise control that results in the inclusion in gross income for State of California income tax purposes of the interest on the Bonds.

(j) Prior Continuing Disclosure Undertaking. Except as disclosed in the Official Statement, neither the Agency nor the City of Santa Fe Springs has failed to comply with any prior continuing disclosure undertaking in any material respects during the last five years.

(k) Oversight Board Approval. The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions relating to the issuance of the Bonds described in the Preliminary Official Statement.

(l) Department of Finance Approval. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

(m) Pledge. The defined terms used in this paragraph have the meaning given them in the Indenture. The Bonds will be secured by a pledge of Tax Revenues.

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Agreement to purchase and pay for the Bonds shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Agency contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing: (i) the Agency Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter; and (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Agency Documents.

(c) Termination Events. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Agency of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(i) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State of California, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation by the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the state tax status of the Agency, or the interest on bonds or notes (including the Bonds); or

(ii) there shall exist any event which in the reasonable opinion of the Underwriter either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein to make the statements and information contained therein not misleading in any material respect; or

(iii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such as would make it impracticable, in the reasonable opinion of the Underwriter, for the Underwriter to sell the Bonds; or

(iv) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by orders of the Securities and Exchange Commission or any other governmental authority; or

(v) a general banking moratorium shall have been declared by either Federal, California or New York authorities having jurisdiction and be in force; or

(vi) there shall be established any new restrictions on transactions in securities materially affecting the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other Federal or state agency or the Congress of the United States, or by Executive Order; or

(vii) an adverse event has occurred affecting the financial condition or operation of the Agency which, in the opinion of the Underwriter, requires or has required a supplement or amendment to the Official Statement and (i) the Agency refuses to prepare and furnish such disclosure material, or supplement or amendment to the Official Statement, or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Bonds or renders the enforcement of contracts for sale of the Bonds impracticable; or

(viii) any rating of the securities of the Agency shall have been downgraded, suspended or withdrawn by a national rating service, or there shall have been any official statement by a national rating service as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification), in either case which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Bonds,

or the authentication, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that either Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(xi) the commencement of any action, suit or proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Agency after due investigation, threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the authentication or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds, the Agency Documents or the consummation of the transactions contemplated thereby or contesting the powers of the Agency to enter into the Agency Documents; (iii) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Agency or to its ability to pay debt service on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents; provided that the acceptance of the Bonds by the Underwriter on the Closing Date shall conclusively evidence the satisfaction of the requirements of this subsection (d) or the waiver by the Underwriter of any discrepancies in documents which are not in strict conformity with the requirements of this subsection (d):

(i) *Bond Opinion.* An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form appended to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(ii) *Supplemental Opinion.* A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter and the Agency, in form and substance acceptable to the Underwriter and counsel to the Agency, and dated the date of the Closing substantially to the following effect:

(A) The Purchase Agreement has been duly authorized, executed and delivered by the Agency and is a valid and binding agreement of the Agency;

(B) The statements contained in the Official Statement pertaining to the Bonds under the captions "INTRODUCTION," "REFUNDING PLAN," "THE 2016 BONDS," "SECURITY FOR THE 2016 BONDS" and "TAX MATTERS," and in Appendices A

and B, excluding any material that may be treated as included under such captions and appendices by cross-reference, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture, the Escrow Agreement and such counsel's final opinion concerning certain federal and state tax matters relating to the Bonds, are accurate in all material respects;

(C) The Bonds are not subject to registration requirements of the Securities Act of 1933, as amended, and each Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended; and

(D) The Refunded Bonds are no longer outstanding (which opinion may rely on a verification report of an independent certified public accountant);

(iii) *Oversight Board Documents.*

(A) A certified copy of the Oversight Board Resolution; and

(B) A certificate of the Clerk of the Oversight Board to the effect that the Oversight Board Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iv) *Agency Counsel Opinion.* An opinion of the legal counsel to the Agency, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to Bond Counsel and the Underwriter, substantially to the following effect (and including such additional matters as may be reasonably required by Bond Counsel or the Underwriter):

(A) The Agency is a public entity validly existing under the laws of the State of California;

(B) The Agency Resolution approving and authorizing the execution and delivery of the Agency Documents and approving the Official Statement has been duly adopted, and the Agency Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(C) The Agency Documents have been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought; and

(D) Except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending and notice of which has been received by the Agency or threatened against the Agency, challenging the creation, organization or existence of the Agency, or the validity of the Agency Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Agency Documents or contesting the authority of the Agency to enter into or perform its obligations under any of the Agency Documents, or which, in any manner, questions the right of the Agency to

use the Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the Tax Revenues from the Project Area (as defined in the Official Statement).

(v) *Underwriter's Counsel Opinion.* An opinion of Norton Rose Fulbright US LLP, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that, based on the information made available to it in its role as counsel to the Underwriter, without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, but on the basis of their participation in conferences with the Underwriter, Bond Counsel, the Agency, legal counsel to the Agency and others, and their examination of certain documents, no information has come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds which would lead them to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to the Appendices to the Official Statement; financial, engineering, and demographic data or statistical forecasts, projections, estimates, assumptions and expressions of opinions; information about the book-entry only system and The Depository Trust Company; and statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction contained in the Official Statement);

(vi) *Trustee Counsel Opinion.* The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriter, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(vii) *Disclosure Counsel Letter.* A letter, dated the date of the Closing and addressed to the Agency and the Underwriter, of Jones Hall, A Professional Law Corporation, as disclosure counsel, to the effect that based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement, the Official Statement as of its date or as of the date of Closing (excluding therefrom financial statements and other financial, engineering and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; information about the Depository Trust Company and book-entry only system; statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction; and, without limiting the foregoing, the statements contained in the Official Statement under the captions "BOND INSURANCE," "TAX MATTERS" and Appendices thereto; as to all of which we express no view herein) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) *Agency Certificate.* A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by the Executive Director or other duly authorized officer of the Agency to the following effect:

(A) The representations, warranties and covenants of the Agency contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Agency has complied with all of the terms and conditions of

this Purchase Agreement required to be complied with by the Agency at or prior to the date of the Closing; and

(B) No event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) *Trustee's Certificate*. A certificate of the Trustee, dated the date of Closing, in form and substance acceptable to the Underwriter and to Bond Counsel;

(x) *Fiscal Consultant's Certificate*. A certificate of Urban Futures, Inc., dated the date of the Closing, in form and substance acceptable to the Underwriter: (i) consenting to the inclusion of such firm's Fiscal Consultant's Report in the Preliminary Official Statement and the Official Statement; (ii) certifying as to the accuracy of Appendix A to the Official Statement and the information in the Official Statement under the caption "THE SUCCESSOR AGENCY," "THE PROJECT AREA" and "SECURITY FOR THE 2016 BONDS" attributed to the Fiscal Consultant; and (iii) stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report and information attributed to the Fiscal Consultant contained in the Official Statement;

(xi) *Documents*.

(A) An original executed copy of each of the Agency Documents, which shall be delivered and in full force and effect;

(B) The Official Statement, approved by the Agency;

(C) A certificate, dated the date of the Preliminary Official Statement, of the Agency, to the effect that, for purposes of compliance with the Rule, the Agency deems the Preliminary Official Statement to be final as of its date;

(D) Copies of the preliminary and final notices to the California Debt and Investment Advisory Agency relating to the Bonds;

(xii) A municipal bond insurance policy insuring the payment of principal and interest on the Bonds (the "Bond Insurance Policy") issued by _____ (the "Bond Insurer");

(xiii) A certificate of the Bond Insurer of an opinion of counsel to the Bond Insurer, dated the date of Closing, regarding the accuracy of the information in the Official Statement describing the Bond Insurer and the Bond Insurance Policy;

(xiv) An opinion of counsel to the Bond Insurer, dated the date of Closing, addressed to the Issuer, the Trustee and the Underwriter, regarding the Bond Insurer's valid existence, power and authority, the Bond Insurer's due authorization and issuance of the Bond Insurance Policy and, the Bond Insurance Policy's enforceability against the Bond Insurer;

(xv) Evidence that the ratings on the Bonds are as described in the Official Statement;

(xvi) A written report of _____, as verification agent, in form and substance acceptable to Bond Counsel; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied in connection with the delivery and sale of the Bonds.

If the Agency shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by the Purchase Agreement, the Purchase Agreement shall terminate and neither the Underwriter nor the Agency shall be under any further obligation hereunder.

8. Expenses.

(a) The Agency will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel, the Municipal Advisor, Fiscal Consultant and any other experts or other consultants retained by the Agency; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; and (g) expenses (included in the expense component of the spread) incurred on behalf of the County's or the Agency's employees which are incidental to implementing this Purchase Agreement. The Underwriter will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds. The Underwriter is required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Bonds and CUSIP costs. The Agency acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Agency agrees to reimburse the Underwriter for such fees.

(b) The Underwriter shall pay, and the Agency shall be under no obligation to pay, all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds including Underwriter's counsel fees.

9. Notice. Any notice or other communication to be given to the Agency under this Purchase Agreement may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the Underwriter at the following

address: One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Jim Cervantes.

10. Entire Agreement. This Purchase Agreement, when accepted by the Agency, shall constitute the entire agreement among the Agency and the Underwriter and is made solely for the benefit of the Agency and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the Agency's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of: (i) delivery of and payment for the Bonds hereunder; and (ii) any termination of this Purchase Agreement.

11. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. Severability. In case any one or more of the provisions contained herein 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 hereof.

13. State of California Law Governs. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of California.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

14. No Assignment. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter or the Agency without the prior written consent of the other parties hereto.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: Authorized Representative

Accepted as of the date first stated above at _____ p.m.:

SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS

By: _____
Its: Executive Director

APPENDIX A

MATURITY SCHEDULE

Maturity Date (September 1)	*Amount*	*Coupon*	*Yield*	*Price*

* Term Bond.

The Purchase Price for the Bonds shall be $_____ (being the aggregate principal amount of the Bonds plus/less net original issue premium/discount of $_____ and less an Underwriter's discount of $_____.

APPROVED:

MINUTES OF THE MEETINGS OF THE PUBLIC FINANCE AUTHORITY, WATER UTILITY AUTHORITY, HOUSING SUCCESSOR, SUCCESSOR AGENCY AND CITY COUNCIL

May 26, 2016

1. **CALL TO ORDER**
Mayor Moore called the meeting to order at 6:00 p.m.

2. **ROLL CALL**
Members present: Councilmembers/Directors: Sarno, Trujillo, and Zamora, Mayor Pro Tem/Vice Chair Rounds and Mayor Moore.

Members absent: None

The City Manager, Thaddeus McCormack announced that the Members of the Public Financing Authority and Water Utility Authority receive $150 for their attendance at meetings.

PUBLIC FINANCING AUTHORITY

3. **CONSENT AGENDA**

Approval of Minutes

a. Minutes of the April 28, 2016, Public Financing Authority Meeting
Recommendation: That the Public Financing Authority approve the minutes as submitted.

Monthly Reports

b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)
Recommendation: That the Public Financing Authority receive and file the report.

It was moved by Council Member Trujillo, seconded by Council Member Sarno, approved Item No 3A and 3B by the following vote:
Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

WATER UTILITY AUTHORITY

4. **CONSENT AGENDA**

Approval of Minutes

a. Minutes of the April 28, 2016, Water Utility Authority Meeting
Recommendation: That the Water Utility Authority approve the minutes as submitted.

Monthly Reports

b. Monthly Report on the Status of Debt Instruments Issued through the Water Utility Authority (WUA)
Recommendation: That the Water Utility Authority receive and file the report.

c. Status Update of Water-Related Capital Improvement Projects
Recommendation: That the Water Utility Authority receive and file the report.

It was moved by Mayor Pro Tem Rounds, seconded by Council Member Zamora, approved items 4A, 4B and 4C by the following vote:
Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

CITY COUNCIL

5. CITY MANAGER REPORT

Thaddeus McCormack, City Manager provided an update on Measure R2 as it relates to the I-5 project and Washington Blvd gold line.

6. CONSENT AGENDA

Approval of Minutes

a. Minutes of the April 28, 2016 City Council Meeting
Recommendation: That the City Council:

- Approve the minutes of the April 28, 2016, meeting as submitted.

It was moved by Council Member Zamora, seconded by Council Member Sarno, approved the minutes of the April 14, 2016 City Council Meeting, by the following vote:
Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

PUBLIC HEARINGS

7. Ordinance No. 1071 – An Ordinance of the City of Santa Fe Springs adopting a Development Agreement (Development Agreement No. 02-2016) by and between the City of Santa Fe Springs and Le Fiell Manufacturing Company.
Recommendation: That the City Council:

- Open the Public Hearing and receive any comments from the public regarding Ordinance No. 1071, and thereafter close the Public Hearing; and
- Find and determine that the subject Development Agreement is consistent with the City's General Plan.
- Pass the first reading of Ordinance No. 1071, an ordinance of the City of Santa Fe Springs adopting a Development Agreement (Development Agreement No. 02-2016) by and between the City of Santa Fe Springs and Le Fiell Manufacturing Company.

Mayor Moore opened the public hearing. There was no public comment received. It was moved by Mayor Pro Tem Rounds, Seconded by Council Member Sarno to waive further reading, read by Steve Skolnik, City Attorney and pass the first reading of Ordinance No. 1071 by the following vote:

Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

PUBLIC HEARING

8. Ordinance No. 1073 – An Ordinance of the City of Santa Fe Springs adopting a Development Agreement (Development Agreement No. 03-2016) by and between the City of Santa Fe Springs and Newport Diversified, INC.

Recommendation: That the City Council:

- Open the Public Hearing and receive any comments from the public regarding Ordinance No. 1073, and thereafter close the Public Hearing; and
- Find and determine that the subject Development Agreement is consistent with the City's General Plan; and
- Pass the first reading of Ordinance No. 1073, an ordinance of the City of Santa Fe Springs adopting a Development Agreement (Development Agreement No. 03-2016) by and between the City of Santa Fe Springs and Newport Diversified, Inc.

Mayor Moore opened the public hearing. There was no public comment received. It was moved by Council Member Trujillo, Seconded by Mayor Pro Tem Rounds to waive further reading, read by Steve Skolnik, City Attorney and pass the first reading of Ordinance No. 1073 by the following vote:

Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

PUBLIC HEARING

9. Ordinance No. 1074 – Zone Change Case No. 136

Recommendation: That the City Council:

- Open the Public Hearing and receive any comments from the public regarding Zone Change Case No. 136 and thereafter close the Public Hearing; and
- Find that Zone Change Case No. 136 satisfies the criteria and conditions set forth in Section 155.825 et. Seq. of the City Code for the granting of a Change of Zone request; and
- Find that Zone Change Case No. 136 involving the proposed Change of Zone from C-4, Community Commercial to M-2, Heavy Manufacturing, is consistent with the City's General Plan; and
- Introduce Ordinance No. 1074 and pass its first reading on Zone Change Case No. 136.

PUBLIC HEARING

10. Resolution No. 9508-General Plan Amendment No. 26

Recommendation: That the City Council:

- Open the Public Hearing and receive any comments from the public regarding General Plan Amendment Case No. 26 and, after receiving all public comments, close the Public Hearing; and

- Adopt Resolution No. 9508, approving General Plan Amendment Case No. 26, a request to amend the Land Use Map on 2.00 acres (Net) of a single parcel of 3.94 acres (Net), with an address of 13210 Telegraph Road (APN of 8011-013-017), and located at the southeast corner of Painter Avenue and Telegraph Road, from the existing land use designation of Commercial to Industrial.

Mayor Moore opened the joint public hearing for both items no. 9 and 10. There was no public comment received. It was moved by Council Member Sarno, Seconded by Mayor Pro Tem Rounds to waive further reading, read by Steve Skolnik, City Attorney, pass the first reading of Ordinance No. 1074 and adopt Resolution No. 9508 by the following vote:

Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

NEW BUSINESS

11. Landscape Maintenance Services

Recommendation: That the City Council:

- Accept the Proposals; and
- Award a contract to the highest rated firm, Complete Landscape Care, Inc. of Whittier, California, in the amount of $868,008.00 per year; and
- Authorize the Mayor to execute a contract with Complete Landscape Care, Inc.

It was moved by Council Member Trujillo, seconded by Council Member Sarno, approved item no. 11 as recommended, by the following vote:

Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

12. Interstate 5 Freeway Widening Water Main Relocation for the Carmenita Road Segment B – Final Payment

Recommendation: That the City Council:

- Approve the Final Progress Payment to GRFCO, Inc. of Brea, California in the amount of $127,075.38 for the subject project.

It was moved by Mayor Pro Tem Rounds, seconded by Council Member Sarno, approved item no. 12 as recommended, by the following vote:

Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

13. Approval of Amendment No. 1 with Henry Hernandez to Operate the City's Batting Cages Facility

Recommendation: That the City Council:

- Approve Amendment No. 1 of the Batting Cages Concessionaire Agreement with Henry Hernandez; and
- Appropriate $9,000 from the UUT/CIP Fund for the purchase and installation of LED lighting at the City's batting cages facility; and

- Authorize the City Manager to execute Amendment No. 1.

It was moved by Council Member Sarno, seconded by Council Member Zamora, approved item no. 13 as recommended, by the following vote:
Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

14. Water Well Siting Study for Zone 1 – Award of Contract
Recommendation: That the City Council:

- Accept the Proposals; and
- Award a contract to Richard C. Slade & Associates, LLC, Sherman Oaks, California, in the amount of $37,650.00; and
- Authorize the Director of Public Works to execute a contract with Richard C. Slade & Associates, LLC; and
- Appropriate $37,650 from the Bond Funds for Capital Improvement Projects (Activity No. 455-397-S037-4400) to fund the cost of the proposed contract.

It was moved by Council Member Trujillo, seconded by Council Member Sarno, approved item no. 14 as recommended, by the following vote:
Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

15. Amendment of Water Rates and Related Charges for FY 2016/17
Recommendation: That the City Council:

- Direct staff to initiate proceedings in accordance with Proposition 218 to consider implementing an 11% increase in water rates as of August 1, 2016.

It was moved by Council Member Sarno, seconded by Mayor Pro Tem Rounds, approved item no. 15 as recommended, by the following vote:
Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

16. Authorization to Submit Program Payment Application to CalRecycle for Beverage Container Recycling Program Funding
Recommendation: That the City Council:

- Approve Resolution No. 9510 authorizing the City Manager or his designee to submit a program payment application for the CalRecycle Beverage Container Recycling Program.

It was moved by Council Member Trujillo, seconded by Council Member Sarno, approved item no. 16 as recommended, by the following vote:
Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

17. Acceptance of a State of California Monetary Award for Upgrades to the Railcar, Tank Farm and Pipe Tree Props located at the Santa Fe Springs Homeland Security Regional Training Center

Recommendation: That the City Council:

- Accept the State of California award funds in the amount of $25,000 and authorize the Fire Chief to commence the performance of services as described in the "Statement of Work".

It was moved by Council Member Sarno, seconded by Council Member Zamora, approved item no. 11 as recommended, by the following vote:

Ayes: Sarno, Trujillo, Zamora, Rounds, Moore
Nayes: None

18. City Investments Update from PFM Asset Management LLC

Recommendation: That the City Council:

- Receive and file this report.

Item no. 18 was moved to be discussed at the next regular City Council Meeting.

CLOSED SESSION

19. CONFERENCES WITH LABOR NEGOTIATORS
(Section 54957.6)
Agency Designated Representatives: City Manager, Assistant City Manager/Director of Finance, Senior Human Resources Analyst, City Attorney
Employee Organizations: Santa Fe Springs City Employees' Association and Santa Fe Springs Firefighters' Association

CLOSED SESSION

20. CONFERENCES WITH LABOR NEGOTIATORS
(Section 54957.6)
Agency Designated Representatives: City Manager, City Attorney, Labor Negotiator
Employee Organization: Santa Fe Springs Executive, Management and Confidential Employees' Association

Mayor Moore recessed the meetings at 6:24 p.m.

Mayor Moore convened the meeting at 7:04 p.m.

No action taken in closed session.

21. **INVOCATION**
Invocation was led by Mayor Pro Tem Rounds

22. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Youth Leadership Committee members.

23. INTRODUCTIONS

- Representatives from the Chamber of Commerce

24. ANNOUNCEMENTS

The Youth Leadership Committee Members made the following announcements:

- Roaring 20's Prom, Friday May 27, 2016 at 9:00 a.m. at the Gus Velasco Neighborhood Center
- Library Summer Reading program, Friday, June 3, 2016 at 6:00 p.m.
- Movies at the Clarke Estate, Friday, June 10, 2016 at 8:00 p.m.

25. PRESENTATIONS

a. CAPIO Excellence in Communications Award to the City Council
b. Presentation to Sandy Thorstenson, Superintendent of the Whittier Union High School District, upon her retirement
c. Introduction of the 2016 Memorial Scholarship Program Recipients
d. Santa Fe Springs Chamber of Commerce Student Scholarship Recipients

26. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

Council Member Trujillo appointed Laurie Rios to the Family Human Services Advisory Committee.

Council unanimously appointed Council Member Sarno and Mayor Moore to the Labor Negotiation Ad-Hoc Committee.

27. ORAL COMMUNICATIONS

No speakers.

28. EXECUTIVE TEAM REPORTS

- Jose Gomez, Assistant City Manager/Finance Director provided information regarding ransomware awareness.
- Joyce Ryan, Library Services Director spoke about the Artfest Event.
- Noe Negrete, Public Works Director spoke about the Public Works week event; the Lakeview Elementary Tree Planting; and the installation of new picnic benches at parks.
- Wayne Morrel, Planning Director spoke about his attendance at ICSC Conference.
- Dino Torres, Police Services Director spoke in regards to the Special Olympics Torch Run and the Coffee with a Copy at Jersey Elementary School.
- Mike Crook, Chief of Fire Services spoke about "Fill the Boot" event that took place on May 16, 17 and 19, 2016, thanked everyone for their support. He also spoke

about the Sidewalk CPR event that will take place on June 2, 2016 from 10:00 a.m. to 2:00 p.m.

ADJOURNMENT

29. Mayor Moore adjourned the regular meetings at 8:23 p.m.

_____
Richard J. Moore
Mayor

ATTEST:

_____ _____
Janet Martinez Date
City Clerk

UNFINISHED BUSINESS – REVISED REPORT

Adoption of Two-Year (FY 2016-17 and FY 2017-18) City Budget Including Actions as Set Forth in the Recommendations Contained Herein

RECOMMENDATION

That the City Council adopt a Two-Year (FY 2016-17 and FY 2017-18) City Budget as proposed, including the actions as set forth herein.

BACKGROUND

On June 9, 2016, the Proposed Two-Year Budget for Fiscal Years FY 2016-17 and FY 2017-18 was formally introduced to the City Council. Subsequently, on June 16, 2016, the City Council held a Budget Study Session to review and discuss the proposed budgets for the City and Water Utility Authority.

This budget is the result of many hours of work, including intense involvement with the various City Council Budget Sub-Committees. While the City has gone through its share of tough budget cycles in the recent past, and, even though this budget cycle is being considered through a more normalized lens, the FY 2016-17 and 2017-18 proposed budget was a particularly challenging undertaking. The past four years has seen the City confront and overcome the dual monumental fiscal challenges of the "Great Recession" and the elimination of Redevelopment.

Over the last year or so, due to the prudent fiscal guidance of the City Council, the City's fiscal wellbeing has indeed stabilized. That is not to say that we have or will ever return to the robust funding levels that were seen during the Redevelopment Era. However, we have adjusted to a "New Normal", and are now able to make adjustments that will bolster areas of the organization that were necessarily stripped back in order to get through the fiscal challenges of the recent past. These adjustments will provide for a more efficient and productive provision of services. That notwithstanding, the "New Normal" is also defined by increasing employee retirement costs and a necessarily conservative outlook on revenues, particularly because of the volatile nature of Sales Tax Revenue (i.e., hyper-sensitive to the ups/downs/whims of the economy), which is our largest revenue stream in the absence of Redevelopment.

With the above in mind, where we find ourselves is in a position to continue the work of the last two years in rebuilding our revenue base in a way that enhances our ability to sustain the level of service that we provide to the public on into the future. Key strategies in that regard are: 1) building the City's reserves to a level that will help lessen the impact of the next downturn in the economy; 2) continuing to reassess what the City's "Core Services" are, so as to ensure that the City's ability to provide those services that only the City can provide are not diminished as a result of "spreading

ourselves too thin"; and, 3) looking at ways to broaden and diversify our revenue streams, so as to lessen our dependency on sales tax revenue.

The Proposed Budget for Fiscal Years 2016-17 and 2017-18, I believe, moves us closer to the above objectives. As well, the proposed budget provides an unwavering commitment to making Santa Fe Springs a safe and great place to live, work and play. It furthers the City's mission to deliver exemplary municipal services responsive to our entire community and consistent with our history, culture and unique character.

Following is a more detailed review of the budget specifics:

Two-Year Proposed Budget: FY 2016-17 and FY 2017-18

For the FY 2015-16 Final Estimate, it is the anticipated that there will be a $152,000 surplus at year's end. Likewise, we estimate that the FY 2016-17 General Fund sources will surpass uses by $77,000. For FY 2017-18, however, we anticipate a "break even" budget with uses equaling sources. While revenues remain relatively strong, projected expenditures (largely fueled by CalPERS pension costs) continue to grow at a faster pace. Budgeted City-wide expenditures are offset by utilizing one-time sources (such as loan repayments) to "pre-fund" future year Capital Improvement Program needs.

Following is a summary of the Proposed Budget activity for each of the two upcoming fiscal years, along with a final estimate for the current fiscal year:

	Final Est. Fiscal Year 2015-16	Proposed Fiscal Year 2016-17	Proposed Fiscal Year 2017-18
Sources:			
General Revenues	$ 44,127,100	$ 45,809,000	$ 45,664,000
Loan Repayments	3,148,800	--	1,760,000
Total Sources	47,275,900	45,809,000	47,424,000
Uses:			
Departmental Expenditures	$ 40,054,400	$ 42,606,600	$ 44,649,300
Capital Improvement Projects*	5,626,000	1,800,000	1,800,000
Non-Recurring	124,400	414,300	111,300
PERS Stabilization - Labor	100,000	652,000	658,000
Employee Benefits Fund*	600,000	--	--
Insurance Stabilization*	73,700	--	--
Equipment Replacement Fund*	545,000	259,100	205,400
Total Uses	47,123,500	45,732,000	47,424,000
Projected Surplus	$ 152,400	$ 77,000	$ --

* The FY 2015-16 Final Estimate amount reflects the current year budgetary impact. In January 2016, the City Council set aside $2,399,700 in FY 2014-15 General Fund Reserves towards various specific purposes as itemized (including $1,226,000 of the $5,626,000 in Capital Improvement Projects).

Report Submitted By: Thaddeus McCormack
City Manager

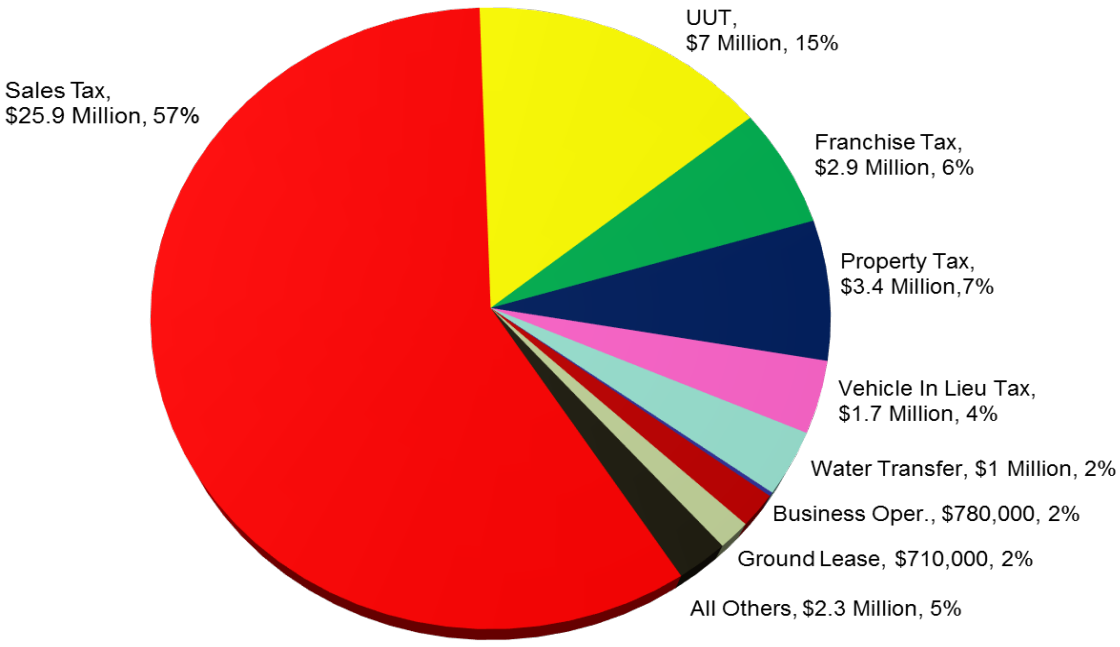
Date of Report: June 22, 2016

ITEM NO. 8

Revenues / Sources

During FY 2016-17 we are expecting City General Fund revenues (not including the Water Utility Fund) to total $45.8 million. This does not include "applied" General Fund revenues that are derived from the operations of specific departments and allocated to offset those same departmental expenditures. FY 2016-17 General Fund revenues are projected to be about $1.7 million greater than the current year estimate, largely due to $1 million anticipated in interest revenue from a one-time loan repayment (Washington Blvd.). FY 2017-18 is projected to generate slightly less ($145,000) in revenues despite sales tax revenues forecasted to increase about $600,000 from the prior year. This decline is largely the result of the one-time loan interest revenue from the prior year. The graphs below illustrates an overall view of the City's revenues for each of the next two fiscal years.

FY 2016-17 City Revenues - $45.8 Million

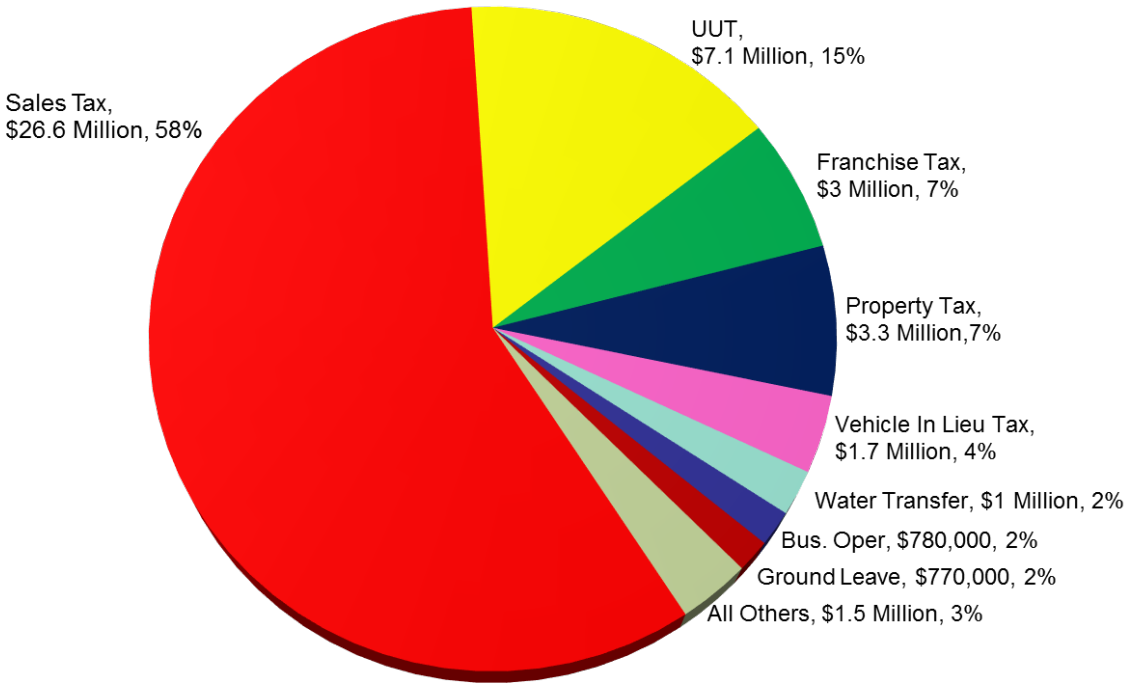


Report Submitted By: Thaddeus McCormack
City Manager

Date of Report: June 22, 2016

ITEM NO. 8

FY 2017-18 City Revenues - $45.7 Million

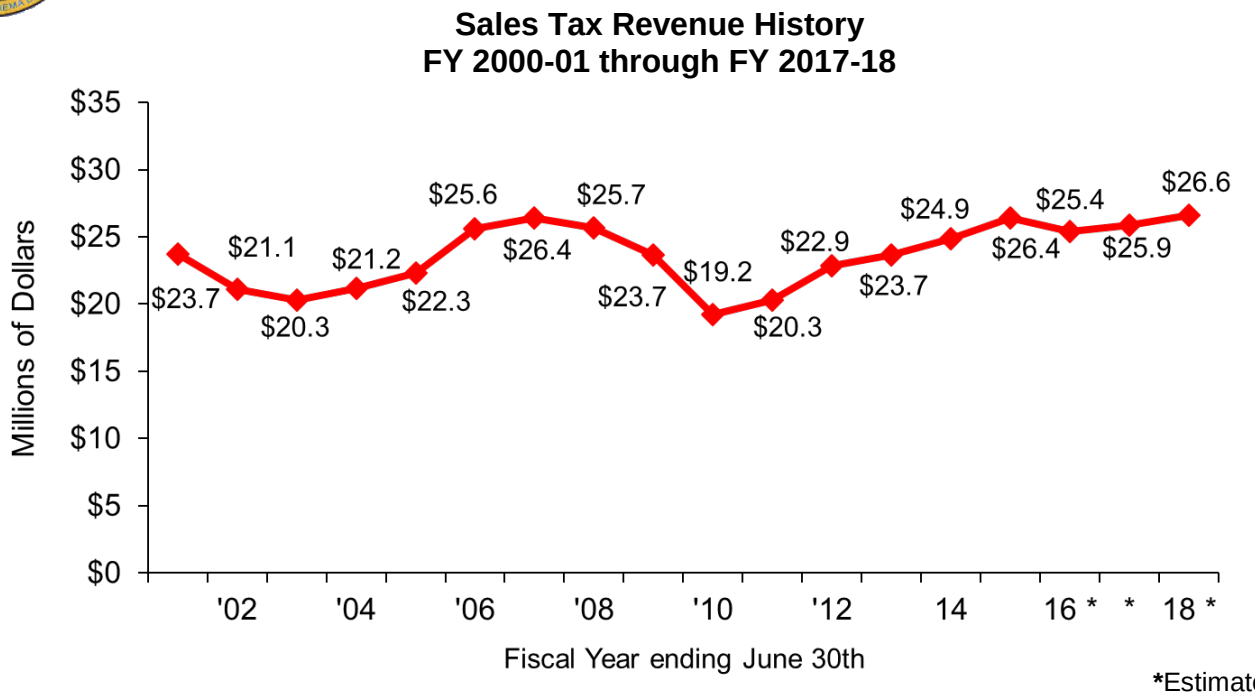


Sales Tax Revenue – Historically, the City has benefitted greatly from the large business community and the sales tax revenue generated. Conversely, during the "Great Recession" the City's revenues were disproportionately impacted by the downturn in the economy. Since then, modest gains have provided for a slow but steady rise. In the FY 2015-16 Final Estimate, we anticipate a decrease of $1 million from the prior year, with a modest uptick in FY 2016-17 ($478,000) and FY 2017-18 ($636,000).

Report Submitted By: Thaddeus McCormack
City Manager

Date of Report: June 22, 2016

ITEM NO. 8



*Estimate

Utility User's Tax - The City's Utility User's Tax (UUT) has continued to provide much-needed revenue diversification that reduces the City's reliance on Sales Tax Revenue and the disproportionate impact an economic downturn has on the City of Santa Fe Springs compared to other communities. The City anticipates receiving $6.95 million and $7.1 million during FY 2016-17 and FY 2017-18, respectively.

***Other Revenues* –** The Proposed Budget includes anticipated revenues from new developments coming online in the next two years. The Universal Waste System Materials Recovery Facility is expected to be operational in FY 2017-18 and generate $200,000 in annual revenues. Likewise, development and ongoing fees from the installation of billboard signs along newly constructed portions of the I-5 Freeway are expected to provide over $300,000 in annual revenues to the City.

***Other Sources* –** Included in the budget are loan repayments stemming from the dissolution of the former City of Santa Fe Springs Community Development Commission (Redevelopment Agency) to the City. Both are expected to be paid back through the Redevelopment Property Tax Trust Fund (RPTTF) distributions as recognized obligations of the former redevelopment agency. One is for the Washington Blvd. Redevelopment Project Area where $3,148,800 in principal and $245,600 in interest revenue were received during FY 2015-16. As previously mentioned, an additional $1,016,000 in interest revenue is expected in FY 2016-17. The second is the repayment from the RPTTF of a loan made by the City's General Fund to the former

redevelopment agency. Anticipated in FY 2017-18 are $1.76 million in General Fund monies from the $9.2 million original loan.

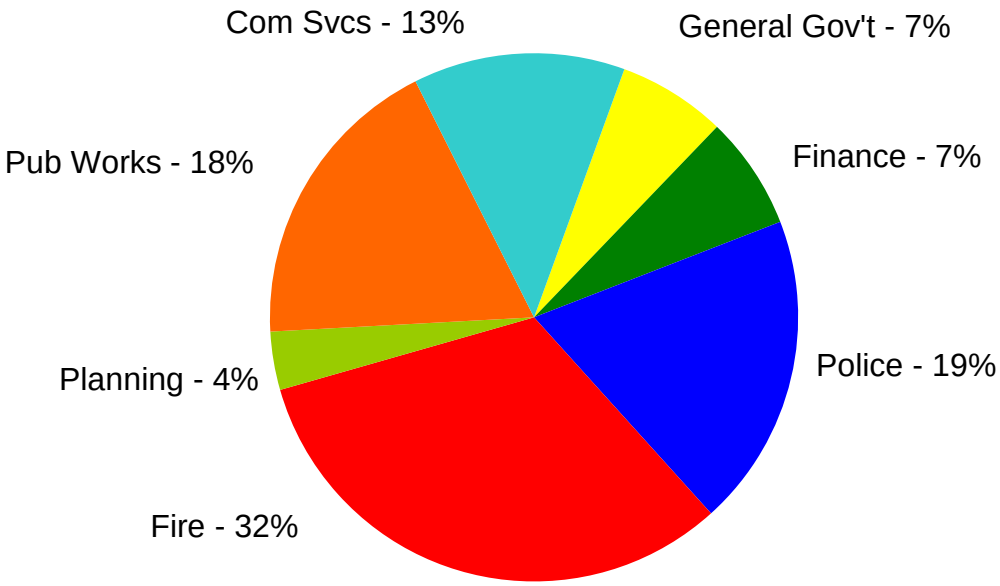
The budget figures presented represent the net impact to the General Fund after setting aside 20% of the loan repayments into the Housing Assets Fund in accordance with State law. The mechanics of receiving the loan repayments requires receipt of the entire proceeds into the General Fund along with a transfer of the required amounts into the Housing Assets Fund.

Expenditures

Overall, General Fund expenditures and fund transfers are expected to total approximately $45.7 million in FY 2016-17, or about $1.4 million less than the current year. This is largely the result of depositing or "pre-funding" $2 million in future year Capital Improvement Projects from the FY 2015-16 Budget. In FY 2017-18 we can expect total uses to be $47.4 million or about $1.7 million more than the prior year. The growth is almost exclusively in the operating departments and attributed to higher pension costs.

Departmental expenditures, net of applied revenues, are estimated at $42.6 million in FY 2016-17 and $44.6 million in FY 2017-18. The three largest department expenditure components (based on gross expenditures) are Fire, Police, and Public Works. Combined, the amounts spent on public safety (Police and Fire-Rescue Departments) account for slightly more than half of the City's operating expenditures.

FY 2016-17 Departmental Expenditures - $42.6 Million *



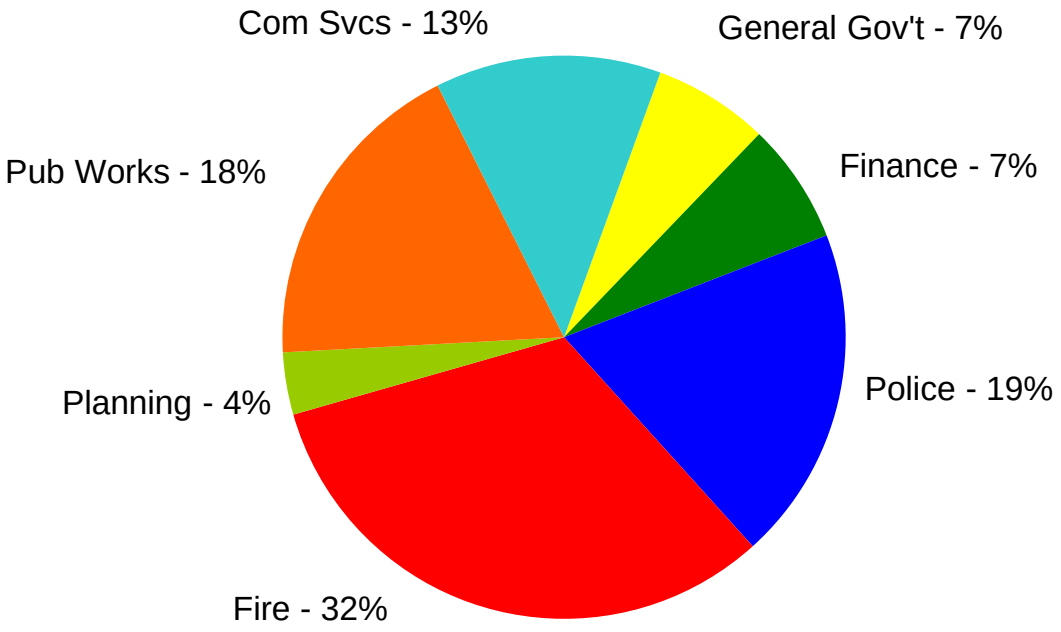
*Amount is net of applied revenues. Pie chart illustrates department budgets prior to applied revenues.

Report Submitted By: Thaddeus McCormack
City Manager

Date of Report: June 22, 2016

ITEM NO. 8

FY 2017-18 Departmental Expenditures - $44.6 Million *



*Amount is net of applied revenues. Pie chart illustrates department budgets prior to applied revenues.

The FY 2015-16 Final Estimate and the Two-Year Proposed Budget include earmarked funds for Capital Improvement Projects, Non-recurring expenditures, Citywide equipment replacement, and set-aside funds to stabilize labor costs, PERS pension rates, and insurance contributions.

Conclusion

As has been made clear over the last few years, the City has been in transition due to the hard-learned lessons of the "Great Recession" and the devastating loss of Redevelopment; the overall challenge of the last few years has been, how can the organization emulate the wonderful achievements and outcomes of the past in an environment where we have dramatically fewer fiscal resources and as a result, fewer human resources? Of course, achieving the same outcomes with fewer fiscal resources requires changing the way we do things in order to gain greater efficiencies. The proposed Fiscal Years 2016-17 and 2017-18 Budget does help build back up the City's organizational wherewithal while still maintaining a balanced budget. However, while the City has done much to build up our reserves in order to better withstand the inevitable downturn in the economy, an ongoing effort will be needed to achieve the 40% reserve level set by the City Council two years ago.

Report Submitted By: Thaddeus McCormack
City Manager

Date of Report: June 22, 2016

ITEM NO. 8

In closing, although we have entered a more stable environment, there still exists imminent and looming challenges. Over the years the strong partnerships we have developed with residents, businesses and employees has defined Santa Fe Springs as a resilient community that can overcome any and all obstacles that comes its way. I am confident that, working together, Santa Fe Springs will not only "get by", but flourish under this proposed budget. Still, the need to remain prudent and vigilant from a cost containment standpoint, and the need to seek out new revenue streams should be front and center as we move on into the future.

Recommended Actions

There are a number of actions recommended, including those that are part of the broader budget adoption:

1. Adopt the FY 2016-17 and FY 2017-18 Budgets for the City, Water Utility Authority, Successor Agency, and Housing Successor Agency. (This includes all the forecasted revenue estimates, expenditure allocations, and related transfers.);

2. Adopt the FY 2015-16 Final Estimate Revenues and Expenditures as the revised budget amounts for FY 2015-16;

3. Approving the transfer of the State required 20% set aside from loan repayments received from the Redevelopment Property Tax Trust Fund (RPTTF) to the Housing Assets Fund.

4. Adopt the Salary Schedule as presented (see attached). It includes salary adjustments (2%) as presented in the proposed labor agreement (Agenda Item #9) between the City and the Santa Fe Springs Executive Management Confidential (EMC) Employee Association. As labor agreements are reached with the remaining labor groups, the Salary Schedule will be revised accordingly and presented for Council approval. The attached Schedule is also inclusive of the following changes:
    a. Reclassify four (4) Non-Benefitted Part-time Public Safety Officer Apprentice positions to Non-Benefitted Part-time Public Safety Officers (Police Services Department)
    b. Reclassify two (2) Full-time Public Safety Officers positions to Full-time Lead Public Safety Officers (Police Services Department)
    c. Reclassify one (1) Full-time Management Assistant I position to a Full-time Assistant to the Director of Police Services (Police Services Department)

d. Reclassify two (2) Full-time Account Clerk II positions to Full-time Account Clerk III positions (Finance & Admin. Services Department)
e. Reclassify one (1) Full-time Case Worker I position to a Full-time Case Worker II position (Community Services Department – Family and Human Services Division)
f. Reclassify one (1) Full-time Program Coordinator – Library Outreach position to a Full-time Public Relations Technician position (Community Services Department – Library and Cultural Services Division)
g. Reclassify one (1) Full-time Administrative Clerk I position to a Full-time Administrative Clerk II position (General Government - City Manager's Office)
h. Reclassify one (1) Full-time Associate Civil Engineer position to a Full-time Capital Improvements Manager position (Public Works – Engineering Department)
i. Add one (1) Full-time Assistant Civil Engineer position in FY 2017-18 (Public Works – Engineering Department)
j. Add one (1) Full-time Assistant Municipal Services Manager position (Public Works – Maintenance Department)
k. Eliminate one (1) Full-time Traffic & Lighting Superintendent position (Public Works – Maintenance Department)
l. Reclassify one (1) Full-time Traffic & Lighting Technician II position to Full-time Traffic & Lighting Supervisor position (Public Works – Maintenance Department)
m. Add one (1) Non-Benefitted Part-time Electrician Apprentice position - 1,300 hours per year (Public Works – Maintenance Department)
n. Add two (2) Non-Benefitted Part-time Bus Driver positions – each at 1,300 hours per year (Public Works – Maintenance Department)
o. Add and reclassify one (1) Full-time Administrative Division Chief position (Fire-Rescue Department)
p. Eliminate one (1) Full-time Deputy Fire Marshall position at the time of the employee's retirement (Fire-Rescue Department) *
q. Reclassify one (1) Full-time Deputy Director of Environmental Services to Director of Environmental Protection Division and Fire Prevention Bureau (Fire-Rescue Department) *
r. Reclassify one (1) Full-time Environmental Protection Specialist to Deputy Director of Environmental Protection Division (Fire-Rescue Department) *
s. Reclassify one (1) Full-time Environmental Protection Specialist/CPE to Deputy Fire Marshall/CPE (Fire-Rescue Department) *
t. Reclassify one (1) Full-time Environmental Protection Specialist to Environmental Protection Division and Fire Prevention Bureau Specialist (Fire-Rescue Department) *

u. Reclassify one (1) Full-time Fire Protection Inspector I to Fire and Environmental Safety Inspector II (Fire-Rescue Department) *
v. Reclassify two (2) Full-time Environmental Protection Inspector I positions to Fire and Environmental Safety Inspector II positions (Fire-Rescue Department) *
w. Reclassify one (1) Full-time Administrative Clerk I position to a Full-time Administrative Clerk II position (Fire-Rescue Department)
x. Reclassify one (1) Full-time Environmental Protection Clerk I position to a Full-time Environmental Protection Clerk II (Fire-Rescue Department)
y. Add one (1) Non-Benefitted Part-time Administrative Clerk I position - 1,300 hours per year (Fire-Rescue Department)

*To take effect in January 2017

Attachment:
Employee Salary Schedule

Thaddeus McCormack
City Manager

Report Submitted By: Thaddeus McCormack
City Manager

Date of Report: June 22, 2016

ITEM NO. 8

CITY OF SANTA FE SPRINGS
SALARY TABLES BY CLASS

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
01000	COUNCIL MEMBER	A- 1	970.840	448.080	5.601					2080.00
01300	CITY ATTORNEY	A- 1	16039.800	7402.985	92.537					2080.00
01400	CITY MANAGER	A- 1	14114.250	6514.269	81.428	A- 1	15711.060	7251.258	90.640	2080.00
01600	ASST CMGR/DIR OF FIN	A- 1	11608.187	5357.625	66.970	A- 1	12245.942	5651.973	70.649	2080.00
		B- 2	12245.942	5651.973	70.650	B- 2	12919.244	5962.728	74.534	
		C- 3	12919.244	5962.728	74.534	C- 3	13630.184	6290.854	78.635	
		D- 4	13630.184	6290.854	78.636	D- 4	14379.807	6636.834	82.960	
		E- 5	14379.807	6636.834	82.960	E- 5	15171.251	7002.116	87.526	
01700	FIRE CHIEF	A- 1	10080.875	4652.712	58.159					2080.00
		B- 2	10636.425	4909.119	61.364					
		C- 3	11221.700	5179.246	64.741					
		D- 4	11839.775	5464.512	68.306					
		E- 5	12491.675	5765.388	72.067					
02400	DIR COMM SVCS	A- 1	9517.187	4392.548	54.907	A- 1	10040.982	4634.299	57.928	2080.00
		B- 2	10040.982	4634.299	57.929	B- 2	10593.006	4889.080	61.113	
		C- 3	10593.006	4889.080	61.113	C- 3	11175.350	5157.854	64.473	
		D- 4	11175.350	5157.854	64.473	D- 4	11790.104	5441.586	68.019	
		E- 5	11790.104	5441.586	68.020	E- 5	12437.268	5740.278	71.753	
02700	DIR POLICE SERVICES	A- 1	7865.297	3630.137	45.377	A- 1	8298.134	3829.908	47.873	2080.00
02710	DIR PLANNING	B- 2	8298.134	3829.908	47.874	B- 2	8755.017	4040.777	50.509	
		C- 3	8755.017	4040.777	50.510	C- 3	9236.993	4263.228	53.290	
		D- 4	9234.902	4262.262	53.278	D- 4	9745.106	4497.741	56.221	
		E- 5	9743.015	4496.776	56.210	E- 5	10281.447	4745.283	59.316	
02800	DIR PUBLIC WORKS	A- 1	10599.279	4891.975	61.150	A- 1	11182.668	5161.231	64.515	2080.00
		B- 2	11182.668	5161.231	64.515	B- 2	11797.422	5444.964	68.062	
		C- 3	11797.422	5444.964	68.062	C- 3	12446.678	5744.621	71.807	
		D- 4	12446.678	5744.621	71.808	D- 4	13131.480	6060.683	75.758	
		E- 5	13131.480	6060.683	75.759	E- 5	13853.921	6394.117	79.926	
03000	DIVISION CHIEF	A- 1	9176.825	4235.458	37.817					2912.00
		B- 2	9640.125	4449.288	39.726					
		C- 3	10127.000	4674.000	41.732					
		D- 4	10619.000	4901.077	43.760					
		E- 5	11153.025	5147.550	45.960					

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
03900	DIR TECHNOLOGY SVC M	A- 1	8297.088	3829.425	47.868	A- 1	8752.926	4039.812	50.497	2080.00
03910	DIR FISCAL SERVICES	B- 2	8752.926	4039.812	50.498	B- 2	9233.856	4261.780	53.272	
		C- 3	9234.902	4262.262	53.278	C- 3	9743.015	4496.776	56.209	
		D- 4	9743.015	4496.776	56.210	D- 4	10277.265	4743.353	59.291	
		E- 5	10277.265	4743.353	59.292	E- 5	10842.881	5004.407	62.555	
05400	DIR PURCHASING SVCS	A- 1	6795.750	3136.500	39.206	A- 1	7168.994	3308.766	41.359	2080.00
		B- 2	7168.994	3308.766	41.360	B- 2	7564.193	3491.166	43.639	
		C- 3	7564.193	3491.166	43.640	C- 3	7980.302	3683.216	46.040	
		D- 4	7980.302	3683.216	46.040	D- 4	8419.412	3885.882	48.573	
		E- 5	8419.412	3885.882	48.574	E- 5	8882.568	4099.647	51.245	
08540	LIBRARY SVCS DIV DIR	A- 1	6795.750	3136.500	39.206	A- 1	7169.517	3309.008	41.362	2080.00
08550	PARK & REC SVCS MGR	B- 2	7168.994	3308.766	41.360	B- 2	7563.288	3490.748	43.634	
08560	FAM & HUMAN SVCS MGR	C- 3	7564.193	3491.166	43.640	C- 3	7980.223	3683.180	46.039	
		D- 4	7980.302	3683.216	46.040	D- 4	8419.218	3885.793	48.572	
		E- 5	8419.412	3885.882	48.574	E- 5	8882.479	4099.606	51.245	

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
12400	CAPITAL IMPRVMTS MGR	A- 1	7412.445	3421.128	42.764	A- 1	7820.130	3609.291	45.116	2080.00
		B- 2	7820.130	3609.291	45.116	B- 2	8250.237	3807.802	47.597	
		C- 3	8250.237	3807.802	47.598	C- 3	8704.000	4017.231	50.215	
		D- 4	8704.000	4017.231	50.215	D- 4	9182.720	4238.178	52.977	
		E- 5	9182.720	4238.178	52.977	E- 5	9687.770	4471.278	55.890	
12500	ASST MUNI SVCS MGR	A- 1	6649.270	3068.894	38.361	A- 1	7014.980	3237.683	40.471	2080.00
		B- 2	7014.980	3237.683	40.471	B- 2	7400.804	3415.756	42.696	
		C- 3	7400.804	3415.756	42.697	C- 3	7807.848	3603.622	45.045	
		D- 4	7807.848	3603.622	45.045	D- 4	8237.280	3801.822	47.522	
		E- 5	8237.280	3801.822	47.523	E- 5	8690.330	4010.922	50.136	
12600	DEPUTY FIRE MARSHALL	A- 1	7466.100	3445.892	43.074					2080.00
		B- 2	7877.125	3635.596	45.445					
		C- 3	8310.700	3835.708	47.946					
		D- 4	8768.875	4047.173	50.590					
		E- 5	9252.675	4270.465	53.381					
12700	DEP DIR ENVIRON SVCS	A- 1	8788.350	4056.162	50.702					2080.00
		B- 2	9271.125	4278.981	53.487					
		C- 3	9779.525	4513.627	56.420					
		D- 4	10317.650	4761.992	59.525					
		E- 5	10885.500	5024.077	62.801					
12800	FIRE CAPTAIN	A- 1	7457.900	3442.108	29.903					2992.86
		B- 2	7850.475	3623.296	31.477					
		C- 3	8284.050	3823.408	33.215					
		D- 4	8713.525	4021.627	34.937					
		E- 5	9189.125	4241.135	36.844					
12900	MUNICIPAL SVCS MGR	A- 1	7095.809	3274.989	40.937	A- 1	7485.780	3454.975	43.187	2080.00
		B- 2	7485.780	3454.975	43.187	B- 2	7897.707	3645.096	45.563	
		C- 3	7897.707	3645.096	45.564	C- 3	8331.590	3845.349	48.066	
		D- 4	8331.590	3845.349	48.067	D- 4	8789.519	4056.701	50.708	
		E- 5	8789.519	4056.701	50.709	E- 5	9272.942	4279.819	53.497	
		F- 6	9272.942	4279.819	53.498	F- 6	9782.953	4515.209	56.440	
		G- 7	9782.953	4515.209	56.440	G- 7	10321.013	4763.544	59.544	
		H- 8	10321.013	4763.544	59.544	H- 8	10888.668	5025.539	62.819	
13000	ENVR PROTEC SPEC/CPE	A- 1	7877.125	3635.596	45.445					2080.00
		B- 2	8295.325	3828.612	47.858					
		C- 3	8734.025	4031.088	50.389					
		D- 4	9196.300	4244.446	53.056					
		E- 5	9686.250	4470.577	55.882					

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
13100	ENVR PROTECT SPEC	A- 1	7096.075	3275.112	40.939					2080.00
		B- 2	7473.275	3449.204	43.115					
		C- 3	7866.875	3630.865	45.386					
		D- 4	8284.050	3823.408	47.793					
		E- 5	8724.800	4026.831	50.335					
13200	ASSOC CIVIL ENGINEER	A- 1	6285.300	2900.908	36.261	A- 1	6626.625	3058.442	38.230	2080.00
		B- 2	6632.775	3061.281	38.266	B- 2	6994.600	3228.277	40.353	
		C- 3	7004.850	3233.008	40.413	C- 3	7388.200	3409.938	42.624	
		D- 4	7401.525	3416.088	42.701	D- 4	7799.225	3599.642	44.995	
		E- 5	7824.850	3611.469	45.143	E- 5	8250.225	3807.796	47.597	
13300	UTILITY SVCS MANAGER	A- 1	6736.157	3108.996	38.862	A- 1	7106.264	3279.814	40.997	2080.00
		B- 2	7106.264	3279.814	40.998	B- 2	7497.281	3460.284	43.253	
		C- 3	7497.281	3460.284	43.254	C- 3	7909.208	3650.404	45.630	
		D- 4	7909.208	3650.404	45.630	D- 4	8344.136	3851.140	48.139	
		E- 5	8344.136	3851.140	48.139	E- 5	8803.110	4062.974	50.787	
13400	ACCOUNTING MANAGER	A- 1	6586.922	3040.118	38.001	A- 1	6949.203	3207.324	40.091	2080.00
		B- 2	6949.203	3207.324	40.092	B- 2	7331.409	3383.727	42.296	
		C- 3	7331.409	3383.727	42.297	C- 3	7734.637	3569.832	44.622	
		D- 4	7734.637	3569.832	44.623	D- 4	8160.042	3766.173	47.077	
		E- 5	8160.042	3766.173	47.077	E- 5	8608.844	3973.313	49.666	
13673	ST & GRNDS MTC SUPT	A- 1	5641.600	2603.815	32.548	A- 1	5952.175	2747.158	34.339	2080.00
		B- 2	5952.175	2747.158	34.339	B- 2	6285.300	2900.908	36.261	
		C- 3	6285.300	2900.908	36.261	C- 3	6626.625	3058.442	38.230	
		D- 4	6626.625	3058.442	38.231	D- 4	7004.850	3233.008	40.412	
		E- 5	7004.850	3233.008	40.413	E- 5	7388.200	3409.938	42.624	
		F- 6	7388.200	3409.938	42.624	F- 6	7824.850	3611.469	45.143	
		G- 7	7824.850	3611.469	45.143	G- 7	8259.450	3812.054	47.650	
		H- 8	8259.450	3812.054	47.651	H- 8	8705.325	4017.842	50.223	
13700	CHLDREN'S SVCS ADM E	A- 1	5989.736	2764.494	34.556	A- 1	6318.474	2916.219	36.452	2080.00
		B- 2	6318.474	2916.219	36.453	B- 2	6665.596	3076.429	38.455	
		C- 3	6665.596	3076.429	38.455	C- 3	7033.263	3246.121	40.576	
		D- 4	7033.263	3246.121	40.577	D- 4	7419.314	3424.299	42.803	
		E- 5	7419.314	3424.299	42.804	E- 5	7826.992	3612.458	45.155	
13810	FIRE ENGINEER	A- 1	6403.175	2955.312	25.674					2992.86
		B- 2	6738.350	3110.008	27.018					
		C- 3	7101.200	3277.477	28.473					
		D- 4	7457.900	3442.108	29.903					
		E- 5	7853.550	3624.715	31.489					

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
13910	SENIOR PLANNER	A- 1	6069.128	2801.136	35.014	A- 1	6399.506	2953.618	36.920	2080.00
		B- 2	6399.506	2953.618	36.920	B- 2	6746.612	3113.821	38.922	
		C- 3	6746.612	3113.821	38.923	C- 3	7115.673	3284.157	41.051	
		D- 4	7115.673	3284.157	41.052	D- 4	7503.554	3463.179	43.289	
		E- 5	7503.554	3463.179	43.290	E- 5	7912.344	3651.851	45.648	
14010	CHLDREN'S SVCS ADMIN	A- 1	5677.475	2620.373	32.755	A- 1	5989.075	2764.188	34.552	2080.00
		B- 2	5989.075	2764.188	34.552	B- 2	6318.100	2916.046	36.450	
		C- 3	6318.100	2916.046	36.451	C- 3	6666.600	3076.892	38.461	
		D- 4	6666.600	3076.892	38.461	D- 4	7032.525	3245.781	40.572	
		E- 5	7032.525	3245.781	40.572	E- 5	7418.950	3424.131	42.801	
14100	CITY CLERK	A- 1	5897.666	2722.000	34.025	A- 1	6213.407	2867.726	35.846	2080.00
14110	SENIOR HR ANALYST	B- 2	6213.407	2867.726	35.847	B- 2	6545.876	3021.174	37.764	
		C- 3	6545.876	3021.174	37.765	C- 3	6894.027	3181.859	39.773	
		D- 4	6894.027	3181.859	39.773	D- 4	7265.180	3353.160	41.914	
		E- 5	7265.180	3353.160	41.915	E- 5	7656.197	3533.629	44.170	
14200	ASST TO DIR POL SVCS	A- 1	5467.965	2523.676	31.546	A- 1	5763.842	2660.235	33.252	2080.00
		B- 2	5763.842	2660.235	33.253	B- 2	6076.446	2804.514	35.056	
		C- 3	6076.446	2804.514	35.056	C- 3	6408.915	2957.961	36.974	
		D- 4	6408.915	2957.961	36.975	D- 4	6759.158	3119.611	38.995	
		E- 5	6759.158	3119.611	38.995	E- 5	7127.174	3289.465	41.118	
14300	ACCOUNTANT	A- 1	5088.449	2348.515	29.356	A- 1	5366.552	2476.870	30.960	2080.00
		B- 2	5362.370	2474.940	30.937	B- 2	5651.973	2608.603	32.607	
		C- 3	5662.428	2613.428	32.668	C- 3	5971.896	2756.260	34.453	
		D- 4	5981.306	2760.603	34.508	D- 4	6303.320	2909.225	36.365	
		E- 5	6308.547	2911.637	36.395	E- 5	6653.562	3070.875	38.385	
14400	CIVIL ENGR ASST I	A- 1	5140.375	2372.481	29.656	A- 1	5423.275	2503.050	31.288	2080.00
		B- 2	5423.275	2503.050	31.288	B- 2	5720.525	2640.242	33.003	
		C- 3	5720.525	2640.242	33.003	C- 3	6035.200	2785.477	34.818	
		D- 4	6035.200	2785.477	34.818	D- 4	6367.300	2938.754	36.734	
		E- 5	6367.300	2938.754	36.734	E- 5	6717.850	3100.546	38.756	
14620	CIVIL ENGR TECH II	A- 1	5064.525	2337.473	29.218	A- 1	5343.325	2466.150	30.826	2080.00
		B- 2	5343.325	2466.150	30.827	B- 2	5637.500	2601.923	32.524	
		C- 3	5637.500	2601.923	32.524	C- 3	5947.050	2744.792	34.309	
		D- 4	5947.050	2744.792	34.310	D- 4	6274.025	2895.704	36.196	
		E- 5	6274.025	2895.704	36.196	E- 5	6618.425	3054.658	38.183	

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
14705	FLEET SEC SUPERVISOR	A- 1	4988.675	2302.465	28.781	A- 1	5257.225	2426.412	30.330	2080.00
14720	WATER UTLTY SEC SUPV	B- 2	5257.225	2426.412	30.330	B- 2	5551.400	2562.185	32.027	
14721	ST & GRNDS MTC SUPV	C- 3	5551.400	2562.185	32.027	C- 3	5864.025	2706.473	33.830	
14723	FACILITY SEC SUPV	D- 4	5864.025	2706.473	33.831	D- 4	6179.725	2852.181	35.652	
14730	TRAF SGNL & LGT SUPV	E- 5	6179.725	2852.181	35.652	E- 5	6523.100	3010.662	37.633	
14740	COMPUTER SPECLST III	F- 6	6523.100	3010.662	37.633	F- 6	6894.150	3181.915	39.773	
14754	LIBRARIAN II	G- 7	6894.150	3181.915	39.774	G- 7	7281.600	3360.738	42.009	
		H- 8	7281.600	3360.738	42.009	H- 8	7682.375	3545.712	44.321	
14800	FIRE PROTECT INSP I	A- 1	5505.275	2540.896	31.761					2080.00
		B- 2	5794.325	2674.304	33.429					
		C- 3	6097.725	2814.335	35.179					
		D- 4	6417.525	2961.935	37.024					
		E- 5	6754.750	3117.577	38.970					
14910	CODE ENFORCMT INSP I	A- 1	4798.025	2214.473	27.681	A- 1	5054.275	2332.742	29.159	2080.00
14920	ELECTRICIAN	B- 2	5054.275	2332.742	29.159	B- 2	5325.900	2458.108	30.726	
14975	P/W INSPECTOR I	C- 3	5341.275	2465.204	30.815	C- 3	5641.600	2603.815	32.547	
14980	MECHANIC II	D- 4	5641.600	2603.815	32.548	D- 4	5952.175	2747.158	34.339	
		E- 5	5952.175	2747.158	34.339	E- 5	6274.025	2895.704	36.196	
15000	LIBRARIAN III	A- 1	5360.750	2474.192	30.927	A- 1	5650.825	2608.073	32.600	2080.00
15040	COMMUNITY SVCS SUPVR	B- 2	5650.825	2608.073	32.601	B- 2	5957.300	2749.523	34.369	
		C- 3	5957.300	2749.523	34.369	C- 3	6283.250	2899.962	36.249	
		D- 4	6283.250	2899.962	36.250	D- 4	6626.625	3058.442	38.230	
		E- 5	6626.625	3058.442	38.231	E- 5	6987.425	3224.965	40.312	
15110	ENVIR PROTECT INSP I	A- 1	5505.275	2540.896	31.761					2080.00
		B- 2	5794.325	2674.304	33.429					
		C- 3	6097.725	2814.335	35.179					
		D- 4	6417.525	2961.935	37.024					
		E- 5	6754.750	3117.577	38.970					
15200	FF/PARA II	A- 1	6034.175	2785.004	24.194					2992.86
		B- 2	6244.300	2881.985	25.037					
		C- 3	6451.350	2977.546	25.867					
		D- 4	6660.450	3074.054	26.705					
		E- 5	6866.475	3169.142	27.531					
		F- 6	7073.525	3264.704	28.362					
		G- 7	7286.725	3363.104	29.216					
		H- 8	7494.800	3459.138	30.051					
		I- 9	7700.825	3554.227	30.877					
		J-10	7911.975	3651.681	31.723					

CLASS	JOB TITLE	STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
15300	FF/PARA I	A- 1	5719.500	2639.769	22.933					2992.86
		B- 2	5918.350	2731.546	23.730					
		C- 3	6114.125	2821.904	24.515					
		D- 4	6312.975	2913.681	25.312					
		E- 5	6509.775	3004.512	26.101					
		F- 6	6705.550	3094.869	26.886					
		G- 7	6907.475	3188.065	27.696					
		H- 8	7104.275	3278.896	28.485					
		I- 9	7300.050	3369.254	29.270					
		J-10	7498.900	3461.031	30.067					
15400	FF/PARA TRAINEE	A- 1	5421.225	2502.104	21.737					2992.86
		B- 2	5609.825	2589.150	22.493					
		C- 3	5796.375	2675.250	23.241					
		D- 4	6037.250	2786.423	24.207					
		E- 5	6169.475	2847.450	24.737					
		F- 6	6357.050	2934.023	25.489					
		G- 7	6546.675	3021.542	26.249					
		H- 8	6734.250	3108.115	27.001					
		I- 9	6918.750	3193.269	27.741					
		J-10	7108.375	3280.788	28.501					
15500	HUMAN RESRCE ANALYST	A- 1	5015.264	2314.737	28.934	A- 1	5291.276	2442.127	30.526	2080.00
		B- 2	5291.276	2442.127	30.527	B- 2	5582.970	2576.755	32.209	
		C- 3	5582.970	2576.755	32.209	C- 3	5889.302	2718.139	33.976	
		D- 4	5889.302	2718.139	33.977	D- 4	6213.407	2867.726	35.846	
		E- 5	6213.407	2867.726	35.847	E- 5	6554.240	3025.034	37.812	
15630	LEAD PSO	A- 1	4549.975	2099.988	26.250	A- 1	4800.075	2215.419	27.692	2080.00
15650	YTH INTRVNTN PRG SUP	B- 2	4800.075	2215.419	27.693	B- 2	5064.525	2337.473	29.218	
		C- 3	5064.525	2337.473	29.218	C- 3	5343.325	2466.150	30.826	
		D- 4	5343.325	2466.150	30.827	D- 4	5637.500	2601.923	32.524	
		E- 5	5637.500	2601.923	32.524	E- 5	5947.050	2744.792	34.309	
15700	LIBRARIAN I	A- 1	4645.300	2143.985	26.800	A- 1	4900.525	2261.781	28.272	2080.00
		B- 2	4900.525	2261.781	28.272	B- 2	5170.100	2386.200	29.827	
		C- 3	5170.100	2386.200	29.828	C- 3	5454.025	2517.242	31.465	
		D- 4	5454.025	2517.242	31.466	D- 4	5754.350	2655.854	33.198	
		E- 5	5754.350	2655.854	33.198	E- 5	6070.050	2801.562	35.019	
15810	MANAGEMENT ASST II C	A- 1	5280.821	2437.302	30.466	A- 1	5569.379	2570.483	32.131	2080.00
		B- 2	5569.379	2570.483	32.131	B- 2	5876.756	2712.349	33.904	
		C- 3	5876.756	2712.349	33.904	C- 3	6200.861	2861.936	35.774	
		D- 4	6200.861	2861.936	35.774	D- 4	6541.694	3019.243	37.740	
		E- 5	6541.694	3019.243	37.741	E- 5	6901.346	3185.237	39.815	
		Y-25	7265.180	3353.160	41.915	Y-25	7656.197	3533.629	44.170	

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
15900	PUB RELATIONS TECH	A- 1	4533.752	2092.501	26.156	A- 1	4783.109	2207.589	27.594	2080.00
		B- 2	4783.109	2207.589	27.595	B- 2	5046.180	2329.006	29.112	
		C- 3	5046.180	2329.006	29.113	C- 3	5323.720	2457.102	30.713	
		D- 4	5323.720	2457.102	30.714	D- 4	5616.524	2592.242	32.403	
		E- 5	5616.524	2592.242	32.403	E- 5	5925.433	2734.815	34.185	
16010	WATER WELL OPERATOR	A- 1	4482.325	2068.765	25.860	A- 1	4728.325	2182.304	27.278	2080.00
16040	TRF SIG LGT TECH II	B- 2	4728.325	2182.304	27.279	B- 2	4987.650	2301.992	28.774	
		C- 3	4987.650	2301.992	28.775	C- 3	5257.225	2426.412	30.330	
		D- 4	5257.225	2426.412	30.330	D- 4	5552.425	2562.658	32.033	
		E- 5	5552.425	2562.658	32.033	E- 5	5854.800	2702.215	33.777	
16100	MANAGEMENT ASST I C	A- 1	4467.422	2061.887	25.774	A- 1	4712.069	2174.801	27.185	2080.00
		B- 2	4712.069	2174.801	27.185	B- 2	4971.353	2294.471	28.680	
		C- 3	4971.353	2294.471	28.681	C- 3	5244.228	2420.413	30.255	
		D- 4	5244.228	2420.413	30.255	D- 4	5533.832	2554.076	31.925	
		E- 5	5533.832	2554.076	31.926	E- 5	5837.027	2694.012	33.675	
16200	FIREFIGHTER	A- 1	5139.350	2372.008	20.606					2992.86
		B- 2	5316.675	2453.850	21.317					
		C- 3	5494.000	2535.692	22.028					
		D- 4	5672.350	2618.008	22.744					
		E- 5	5847.625	2698.904	23.446					
		F- 6	6025.975	2781.219	24.161					
		G- 7	6205.350	2864.008	24.881					
		H- 8	6382.675	2945.850	25.592					
		I- 9	6558.975	3027.219	26.298					
		J-10	6738.350	3110.008	27.018					
16300	MANAGEMENT ASST I	A- 1	4379.825	2021.458	25.268	A- 1	4619.675	2132.158	26.651	2080.00
		B- 2	4619.675	2132.158	26.652	B- 2	4873.875	2249.481	28.118	
		C- 3	4873.875	2249.481	28.119	C- 3	5141.400	2372.954	29.661	
		D- 4	5141.400	2372.954	29.662	D- 4	5425.325	2503.996	31.299	
		E- 5	5425.325	2503.996	31.300	E- 5	5722.575	2641.188	33.014	
16440	WTR UTILITY LEAD WKR	A- 1	4311.150	1989.762	24.872	A- 1	4547.925	2099.042	26.238	2080.00
16450	HUMN SVC CASE WKR II	B- 2	4534.600	2092.892	26.161	B- 2	4798.025	2214.473	27.680	
		C- 3	4798.025	2214.473	27.681	C- 3	5062.475	2336.527	29.206	
		D- 4	5062.475	2336.527	29.207	D- 4	5340.250	2464.731	30.809	
		E- 5	5340.250	2464.731	30.809	E- 5	5634.425	2600.504	32.506	

CLASS	JOB TITLE	NON-PHYS STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	PHYSICAL STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
16500	TRANSPORT SVCS SUPV	A- 1	4228.125	1951.442	24.393	A- 1	4459.775	2058.358	25.729	2080.00
		B- 2	4459.775	2058.358	25.729	B- 2	4705.775	2171.896	27.148	
		C- 3	4705.775	2171.896	27.149	C- 3	4964.075	2291.112	28.638	
		D- 4	4964.075	2291.112	28.639	D- 4	5236.725	2416.950	30.211	
		E- 5	5236.725	2416.950	30.212	E- 5	5526.800	2550.831	31.885	
16620	PUB WKS DEPT SECTY	A- 1	4053.875	1871.019	23.388	A- 1	4276.300	1973.677	24.670	2080.00
		B- 2	4276.300	1973.677	24.671	B- 2	4511.025	2082.012	26.025	
		C- 3	4511.025	2082.012	26.025	C- 3	4759.075	2196.496	27.456	
		D- 4	4759.075	2196.496	27.456	D- 4	5021.475	2317.604	28.970	
		E- 5	5021.475	2317.604	28.970	E- 5	5297.200	2444.862	30.560	
16700	PRG COORD-LIB OUTRCH	A- 1	4301.710	1985.405	24.818	A- 1	4539.712	2095.252	26.190	2080.00
16710	PRG COORD-PARK/YOUTH	B- 2	4539.712	2095.252	26.191	B- 2	4789.635	2210.601	27.632	
		C- 3	4789.635	2210.601	27.633	C- 3	5050.971	2331.217	29.140	
		D- 4	5050.971	2331.217	29.140	D- 4	5323.719	2457.101	30.713	
		E- 5	5323.719	2457.101	30.714	E- 5	5616.524	2592.242	32.403	
16800	ACCOUNT CLERK SUPV	A- 1	4571.972	2110.141	26.377	A- 1	4822.892	2225.950	27.824	2080.00
		B- 2	4822.892	2225.950	27.824	B- 2	5087.403	2348.032	29.350	
		C- 3	5087.403	2348.032	29.350	C- 3	5362.370	2474.940	30.936	
		D- 4	5362.370	2474.940	30.937	D- 4	5663.474	2613.911	32.673	
		E- 5	5663.474	2613.911	32.674	E- 5	5971.896	2756.260	34.453	
16990	PUB RELATIONS SPEC	A- 1	4280.277	1975.512	24.694	A- 1	4516.560	2084.566	26.057	2080.00
		B- 2	4516.560	2084.566	26.057	B- 2	4764.344	2198.928	27.486	
		C- 3	4764.344	2198.928	27.487	C- 3	5025.719	2319.563	28.994	
		D- 4	5025.719	2319.563	28.995	D- 4	5302.776	2447.435	30.592	
		E- 5	5302.776	2447.435	30.593	E- 5	5594.471	2582.064	32.275	
17010	PROGRAM COORDINATOR	A- 1	4077.450	1881.900	23.524	A- 1	4301.925	1985.504	24.818	2080.00
17050	PUB SAF OFFCR/ADMIN	B- 2	4301.925	1985.504	24.819	B- 2	4536.650	2093.838	26.172	
17070	PUB SAF OFFCR/FIELD	C- 3	4536.650	2093.838	26.173	C- 3	4781.625	2206.904	27.586	
17080	YTH INTRVNTN CSE WKR	D- 4	4781.625	2206.904	27.586	D- 4	5054.275	2332.742	29.159	
17090	HUMAN SVCS CS WKR I	E- 5	5054.275	2332.742	29.159	E- 5	5325.900	2458.108	30.726	
17210	ACCOUNT CLERK III	A- 1	3947.275	1821.819	22.773	A- 1	4164.575	1922.112	24.026	2080.00
17240	BUS DRIVER III	B- 2	4164.575	1922.112	24.026	B- 2	4394.175	2028.081	25.351	
		C- 3	4394.175	2028.081	25.351	C- 3	4635.050	2139.254	26.740	
		D- 4	4635.050	2139.254	26.741	D- 4	4893.350	2258.469	28.230	
		E- 5	4893.350	2258.469	28.231	E- 5	5156.775	2380.050	29.750	

CLASS	JOB TITLE	STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
17400	ACCOUNT CLERK III C	A- 1	4026.221	1858.256	23.228	A- 1	4247.867	1960.554	24.506	2080.00
		B- 2	4247.867	1960.554	24.507	B- 2	4482.059	2068.643	25.858	
		C- 3	4482.059	2068.643	25.858	C- 3	4727.751	2182.039	27.275	
		D- 4	4727.751	2182.039	27.275	D- 4	4991.217	2303.639	28.795	
		E- 5	4991.217	2303.639	28.795	E- 5	5259.911	2427.651	30.345	
17500	TRAF & LITE TECH I	A- 1	3888.850	1794.854	22.436	A- 1	4102.050	1893.254	23.665	2080.00
17510	FACILITY SPECIALIST	B- 2	4102.050	1893.254	23.666	B- 2	4330.625	1998.750	24.984	
17540	TREE WORKER SPCIALST	C- 3	4330.625	1998.750	24.984	C- 3	4567.400	2108.031	26.350	
		D- 4	4567.400	2108.031	26.350	D- 4	4818.525	2223.935	27.799	
		E- 5	4818.525	2223.935	27.799	E- 5	5069.650	2339.838	29.247	
		F- 6	5069.650	2339.838	29.248	F- 6	5363.825	2475.612	30.945	
		G- 7	5363.825	2475.612	30.945	G- 7	5660.050	2612.331	32.654	
		H- 8	5660.050	2612.331	32.654	H- 8	5969.600	2755.200	34.440	
17800	WATER UTILITY WORKER	A- 1	3732.025	1722.473	21.531	A- 1	3936.000	1816.615	22.707	2080.00
17850	COMM SVCS SPECIALIST	B- 2	3936.000	1816.615	22.708	B- 2	4153.300	1916.908	23.961	
17860	HEAD TEACHER	C- 3	4153.300	1916.908	23.961	C- 3	4381.875	2022.404	25.280	
		D- 4	4381.875	2022.404	25.280	D- 4	4622.750	2133.577	26.669	
		E- 5	4622.750	2133.577	26.670	E- 5	4872.850	2249.008	28.112	
18010	ACCOUNT CLERK II	A- 1	3541.375	1634.481	20.431	A- 1	3736.125	1724.365	21.554	2080.00
18020	MAINTENANCE WORKER	B- 2	3736.125	1724.365	21.555	B- 2	3934.975	1816.142	22.701	
18085	BLDG PERMIT CLERK II	C- 3	3934.975	1816.142	22.702	C- 3	4159.450	1919.746	23.996	
18097	PROG ASST/CMO	D- 4	4159.450	1919.746	23.997	D- 4	4384.950	2023.823	25.297	
18098	PROGRAM ASSIST PLAN	E- 5	4384.950	2023.823	25.298	E- 5	4620.700	2132.631	26.657	
18400	ENVR PROTEC CLRK II	A- 1	3361.554	1551.486	19.394	A- 1	3546.439	1636.818	20.460	2080.00
		B- 2	3546.439	1636.818	20.460	B- 2	3741.493	1726.843	21.585	
		C- 3	3741.493	1726.843	21.586	C- 3	3947.275	1821.819	22.772	
		D- 4	3947.275	1821.819	22.773	D- 4	4164.375	1922.019	24.025	
		E- 5	4164.375	1922.019	24.025	E- 5	4393.416	2027.730	25.346	
18510	RECREATION SPECIALIS	A- 1	3335.350	1539.392	19.242	A- 1	3515.750	1622.654	20.283	2080.00
		B- 2	3515.750	1622.654	20.283	B- 2	3705.375	1710.173	21.377	
		C- 3	3705.375	1710.173	21.377	C- 3	3906.275	1802.896	22.536	
		D- 4	3906.275	1802.896	22.536	D- 4	4118.450	1900.823	23.760	
		E- 5	4118.450	1900.823	23.760	E- 5	4340.875	2003.481	25.043	
		F- 6	4340.875	2003.481	25.044	F- 6	4576.625	2112.288	26.403	

CLASS	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
18815	ADMIN CLERK II	A- 1	3186.725	1470.796	18.385	A- 1	3360.975	1551.219	19.390	2080.00
18820	HUMAN RSRC ASSISTANT	B- 2	3360.975	1551.219	19.390	B- 2	3547.525	1637.319	20.466	
18860	ENVR PROTECT CLERK I	C- 3	3547.525	1637.319	20.466	C- 3	3736.125	1724.365	21.554	
		D- 4	3736.125	1724.365	21.555	D- 4	3934.975	1816.142	22.701	
		E- 5	3947.275	1821.819	22.773	E- 5	4159.450	1919.746	23.996	
19615	ADMIN CLERK I	A- 1	2863.850	1321.777	16.522	A- 1	3020.675	1394.158	17.426	2080.00
19620	LIBRARY CLERK I	B- 2	3020.675	1394.158	17.427	B- 2	3188.775	1471.742	18.396	
		C- 3	3188.775	1471.742	18.397	C- 3	3364.050	1552.638	19.407	
		D- 4	3364.050	1552.638	19.408	D- 4	3541.375	1634.481	20.431	
		E- 5	3541.375	1634.481	20.431	E- 5	3736.125	1724.365	21.554	

CLASS	JOB TITLE	STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
50300	HEAD TEACHER B	A- 1			21.531					
		B- 2			22.708					
		C- 3			23.961					
		D- 4			25.280					
		E- 5			26.670					
50410	BUS DRIVER II B	A- 1			20.295					
		B- 2			21.406					
		C- 3			22.640					
		D- 4			23.907					
		E- 5			25.183					
50610	TEACHER III	A- 1			19.223					
		B- 2			20.295					
		C- 3			21.463					
		D- 4			22.664					
		E- 5			23.873					
51010	COMM SVCS LEAD III B	A- 1			17.140					
		B- 2			18.091					
		C- 3			19.120					
		D- 4			20.199					
		E- 5			21.296					
		F- 6			22.466					
52010	COMM SVCS LEAD II B	A- 1			14.799					
52080	CHILD CARE TEACH IIB	B- 2			15.544					
		C- 3			16.318					
		D- 4			17.129					
		E- 5			17.991					
52500	CHILD CARE TEACH I B	A- 1			13.424					
		B- 2			14.097					
		C- 3			14.799					
		D- 4			15.544					
		E- 5			16.318					
53530	CLD CARE AST TEACH B	A- 1			12.188					
		B- 2			12.794					
		C- 3			13.424					
		D- 4			14.097					
		E- 5			14.799					

CITY OF SANTA FE SPRINGS
SALARY TABLES BY CLASS

CLASS	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
57000	ADMIN CLERK I	A- 1			15.458					
		B- 2			16.342					
		C- 3			17.274					
		D- 4			18.246					
		E- 5			19.223					

CLASS	JOB TITLE	STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
70400	PUBLIC SAFETY OFCR	A- 1			19.223					
70410	CODE ENFORCMT INSP I	B- 2			20.295					
		C- 3			21.463					
		D- 4			22.664					
		E- 5			23.873					
70545	LITERACY INTERN N	A- 1			14.358					
70580	ADMIN INTERN N	B- 2			15.149					
		C- 3			15.981					
		D- 4			16.860					
		E- 5			17.790					
71010	TRAF SIGNAL APRENT N	A- 1			13.675					
71040	WATER UTILTY APPRENT	B- 2			14.358					
71050	ELECTRICIAN APPRENT	C- 3			15.073					
		D- 4			15.829					
		E- 5			16.619					
71520	CLD CARE TEACH IISUB	A- 1			13.229					
		B- 2			13.957					
		C- 3			14.768					
		D- 4			15.610					
		E- 5			16.445					
72000	FIRE HSNG INSPEC PTN	A- 1			27.680					
		B- 2			29.202					
		C- 3			30.808					
		D- 4			32.502					
		E- 5			34.343					
72100	INSTR LIFEGUARD IIIN	A- 1			20.295					
		B- 2			21.406					
		C- 3			22.640					
		D- 4			23.907					
		E- 5			25.183					
72220	POLICE SVCS CLERK	A- 1			14.352					
		B- 2			15.142					
		C- 3			15.974					
		D- 4			16.852					
		E- 5			17.781					

CLASS	JOB TITLE	STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
72300	INSTR LIFEGUARD II N	A- 1			17.162					
		B- 2			18.107					
		C- 3			19.103					
		D- 4			20.153					
		E- 5			21.259					
72400	INSTR LIFEGUARD I N	A- 1			16.270					
		B- 2			17.162					
		C- 3			18.107					
		D- 4			19.103					
		E- 5			20.153					
72530	CHILD CARE TEACH I N	A- 1			11.810					
72540	HERITAGE PK RANGER N	B- 2			12.402					
72560	PSO APPRENTICE N	C- 3			13.021					
		D- 4			13.675					
		E- 5			14.358					
72600	LIB INFO DESK ASST	A- 1			17.013					
		B- 2			17.950					
		C- 3			18.936					
		D- 4			19.979					
		E- 5			21.077					
72710	ADMIN CLERK I NB	A- 1			13.957					
		B- 2			14.725					
		C- 3			15.535					
		D- 4			16.389					
		E- 5			17.290					
72900	BUS DRIVER I NB	A- 1			12.108					
		B- 2			12.774					
		C- 3			13.477					
		D- 4			14.218					
		E- 5			15.000					
73000	COMM SVCS LEAD II N	A- 1			11.256					
		B- 2			11.819					
		C- 3			12.402					
		D- 4			13.033					
		E- 5			13.675					

CLASS	JOB TITLE	STEP	NON-PHYS MONTHLY	NON-PHYS BI-WEEKLY	NON-PHYS HOURLY	STEP	PHYSICAL MONTHLY	PHYSICAL BI-WEEKLY	PHYSICAL HOURLY	ANNUAL HOURS
73100	FINANCE OFFICE AIDE	A- 1			11.652					
73110	WAREHOUSE ASSISTANT	B- 2			12.230					
		C- 3			12.831					
		D- 4			13.478					
		E- 5			14.149					
74300	PUB WORKS AIDE II N	A- 1			10.717					
		B- 2			11.306					
		C- 3			11.927					
		D- 4			12.581					
		E- 5			13.274					
74560	LIBRARY SVCS AIDE N	A- 1			10.597					
		B- 2			11.127					
		C- 3			11.683					
		D- 4			12.267					
		E- 5			12.880					
75000	CLD CARE AST TEACH N	A- 1			10.495					
75010	C/C ASST TEACH SUB N	B- 2			11.020					
		C- 3			11.571					
		D- 4			12.150					
		E- 5			12.758					
75400	COMM SVCS LEAD I N	A- 1			10.554					
		B- 2			11.082					
		C- 3			11.636					
		D- 4			12.218					
		E- 5			12.829					
75500	PUBLIC WORKS AIDE N	A- 1			10.000					
75530	OFFICE AIDE N	B- 2			10.500					
75550	AQUATICS AIDE N	C- 3			11.025					
75580	COMM SVC FACILITY WK	D- 4			11.576					
75590	FOOD SERVICE AIDE N	E- 5			12.155					
77000	SYSTEMS ANALYST PTNB	A- 1			37.132					
		B- 2			39.174					
		C- 3			41.329					
		D- 4			43.602					
		E- 5			46.000					

CLASS	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
78000	LITERACY ASSISTANT N	A- 1			15.467					
78010	COMPUTER TECHNICIAN	B- 2			16.317					
78020	ENVIRONMENTAL INTERN	C- 3			17.214					
		D- 4			18.162					
		E- 5			19.160					
79800	REC INSTRUCTOR	A- 1			30.429					
		K-11			25.604					
		M-13			10.000					
		N-14			21.336					
		P-16			18.492					
		V-22			12.803					
		X-24			10.000					
79901	TEMP-ACCT CLERK III	O-15			25.414					
79960	TEMP-NEW BUS INSP SP	P-16			50.335					

NEW BUSINESS

Approval of Agreement between the City of Santa Fe Springs and the Santa Fe Springs Executive Management Confidential (EMC) Employees Association

RECOMMENDATION

That the City Council approve the FY 2016-18 labor agreement with the EMC and authorize the Mayor to execute said agreement.

BACKGROUND

Negotiations with the EMC (representing Executive, Management and Confidential City employees) have concluded and an agreement has been reached with the group. The EMC membership formally ratified the agreement at a meeting on June 15th. A copy of the Tentative Agreement reached with the group is attached.

The most notable highlights in the proposed agreement are:

1) It is a two-year agreement (July 1, 2016 through June 30, 2018).
2) Effective July 1, 2016, a 2% salary increase will be provided along with a lump sum dollar amount the equivalent of 1% of represented full-time employee annual pay. The lump sum will be distributed in a "non-PERSable" manner using tiered amounts among Executive, Management and Confidential employees (as elected by the EMC).
3) Contributions to medical premiums for employees will be increased by 1.7% on January 1, 2017 and by the CPI index on January 1, 2018.
4) Management members of the EMC will be able to "cash out" 24 hours per year (increased from the previous 18 hours). Confidential members of the EMC will be able to "cash out" 20 hours per year (increased from the previous 18 hours).
5) During the term of the agreement, members will be able to "cash out" up to 20 hours per year of Vacation from the Reserve Bank.

The comprehensive MOU for the group is being drafted It is anticipated that the full MOU will be finalized later this summer. At that time, it will be presented to the City Council for consideration.

FISCAL IMPACT

The estimated cost associated with the EMC MOU is $100,800 per year for FY 2016-17 and $102,800 for FY 2017-18. Funding for the MOUs is available in the proposed two-year budget.

Thaddeus J. McCormack
City Manager

Report Submitted by:
Thaddeus McCormack, City Manager

Date of Report: June 16, 2016

ITEM NO. 9

CITY OF SANTA FE SPRINGS
AGREEMENT BETWEEN REPRESENTATIVES OF THE CITY OF SANTA FE SPRINGS AND THE SANTA FE SPRINGS EXECUTIVE, MANAGEMENT AND CONFIDENTIAL EMPLOYEE'S ASSOCIATION (EMC)

JUNE 15, 2016

In accordance with provisions of the Meyers-Milias-Brown Act, Section 3500, et. seq., of The California Government Code, and the City of Santa Fe Springs Resolution No. 3005, setting forth procedures on the employer-employee relations, the parties to this agreement have met and conferred in good faith and have reached agreement upon matters within the defined scope of representation as set forth herein and have agreed to jointly recommend to the Association membership for approval and to the City Council of the City of anta Fe Springs that appropriate actions be taken to implement the following changes in salaries, benefits and other terms and conditions of employment for the employee-members represented by the EMC.

TERM: July 1, 2016 – June 30, 2018 (2 years)

COMPENSATION:

1) Effective July 1, 2016, the City will provide: a 2% salary increase and; no later than July 31, 2016, the City will provide a lump sum amount the equivalent of 1% of represented full-time employee annual pay (July 1, 2015 – June 30, 2016) to be distributed to all represented full-time employees (who are members at the time of payment), in a non-PERSable manner as described below:
    a. Executive member = $1,525
    b. Management member = $1,040
    c. Confidential member = $760

2) Effective July 1, 2017, the City will provide: a 2% salary increase; and no later than July 31, 2017, the City will provide a lump sum amount the equivalent of 1% of represented full-time employee annual pay (July 1, 2016-June 30, 2017) to be distributed to represented full-time employees (who are members at the time of payment) in a non-PERSable manner as described below:
    a. Executive member = $1,555
    b. Management member = $1,060
    c. Confidential member = $775

HEALTH BENEFITS

1) Effective January 1, 2017, the Medical Cap amount will be increased by 1.7%

2) Effective January 1, 2018, the City will provide a cost of living escalator to the Medical Cap based on the March 2017 Los Angeles/Riverside/Orange County All Urban Consumer Price Index issued by the Department of Labor to the nearest tenth of a percent.

3) The Medical Opt Out amount will remain at the current level during the term of this agreement.

VACATION CASH OUT

1) Effective July 1, 2016, the annual vacation hours eligible to be cashed out for Management Members of EMC shall be increased from 18 hours to 24 hours.
2) Effective July 1, 2016, the annual hours eligible to be cashed out for Confidential Members of EMC shall be increased from 18 to 20 hours.
3) The amount of hours eligible for Executive Members of the EMC shall continue at the current level during the terms of this agreement.

VACATION/RESERVE BANK CASH OUT

The City will consult with legal Counsel to establish a cash-out program, not to exceed 20 hours each year during this term (per employee), that meets IRS guidelines to allow only those wishing to participate to be taxed.

PARITY

The City agrees to reopen this agreement, IF 1) any other unit receives an amount greater to the percent of salary increase and/or lump sum originally set by the City, or 2) any unit receives increases to the medical cap greater than those contained in this agreement.

_____

Mayor

_____

EMC President

PUBLIC HEARING

Alcohol Sales Conditional Use Permit Case No. 66

Request for approval to allow the operation and maintenance of an alcoholic beverage use involving the sale of alcoholic beverages for on-site consumption at Salt and Pepper Restaurant located at 13225 Telegraph Road, in the Community Commercial (C-4) Zone and in the Telegraph Road Corridor Zone, within the Consolidated Redevelopment Project Area. (Salt and Pepper Restaurant)

RECOMMENDATIONS

That the City Council approve Alcohol Sales Conditional Use Permit (ASCUP) Case No. 66 subject to a compliance review in one (1) year, to ensure the use is still operating in strict compliance with the conditions of approval.

BACKGROUND

The subject site is located on the north side of Telegraph Road, east of Painter Avenue. The 1.25-acre site is currently developed with a single 7,710 sq. ft. building with an approved building addition placing the building at a total of 10,090 sq. ft. when fully completed.

Having been vacant for a number of years, the subject property was recently sold and is proposed to be occupied by Salt and Pepper Restaurant; a family dining establishment with a sports bar theme featuring a traditional menu. To maintain its consistency with the other Salt and Pepper franchises, the restaurant owner is proposing to provide alcoholic beverages to its adult customers for on-site consumption.

In accordance with Section 155.628 of the City's Zoning Regulations, the Applicant is requesting approval of Alcohol Sales Conditional Use Permit Case No. 66 to allow the sale of alcoholic beverages for on-site consumption. Concurrent with this request, the Applicant is also seeking approval for an alcohol license, Type 41, from the California Department of Alcohol Beverage Control (ABC), which is the state government authority overseeing alcohol sales. If the ABC license is denied to the Applicant during his filing, this Permit shall immediately become null and void.

STREETS AND HIGHWAYS

The subject site is located on the north side of Telegraph Road, east of Painter Avenue, with additional frontage on Los Nietos Road, a cul-de-sac (commonly known as the rear of the property). The main access road, Telegraph Road, is classified as a major highway with Painter Avenue and Los Nietos Road classified as a secondary

highway's within the circulation element of the City's General Plan.

ZONING AND LAND USE

The subject property, as well as the surrounding properties to the South, East and West are zoned C-4, Community Commercial and developed with various commercial-type uses, with property to the north located within the Los Angeles County area known as South Whittier and is occupied by Richard L. Graves Middle School.

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 and 65091 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.864 of the City's Municipal Code.

Legal notice of the Public Hearing for the proposed Alcohol Sales Conditional Use Permit was sent by first class mail to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property on May 31, 2016. The legal notice was also posted in Santa Fe Springs City Hall, the City Library and Town Center as required by the State Zoning and Development Laws and by the City's Zoning Regulations. A Notice was also published on the Whittier Daily Newspaper on June 1, 2016. To date, Staff has not received any inquiries regarding the proposal.

ZONING ORDINANCE REQUIREMENTS

Section 155.628 (B), regarding the sale or service of alcoholic beverages, states the following:

"A Conditional Use Permit shall be required for the establishment, continuation or enlargement of any retail, commercial, wholesale, warehousing or manufacturing business engaged in the sale, storage or manufacture of any type of alcoholic beverage meant for on or off-site consumption. In establishing the requirements for such uses, the Planning Commission and City Council shall consider, among other criteria, the following:

a. **Conformance with parking regulations**. *On October 12, 2105, the Planning Commission approved MOD 1256, a Modification of the Property Development Standards to not provide seven (7) required parking spaces and to allow six (6) on-site tandem stalls. The property does provide 94% of the required on-site parking stalls for a total of 106.*

b. **Control of vehicle traffic and circulation.** *The subject property has on-site vehicle circulation with ingress and egress driveways on Telegraph Road and Los Nietos Road, the cul-de-sac to the rear of the property.*

c. **Hours and days of operation.** *The restaurant will operate on a 24-hour*

schedule, however, the sale of alcoholic beverages will not be permitted for sale during the hours of 2:00 a.m. to 6:00 a.m. every day or as required by ABC.

d. **Security and/or law enforcement plans.** *As part of the conditions of approval, the Applicant is required to submit and maintain an updated Security Plan.*

e. **Proximity to sensitive and/or incompatible land uses, such as schools, religious facilities, recreational or other public facilities attended or utilized by minors.** *The proposed restaurant is within walking distance to schools, and a religious facility. The restaurant allows children into the premises because the restaurant is commonly known as a family establishment. The proposed conditions of approval and the ABC regulations are designed to mitigate any potential negative impacts related to the sale of alcoholic beverages.*

f. **Proximity to other alcoholic beverage uses to prevent the incompatible and undesirable concentration of such uses in an area.** *The proposed restaurant is within walking distance to other retail uses and restaurants selling alcohol beverages. Each use within the City is regulated by their respective conditional use permit, the City's Municipal Code, and ABC's regulations; businesses outside of the City's boundary are regulated by the County and ABC. The established regulations minimize and/or mitigate any negative impacts usually associated with over-concentration of alcoholic beverage establishments.*

g. **Control of noise, including noise mitigation measures.** *The subject site does not generate any audible noises out of character with other commercial and retail establishments in the area. The restaurant is subject to the City's allowable ambient noise regulations. The restaurant is also subject to an Entertainment Permit if its administration decides to provide music or other similar entertainment.*

h. **Control of littering, including litter mitigation measures.** *As part of the conditions of approval, the Applicant, and/or his employees, is required to maintain the property free of trash and debris; moreover, the City's Property Maintenance Ordinance prohibits trash and debris on any property within the City.*

i. **Property maintenance.** *As part of the conditions of approval, the Applicant is required to maintain the immediate area in compliance with the City's Property Maintenance Ordinance.*

j. **Control of public nuisance activities, including, but not limited to, disturbance of the peace, illegal controlled substances activity, public drunkenness, drinking in public, harassment of passersby, gambling, prostitution, sale of stolen goods, public urination, theft, assaults, batteries, acts of vandalism, loitering, curfew violations, sale of alcoholic beverages to a minor, lewd conduct or excessive police incident responses resulting from the use.** *Staff has generated conditions of approval to mitigate or fully eliminate these negative impacts should they become a public nuisance. It should be noted that some of the listed activities are out of the control of the Applicant and/or his employees, but the Applicant is aware that he or his employees are to contact the Whittier Police whenever they see these activities take place.*

STAFF COMMENTS

As part of the permit review process, staff has conducted a review of the Applicant's proposed new site to ensure compliance with other regulatory ordinances and codes. The listed conditions of approval have been prepared to ensure the proper and lawful ongoing operation of the alcoholic beverage sales use.

Staff is recommending approval of the Alcohol Sales Conditional Use Permit request by the Applicant, subject to the conditions of approval set forth herein. Staff is also recommending a compliance review report of this Permit within one year from the approval date by the City Council.

CONDITIONS OF APPROVAL

1. That the Applicant understands and accepts that this Permit is solely for the sale of alcoholic beverages in relationship with a bona-fide restaurant use and that this Permit shall become void and terminated if the restaurant use is terminated, closed, or modified to another type of use.

2. That the Applicant shall install a video recording surveillance system with the following minimum configuration: Cameras capable of recording in HD at 5Mbs to capture 1080P video at 30 FPS, and a Network Video Recorder (NVR) which can record at 1080P video per channel. The Applicant shall maintain the video cameras and shall allow the Director of Police Services, Whittier Police Officers, and any of their representatives to view the security surveillance video footage immediately upon their request.

3. That the Applicant shall obtain a Business Operations Tax Certificate (BOTC), commonly known as a business license, prior to taking occupancy of the building.

4. That in order to facilitate the removal of unauthorized vehicles parked on the property, the Applicant shall post, in plain view and at each entry to the property,

a sign not less than 17" wide by 22" long. The sign shall prohibit the public parking of unauthorized vehicles and indicate that unauthorized vehicles will be removed at the owner's expense and also contain the California Vehicle Code that permits this action. The sign shall also contain the telephone number of the local law enforcement agency (Police Services Center (562) 409-1850). The lettering within the sign shall not be less than one inch in height. The Applicant shall contact the Police Services Center for an inspection no later than 30 days after the project has been completed and prior to the occupancy permit being issued.

5. That the proposed buildings, including any lighting, fences, walls, cabinets, and poles shall be maintained in good repair, free from trash, debris, litter and graffiti and other forms of vandalism. Any damage from any cause shall be repaired within 72 hours of occurrence, weather permitting, to minimize occurrences of dangerous conditions or visual blight. Paint utilized in covering graffiti shall be a color that matches, as closely possible, the color of the existing and/or adjacent surfaces.

6. That it shall be the responsibility of the Applicant and/or his employees to monitor outdoor consumption of alcoholic beverages; consumption of alcoholic beverages is not permitted within the outdoor eating area. Signs shall be placed in a conspicuous area to notify customers that consumption of alcoholic beverages is prohibited.

7. That the sale of alcoholic beverages shall only be permitted during the normal business hours of the week, or as required by the Alcohol Beverage Code.

8. That the Type 41 Alcoholic Beverage License, allowing the on-site sale of alcoholic beverages in connection with a public eating place, shall be restricted to the sale for consumption of alcohol beverages on the subject site only; the use shall not sell alcoholic beverages for transport and/or for consumption outside or off the subject premise.

9. That it shall be the responsibility of the ownership to ensure that all alcoholic beverages purchased on the subject site shall be consumed within the business establishment; all stored alcoholic beverages shall be kept in a locked and secured area that is not accessible to patrons.

10. That the Applicant shall be responsible for maintaining control of their litter/trash on the subject property and any that may migrate onto adjacent properties as a result of the business. This may be controlled by installing trash receptacles within strategic areas.

11. That the Applicant and/or his employees shall not allow any person who is

intoxicated, or under the influence of any drug, to enter, be at, or remain upon the licensed premises, as set forth in Section 25602(a) of the Business and Professions Code.

12. That the Applicant and/or his employees shall not sell, furnish, or give any alcohol to any habitual drunkard or to any obviously intoxicated person, as set forth in Section 25602 (a) of the State Business and Professions Code.

13. That there will be a corporate officer or manager on the licensed premises during all public business hours, which will be responsible for the business operations. The general manager and any newly/subsequently hired manager(s), of the licensed premise shall comply with the minimum age requirements by ABC and obtain an ABC Manager's Permit within two-months of the hire date. The City of Santa Fe Springs' Director of Police Services shall be provided a copy of said Manager's Permit including the name, age, residential address, and related work experience of the intended Manager, prior to the Manager assuming the manager responsibilities.

14. That the Applicant shall not have upon the subject premises any alcoholic beverage(s) other than the alcoholic beverage(s) which the licensee is authorized to sell under the license, as set forth in Section 25607 (a) of the State Business and Professions Code.

15. That the Applicant and/or any of his employees shall not sell, furnish, or give any alcoholic beverage to any person under 21 years of age, as set forth in Section 25658 (a) of the State Business and Professions Code.

16. That solicitation of drinks is prohibited; that is, an employee of the licensed premises shall not solicit alcoholic beverages to its customers. Refer to Section 303 of the California Penal Code and Section 25657 of the Business and Professions Code.

17. That the Applicant and/or his employees shall not permit any person less than 18 years of age to sell alcoholic beverages.

18. That vending machines, water machines, pay telephones and other similar equipment shall not be placed outdoors whereby visible from the street or adjacent properties.

19. That all buildings, structures, walls, fences, and similar appurtenances shall be maintained in good appearance and condition at all times.

20. That streamers, pennants, whirling devices or other similar objects that wave, float, fly, rotate or move in the breeze shall be prohibited. Banners may be

displayed with prior approval and permits; said permits are available through the Department of Planning.

21. That the façade windows shall be free of advertisements, marketing devices, beer logos, menus, signs, and/or any other displays. Upon approval by the Department of Planning, 25% of the window space area may be used for temporary displays.

22. That a copy of these conditions shall be posted and maintained with a copy of the City Business License, in a place conspicuous to all employees of the location.

23. That the Applicant and/or his employees shall not allow any person to loiter on the subject premises, shall report all such instances to the City's Police Services Center; and, shall post signs, as approved by the Department of Police Services, prohibiting loitering.

24. That the Applicant must receive approval from the Department of Police Services for any installation of pay telephones on the premises; and, such phones shall not be capable of receiving calls.

25. That security personnel, as well as the owner, corporate officers and managers, shall cooperate fully with all city officials, law enforcement personnel, and code enforcement inspectors; and, shall not obstruct or impede their entrance into the licensed premises while in the course of their official duties.

26. That in the event the applicant intends to sell, lease or sublease the subject business operation or transfer the subject Permit to another owner/applicant or licensee, the Director of Police Services shall be notified in writing of said intention within a reasonable time of the intent of signing an agreement to sell lease or sublease.

27. That this permit is contingent upon the approval by the Department of Police Services of an updated security plan which shall address the following for the purposes of minimizing risks to the public health, welfare, and safety. The Security Plan shall be submitted to the Department of Police Services within 60 days from the approval of this permit with the following information:

    (A) A description of the storage and accessibility of alcoholic beverages on display, as well as surplus alcoholic beverages in storage;

    (B) A description of crime prevention barriers in place at the subject premises, including, but not limited to: placement of signage, landscaping, ingress and egress controls, security systems, and site plan layouts;

(C) A description of how the Applicant plans to educate employees on their responsibilities; actions required of them with respect to enforcement of laws dealing with the sale of alcohol to minors; and, the conditions of approval set forth herein;

(D) A business policy requiring employees to notify the Police Services Center of any potential violations of law or this Conditional Use Permit, occurring on the subject premises, and the procedures for such notifications.

(E) The City's Director of Police Services may, at his discretion, require amendments to the Security Plan to assure the protection of the public's health, welfare, and safety.

28. That ASCUP Case No. 66 shall be subject to a compliance review in one (1) year, no later than June 23, 2017, to ensure the premised is still operating in strict compliance with the original conditions of approval. At which time the applicant may request an extension of the privileges granted herein, provided that the use has been continuously maintained in strict compliance with these conditions of approval.

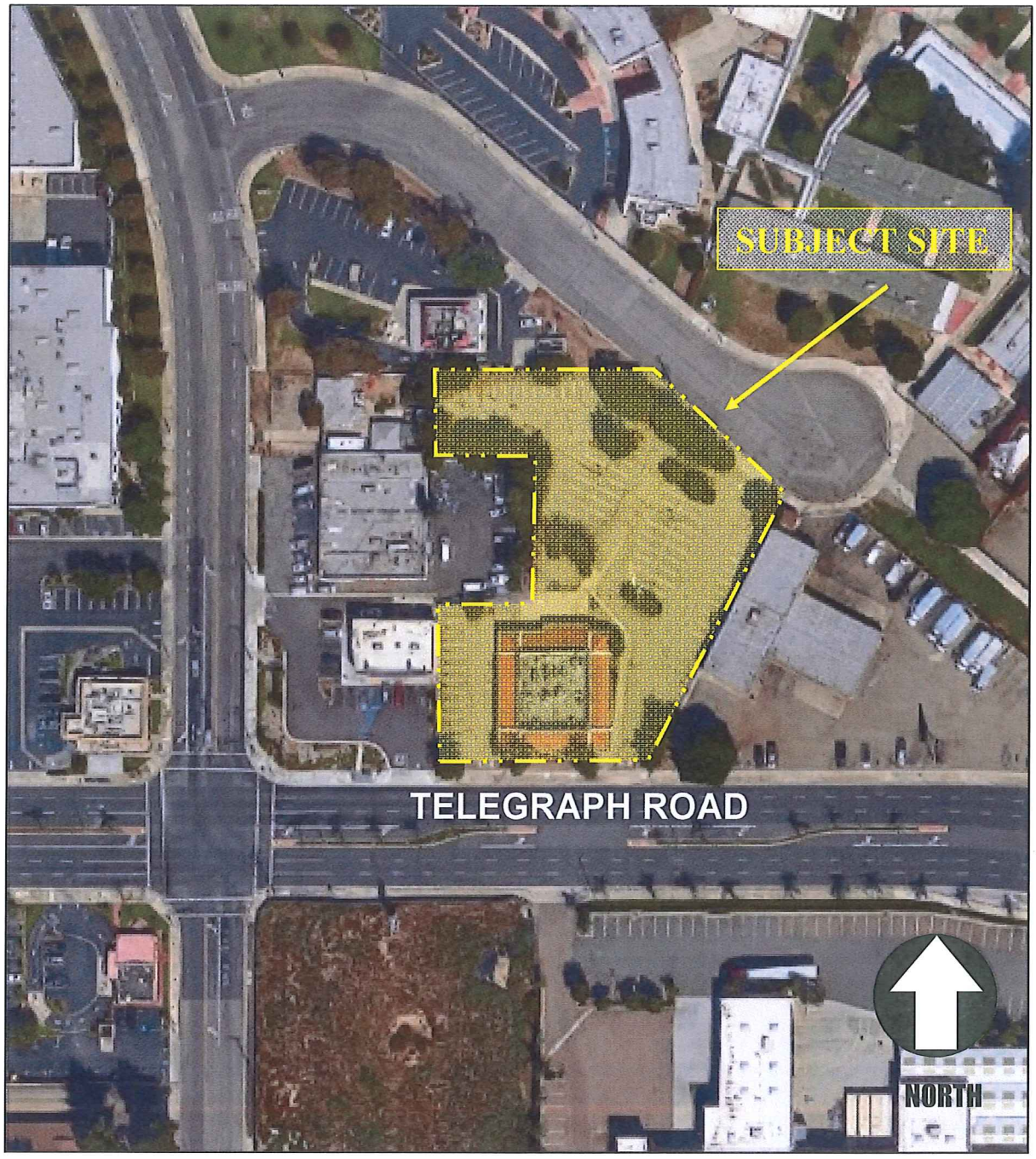
29. That all other applicable requirements of the City Zoning Ordinance, Uniform Building Code, Uniform Fire Code, the determinations of the City and State Fire Marshall, the security plan and all other applicable regulations shall be strictly complied with.

30. It is hereby declared to be the intent, that if any provision of this permit is violated or held to be invalid, or if any law, statute, or ordinance is violated, this Permit shall be subject to the revocation process at which time, the Permit may become terminated and the privileges granted hereunder shall lapse.

Thaddeus McCormack
City Manager

Attachment(s)
1. Location Map

AERIAL PHOTOGRAPH



Alcohol Sales Conditional Use Permit Case No. 66
Salt & Pepper Restaurant
13225 Telegraph Road

Report Submitted By: L. Collazo, Department of Police Services Date of Report: June 16, 2016

PUBLIC HEARING

Alcohol Sales Conditional Use Permit Case No. 67

Request for approval to allow the operation and maintenance of an alcoholic beverage use involving the wholesale distribution of beer and wine, at OB USA, Inc. located in the M-2, Heavy Manufacturing, Zone at 13152 Imperial Highway within the Consolidated Redevelopment Project Area. (OB USA, Inc.)

RECOMMENDATIONS

That the City Council approve Alcohol Sales Conditional Use Permit (ASCUP) Case No. 67 subject to a compliance review in one (1) year, to ensure the use is still operating in strict compliance with the conditions of approval.

OB USA Inc., the Applicant, is a U.S. subsidiary of Oriental Brewery, a beer brewing operation founded in Korea after the Korean War. OB USA, Inc. is currently operating a warehouse/distribution operation in the City of Carson, but has entered into a new lease agreement and will relocate its operation into an 18,702 sq. ft. portion of a 35,460 sq. ft. building at 13152 Imperial Highway, within the Golden Springs Development.

City Ordinance No. 834 approved by the City Council on March 10, 1994, added Section 155.628 to the City Code requiring all businesses engaged in the sale, storage or manufacture of any type of alcoholic beverage meant for on or off-site consumption to apply for and be granted a valid Alcohol Sales Conditional Use Permit (ASCUP).

In accordance with Section 155.628, OB USA, Inc. is requesting approval of Alcohol Sales Conditional Use Permit Case No. 67 to allow the operation and maintenance of an alcoholic beverage warehouse/distribution facility. Concurrent with this request, the Applicant is also in the review process with the State Alcohol Beverage Commission ("ABC") to transfer their Type 17 Beer and Wine Wholesaler license to the Santa Fe Springs location. However, this Permit approval will be voided if the ABC denies the Applicant's requests. Moreover, the Applicant will not be permitted to import, store, distribute or sell any alcoholic beverage at the proposed site until both the ABC license and this Permit are approved.

STREETS AND HIGHWAYS

The subject site is located on the south side of Imperial Highway, west of Leffingwell Avenue, Imperial Highway is classified as a major highway with Leffingwell Avenue classified as a secondary highway's within the circulation element of the City's General Plan.

ZONING AND LAND USES

The warehouse facility is part of the Golden Springs Business Center and is located at 13152 Imperial Highway. The subject site, as well as the adjoining properties located to the south, east and west are within the M-2, Heavy Manufacturing, Zone, and are developed with office, industrial and warehouse-type uses. The properties to the north, across Imperial Highway, are within the unincorporated part of the Los Angeles County area, and developed with industrial/commercial type uses.

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 and 65091 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.864 of the City's Municipal Code.

Legal notice of the Public Hearing for the proposed Alcohol Sales Conditional Use Permit was sent by first class mail to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property on May 31, 2016. The legal notice was also posted in Santa Fe Springs City Hall, the City Library and Town Center as required by the State Zoning and Development Laws and by the City's Zoning Regulations. A Notice was also published in the Whittier Daily Newspaper on June 1, 2016. To date, Staff has not received any inquiries regarding the proposal.

ZONING ORDINANCE REQUIREMENTS

Section 155.628 (B), regarding the sale or service of alcoholic beverages, states the following:

"A Conditional Use Permit shall be required for the establishment, continuation or enlargement of any retail, commercial, wholesale, warehousing or manufacturing business engaged in the sale, storage or manufacture of any type of alcoholic beverage meant for on or off-site consumption. In establishing the requirements for such uses, the City Planning Commission and City Council shall consider, among other criteria, the following:

a. **Conformance with parking regulations**. *The Golden Springs Development was built under a Development Agreement that required a pre-agreed number of shared parking spaces throughout the business park. The required parking and the overall subject site currently conforms to that Development Agreement.*

b. ***Control of vehicle traffic and circulation***. *The subject property provides its own on-site vehicular circulation with two immediate driveways fronting on Imperial Highway, and a secondary common driveway with access to Leffingwell Avenue.*

c. **Hours and days of operation**. *The Applicant has noted that the hours of operation will be conducted Monday through Friday from 8:00 a.m. to 6:00 p.m.*

d. **Security and/or law enforcement plans**. *A surveillance camera plan will be required as part of the conditions of approval, however, no uniformed security is necessary at this time.*

e. **Proximity to sensitive and/or incompatible land uses, such as schools, religious facilities, recreational or other public facilities attended or utilized by minors**. *The subject site is approximately one-mile away from a park (John Zimmerman Park) and a high school (John H. Glenn HS), however, the two public locations are separated from the subject site by a fenced rail road easement. The subject site is also surrounded by industrial type uses. With these two physical elements, Staff believes that the proposed alcoholic beverage use (storage) will be have no impact to sensitive uses in the area.*

f. **Proximity to other alcoholic beverage uses to prevent the incompatible and undesirable concentration of such uses in an area**. *The proposed alcoholic beverage use will not be permitted to have any on-site consumption. Moreover, majority of the visiting customers will be picking up large quantities of alcoholic beverages as a wholesale item to stock their respective shelves. As a result, Staff does not feel that there will be any impacts to other retail establishments or possibly create or contribute an undesirable concentration to the general area.*

g. **Control of noise, including noise mitigation measures**. *The subject site will operate as a warehouse/distribution facility and all activities will be conducted indoors, at all times. Noise control measures or mitigation measures are not foreseen as a requirement at this time. It should be noted that the City Code has maximum allowable ambient noise requirements, all activities are required to operate under those requirements or be subject to citations with penalties of up to $500 for each occurrence.*

h. **Control of littering, including litter mitigation measures**. *As part of the Conditions of Approval, the Applicant is required to maintain the property free of all trash and debris. It should be noted that the business park also has its own maintenance crew that keep the property clean and orderly on a daily basis.*

i. **Property maintenance.** *As part of the conditions of approval, the Applicant is required to maintain the immediate area in compliance with the City's Property Maintenance Ordinance.*

j. **Control of public nuisance activities, including, but not limited to, disturbance of the peace, illegal controlled substances activity, public drunkenness, drinking in public, harassment of passersby, gambling, prostitution, sale of stolen goods, public urination, theft, assaults, batteries, acts of vandalism, loitering, curfew violations, sale of alcoholic**

beverages to a minor, lewd conduct or excessive police incident responses resulting from the use." *The subject proposed alcohol warehouse/distribution facility is a low-key operation catering to established businesses. Staff does not foresee that the business or its activities will generate any of the listed public nuisances. Nevertheless, a compliance review will be conducted within the first year from the approval of this permit, and five years thereafter. If any of these listed items occur, and if the Applicant is unresponsive to mitigate them, Staff has the authority to bring this matter back to the Commission with a request to revoke the Permit.*

STAFF COMMENTS

As part of the permit review process, staff has conducted a review of the Applicant's current operation in the City of Carson, and the proposed new site to ensure compliance with other regulatory ordinances and codes. The listed conditions of approval have been prepared to ensure the proper and lawful ongoing operation of the alcoholic beverage sales use.

Staff is recommending approval of the Alcohol Sales Conditional Use Permit request by the Applicant, subject to the conditions of approval set forth herein. Staff is also recommending a compliance review report of this Permit within one year from the approval date by the City Council.

CONDITIONS OF APPROVAL

1. That this Permit shall be voided if the State Alcohol Beverage Commission does not grant the applicant's request for an Alcohol Sales License to 13152 Imperial Highway.

2. That the Applicant shall install a video recording surveillance system with the following minimum configuration: Cameras capable of recording in HD at 5Mbs to capture 1080P video at 30 FPS, and a Network Video Recorder (NVR) which can record at 1080P video per channel. The Applicant shall maintain the video cameras and shall allow the Director of Police Services, Whittier Police Officers, and any of their representatives to view the security surveillance video footage immediately upon their request.

3. That the Applicant shall obtain a Business Operations Tax Certificate (BOTC), commonly known as a business license, prior to taking occupancy of the building.

4. That in order to facilitate the removal of unauthorized vehicles parked on the property, the Applicant shall post, in plain view and at each entry to the property, a sign not less than 17" wide by 22" long. The sign shall prohibit the public parking of unauthorized vehicles and indicate that unauthorized vehicles will be removed at the owner's expense and also contain the California Vehicle Code that permits this action. The sign shall also contain the telephone number of the local law enforcement agency (Police Services Center (562)

409-1850). The lettering within the sign shall not be less than one inch in height. The applicant shall contact the Police Services Center for an inspection no later than 30 days after the project has been completed and prior to the occupancy permit being issued.

5. That the proposed buildings, including any lighting, fences, walls, cabinets, and poles shall be maintained in good repair, free from trash, debris, litter and graffiti and other forms of vandalism. Any damage from any cause shall be repaired within 72 hours of occurrence, weather permitting, to minimize occurrences of dangerous conditions or visual blight. Paint utilized in covering graffiti shall be a color that matches, as closely possible, the color of the existing and/or adjacent surfaces.

6. That the Applicant shall be responsible for maintaining control of litter, debris, boxes, pallets and trash on the subject property, and shall implement a daily clean-up program to maintain the area clean and orderly.

7. That the required off-street parking areas shall not be encroached on, reduced or used for outdoor storage of trucks, equipment or any other related material.

8. That the Applicant and/or his employees shall prohibit the consumption of alcoholic beverages on the subject property at all times.

9. That the alcoholic beverages shall not be sold to the general public from the subject site at any time.

10. That the alcoholic beverages shall be shipped to the Applicant's customers by the Applicant's commercial trucks and/or other licensed commercial transportation companies and not by passenger-type vehicles.

11. That it shall be unlawful for any person who is intoxicated or under the influence of any drug to enter, be at, or remain upon the licensed premises as set forth in Section 25602(a) of the State Business and Professions Code.

12. That it shall be unlawful to have upon the subject premises any alcoholic beverage other than the alcoholic beverages which the licensee is authorized to sell under the licensee's license, as set forth in Section 25607(a) of the State Business and Professions Code.

13. That this permit is contingent upon the approval by the Department of Police Services of a security plan that, within thirty (30) days of the effective date of this approval, shall be submitted by the Applicant and shall address the following for the purpose of minimizing risks to the public health, welfare and safety:

    (A) A description of the storage and accessibility of alcohol beverages on

display as well as surplus alcohol beverages in storage;

(B) A description of crime prevention barriers in place at the subject premises, including, but not limited to, placement of signage, landscaping, ingress and egress controls, security systems and site plan layouts;

(C) A description of how the permittee plans to educate employees on their responsibilities, actions required of them with respect to enforcement of laws dealing with the sale of alcohol to minors and the conditions of approval set forth herein;

(D) A business policy requiring employees to notify the Police Services Center of any potential violations of the law or this Conditional Use Permit occurring on the subject premises and the procedures for such notifications.

(E) The City's Director of Police Services may, at his discretion, require amendments to the Security Plan to assure the protection of the public's health, welfare and safety.

14. That the Applicant shall at all times maintain in working order an alarm system that notifies the Whittier Police Department immediately if a breach occurs.

15. That the owner, corporate officers and managers shall cooperate fully with all City officials, law enforcement personnel and code enforcement inspectors and shall not obstruct or impede their entrance into the licensed premises while in the course of their official duties.

16. That a copy of these conditions be posted and maintained with a copy of the City Business License and Fire Department Permits in a place conspicuous to all employees of the location.

17. That in the event the owner(s) intend to sell, lease or sublease the subject business operation or transfer the subject Permit to another party or licensee, the Director of Police Services shall be notified in writing of said intention not less than (60) days prior to signing of the agreement to sell or sublease.

18. That ASCUP Case No. 67 shall be subject to a compliance review in one (1) year, no later than June 23, 2017, to ensure that the warehouse/distribution operation and its related alcohol sales activity is still operating in strict compliance with the original conditions of approval. At which time the Applicant may request an extension of the privileges granted herein, provided that the use has been continuously maintained in strict compliance with these conditions of approval.

19. That all other applicable requirements of the City Zoning Ordinance, Uniform Building Code, Uniform Fire Code, the determinations of the City and State Fire Marshall, the security plan as submitted under Condition No. 13 and all other applicable regulations shall be strictly complied with.

20. That Alcohol Sales Conditional Use Permit Case No. 67 shall not be valid until approved by the City Council and shall be subject to any other conditions the City Council may deem necessary to impose.

21. That this Permit shall not be effective for any purpose until the Applicant has filed with the City of Santa Fe Springs an affidavit stating that he is aware of and accepts all the conditions of this Permit.

22. It is hereby declared to be the intent that if any provision of this Permit is violated or held to be invalid, or if any law, statute or ordinance is violated, the Permit shall be void and the privileges granted hereunder shall lapse.

Thaddeus McCormack
City Manager

Attachment(s)
1. Location Map

AERIAL PHOTOGRAPH



OB USA
Alcohol Sales Conditional Use
Permit Case No. 67

13152 Imperial Hwy

NEW BUSINESS

Fire Station Headquarters and Police Services Center: Generator Replacement – Final Payment

RECOMMENDATION
That the City Council approve the Final Payment (less 5% Retention) to AG Engineering, Inc. of Rancho Cucamonga, California in the amount of $21,379.35 for the subject project.

BACKGROUND

The City Council, at their meeting of November 10, 2015, awarded a contract to AG Engineering, Inc. of Rancho Cucamonga, California in the amount of $128,911.50 for the above subject.

The new emergency generators will allow the Fire Station Headquarters and Police Services Center to remain operational in the event of power outage.

The following payment detail represent the Final Payment (less 5% Retention) due per terms of the contract for the work which has been completed and found to be satisfactory.

The final construction cost is $141,263.08. The final project cost including the construction, engineering, inspection, overhead and contingency is within the budgeted amount of $490,000. The savings for this project was a result of not having to upgrade the capacity of both generators. The instantaneous load measurement taken during the design stage from both facilities provided adequate power supply to the emergency panels.

FISCAL IMPACT

The Fire Station Headquarters and Police Services Center Generator Replacement is fully funded through the Bond Capital Improvement Project Fund.

Thaddeus McCormack
City Manager

Attachment:
Payment Detail

Report Submitted By: Noe Negrete, Director
Department of Public Works

Date of Report: June 23, 2016

ITEM NO. 12

Payment Detail
Fire Station Headquarters and Police Services Center-
Generator Replacement

Contractor: AG Engineering, Inc.
8647 Helms Avenue,
Rancho Cucamonga, CA 91730

Final Payment : $21,379.35

Item No.	Description	Contract				Completed This Period		Completed to Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
	Contract Work								
1	Mobilization	1	L.S.		$ -	0%	$ -	0%	$ -
2	**Fire Station Headquarters:** Remove, salvage and replace existing 30kW generator with new Genrac Model SD030, rated 30kW, 120/208V, 3 Phase, 60 hz (or approved equal) with associated belly tank, new transfer switch and new concrete pad. Demolish and dispose existing automatic transfer switch, concrete pad. Install ground well and bond ground rod to generator; remove and dispose of existing conductor and control cable and pull new; provide temporary generator during an emergency and normal power source offline; no downtime of normal power is allowed unless it is approved by the City of Santa Fe Springs. The existing generator shall be delivered by the Contractor to the City of Santa Fe Springs Municipal Yard located at 12636 Emmens Way.	1	L.S.		$ 62,334.50	0%	$ -	100%	$ 62,334.50
3	**Police Services Center:** Remove, salvage and replace existing 60kW generator with new Genrac Model SD080, rated 80kW, 120/208V, 3 Phase, 60 hz (or approved equal) with associated belly tank; automatic transfer switch; new concrete pad. Demolish and dispose existing automatic transfer switch, concrete pad. Install ground well and bond ground rod to generator; remove and dispose of existing conductor and control cable and pull new; provide temporary generator during an emergency and normal power source offline; obtain AQMD installation permit; no downtime of normal power is allowed unless it is approved by the City of Santa Fe Springs. The existing generator shall be delivered by the Contractor to the City of Santa Fe Springs Municipal Yard located at 12636 Emmens Way.	1	L.S.		$ 66,577.00	15.25%	$ 10,152.99	100%	$ 66,577.00
	CONTRACT AMOUNT TO DATE				$ 128,911.50		$ 10,152.99		$ 128,911.50

Contract Change Order

Item No.	Description	Contract Change Order				Completed This Period		Completed to Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
1	Furnish and Install Cummins Generator	1	L.S.	$13,551.58	$ 13,551.58	1	$ 13,551.58	1	$ 13,551.58
2	Furnish and Install 1 Inch Conduit	1	L.S.	$ 1,800.00	$ 1,800.00	1	$ 1,800.00	1	$ 1,800.00
2	CREDIT - Salvage Existing Generators	1	L.S.	$ (3,000.00)	$ (3,000.00)	1	$ (3,000.00)	1	$ (3,000.00)
				Total	$ 12,351.58		$ 12,351.58		$ 12,351.58

Total Completed Items to Date: $ 141,263.08

CONTRACT PAYMENTS:

Total Items Completed to Date	$141,263.08
Less Progress Payment No. 1	$29,608.89
Less Progress Payment No. 2	$29,608.89
Less Progress Payment No. 3	$53,602.80
Less 5% Retention	$7,063.15
Final Payment	$21,379.35

Invoice Date	Invoice No.	Warrant Billing Period		
		Invoice Due Date	Invoice Pay Date	Amount
2/23/2016	*PP No. 1*	*3/1/2016*	*3/16/2016*	$29,608.89
4/6/2016	*PP No. 2*	*4/12/2016*	*4/21/2016*	$29,608.89
5/2/2016	*PP No. 3*	*5/10/2016*	*5/19/2016*	$53,602.80
6/7/2016	*Final Payment*	*6/21/2016*	*6/30/2016*	$21,379.35

Finance Please Pay:	$21,379.35
Project Account:	455-397-S004-4400
Recommended by:	Robert Garcia
Approved by:	

6/14/2016

NEW BUSINESS

Resolution Nos. 9512 and 9513 – Approval of Engineer's Report (FY 2016/17) in Conjunction with Annual Levy of Assessment for Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive)

RECOMMENDATION

That the City Council take the following actions:

1. Adopt Resolution 9512, approving the Engineer's Report (FY 2016/17) in conjunction with the annual levy of assessments for the Heritage Springs Assessment District No. 2001-01; and

2. Adopt Resolution No. 9513, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Heritage Springs Assessment District No. 2001-01, and setting the public hearing for the Council meeting of July 14, 2016.

BACKGROUND

The Heritage Springs Assessment District (Assessment District) No. 2001-1 was formed on June 28, 2001, pursuant to the provisions of the Municipal Improvement Act of 1913, Division 12. A map of the Assessment District is enclosed.

The District included a mechanism to provide funding on an annual basis for ongoing street maintenance which includes slurry sealing, street resurfacing and street reconstruction as needed. The requirement for a street maintenance district component was a condition of approval for the initial development. Staff annually inspects the condition of the streets to determine when improvements are needed. Currently the existing status of the street is in fair-to-good condition.

At their meeting of March 10, 2016 the City Council approved Resolution No. 9406 ordering the preparation of the Engineer's Report for FY 2016/17. A copy of the Engineer's Report for the Assessment District No. 2001-1 is attached for your review and approval. Resolution 9512 approves the Annual Engineer's Report.

Resolution No. 9513, declares the City's Intention to Levy Annual Assessments in the Heritage Springs Assessment District and sets the public hearing date for July 14, 2016.

FISCAL IMPACT

The District has a positive financial impact on the City because a benefit assessment district is used to fund the street maintenance costs attributable to such developments.

Report Submitted By: Noe Negrete, Director, Public Works

Date of Report: June 16, 2016

ITEM NO. 13

INFRASTRUCTURE IMPACT

The infrastructure has been constructed for this development and has been maintained on a regular schedule.

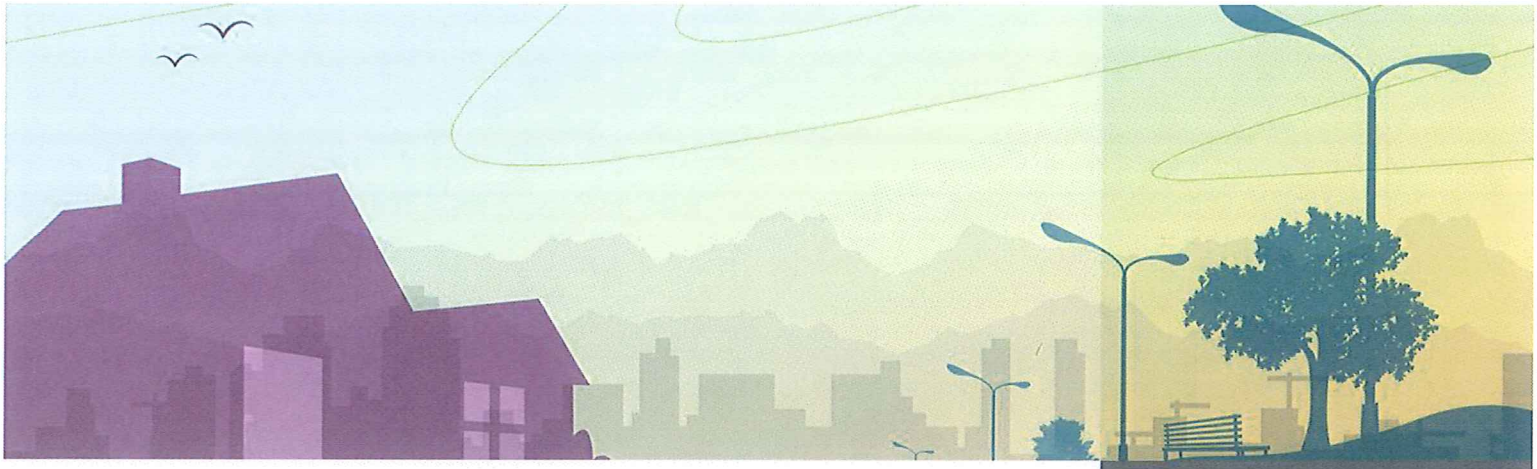
Thaddeus McCormack
City Manager

Attachments:

1. Engineer's Report FY 2016/17
2. Resolution Nos. 9512 and 9513
3. Boundary Map

Report Submitted By: Noe Negrete, Director
Public Works

Date of Report: June 16, 2016



ENGINEER'S REPORT

For

Heritage Springs Assessment District No. 2001-1

Fiscal Year 2016-17

For the

City of Santa Fe Springs

Los Angeles County, California]

June 10, 2016

Harris & Associates

ENGINEER'S REPORT
Fiscal Year 2016-17
City of Santa Fe Springs
Heritage Springs Assessment District No. 2001-1

WHEREAS, the City of Santa Fe Springs, County of Los Angeles, State of California, pursuant to the provisions of the Section 10100.8 Municipal Improvement Act of 1913, being Division 12 of the California Streets and Highways Code (the "Act") intends to undertake proceedings for the annual levy of special assessments in and for the City's Heritage Springs Assessment District No. 2001-1 (the "District");

NOW THEREFORE, the undersigned Engineer of Work hereby submit herewith the "Report" consisting of five (5) parts as follows:

PART A – DESCRIPTION
A description of the maintenance activities to be performed.

PART B – COST ESTIMATE
An estimate of the maintenance costs to be paid from the District.

PART C – ASSESSMENT ROLL
The assessment by parcel.

PART D – METHOD OF ASSESSMENT
The way the assessment is apportioned.

PART E – ASSESSMENT DIAGRAM
A diagram showing the boundaries of the District.

The undersigned respectfully submits the enclosed report.

DATED: June 10, 2016

BY: K. Dennis Klingelhofer
R.C.E. No. 50255

REGISTERED PROFESSIONAL ENGINEER
K. DENNIS KLINGELHOFER
NO. 50255
CIVIL
STATE OF CALIFORNIA

This report, as signed and presented to the Council for approval, has been prepared according to the methodology and rates approved by the City Council when the District was formed.

Harris & Associates

PART A – DESCRIPTION

The assessments in the District shall be levied for the maintenance of improvements as follows, and shall include all incidental expenses, including administration, legal, establishment of reserves, collection and contracting:

The improvements proposed to be maintained may be generally described as Hawkins Street, east of Norwalk Boulevard, and Palm Drive, south of Hawkins Street. The maintenance of such improvements is proposed to consist of the continued maintenance and operation of such improvements, including the maintenance of pavement and appurtenant facilities that are located in and along such streets, including but not limited to, personnel, electrical energy, utilities, materials, contracting services, and other items necessary for the satisfactory maintenance of these improvements described as follows.

Pavement and Appurtenant Facilities

Pavement and appurtenant facilities, in public street and rights-of-way, within the boundary of said District.

Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance, repair and servicing of the above described roadways and appurtenant improvements, including repair, slurry sealing, chip sealing, removal or replacement of all or part of any of the streets or appurtenant improvements, and the administration of all aspects of the maintenance and the District.

PART B – COST ESTIMATE

The estimated amount to be paid annually into the maintenance program fund for the streets as described in Part A of this Report is as follows:

In 2001 $'s:			
Slurry Seal @ 5 and 15 years:			
5 years	$0.16 / SF x	100,000 SF =	$16,000
15 years	4% estimated inflation per yr =		$24,000
Street Rehab @ 10 years:			
10 years	$1.50 / SF x	100,000 SF =	$150,000
Street Reconstruct @ 20 years:			
20 years	$5.00 / SF x	100,000 SF =	$500,000
		Total est. 20 year Maintenance Strategy:	$690,000
		round up to:	$700,000
		Estimated annual cost for 2001 =	$35,000
		estimated cost per SF:	$0.3500

Conversion to 2016 $'s:		
ENR Construction Cost Index Increase		
	June 2001 - 2016	63.61%
	2016 cost per SF:	$0.5726
	Hawkins Street & Palm Drive Improvements SF =	66,680
	Annual Cost for FY 2016-17 =	**$38,181**

PART C – ASSESSMENT ROLL

The total proposed assessment for Fiscal Year 2016-17 and the amount of the total proposed assessment apportioned to each lot or parcel within the District, as shown on the latest assessment roll at the Los Angeles County Assessor's Office, are shown below.

The description of each lot or parcel is part of the County assessment roll and this roll is, by reference, made part of this Report.

Asmt No.	Assessor's Parcel Number	FY 16-17 Maint. Asmt
1	8005-015-037	$8,174.55
2	8005-015-038	$7,480.04
3	8005-015-039	$3,067.08
4	8005-015-040	$2,488.64
5	8005-015-041	$2,358.44
6	8005-015-042	$2,098.05
7	8005-015-043	$1,634.91
8	8005-015-044	$4,239.24
9	8005-015-045	$6,640.82
10	8005-015-910	$0.00
		$38,181.77

PART D – METHOD OF ASSESSMENT

The assessments are apportioned according to the special benefits received by the parcels of land within the Assessment District in accordance with the apportionment of costs at the time of formation. The assessment is necessary to maintain the level of special benefit from the construction of the improvements funded by the District. The proportionate special benefit derived by each parcel is determined in relationship to the entirety of the maintenance cost of the improvements. No assessment has been apportioned on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

Only special benefits may be assessed and any general benefits shall be separated from the special benefits for purposes of this report. Based on the nature of the improvements to be funded herein, there are no general benefits.

Under this report, the assessment for the District are apportioned in accordance with the foregoing and using the following criteria:

> The net acreage of each parcel of land is determined by excluding acreage which will not have direct access to the improvements from Hawkins Street or Palm Drive, and by excluding acreage to be dedicated as roadway, road rights-of-way, or sidewalk easement. Special benefit is determined based on the net acreage of each parcel relative to the total net acreage (the "Benefit Percentage").

The total annual cost for Fiscal Year 2016-17, as shown in Part B of this Report, is apportioned on a percentage basis using the Benefit Percentages, as shown below:

Asmt No.	Assessor's Parcel Number	Net Acreage	Benefit Percentage	FY 16-17 Maint. Asmt
1	8005-015-037	5.65	21.410%	$8,174.55
2	8005-015-038	5.17	19.591%	$7,480.04
3	8005-015-039	2.12	8.033%	$3,067.08
4	8005-015-040	1.72	6.518%	$2,488.64
5	8005-015-041	1.63	6.177%	$2,358.44
6	8005-015-042	1.45	5.495%	$2,098.05
7	8005-015-043	1.13	4.282%	$1,634.91
8	8005-015-044	2.93	11.103%	$4,239.24
9	8005-015-045	4.59	17.393%	$6,640.82
10	8005-015-910	0.00	0.000%	$0.00
		26.39	100.00%	$38,181.77

Based on the preceding, Assessment No. 10 is not assessed as it's Benefit Percentage is zero percent.

PART E – ASSESSMENT DIAGRAM

A diagram showing the exterior boundaries of the District and the lines and dimensions of each lot or parcel of land within the District, entitled "Assessment Diagram, Heritage Springs Assessment District No. 2001-1", is on file in the office of the City Clerk of the City of Santa Fe Springs, and is incorporated herein by reference.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for Fiscal Year 2016-17. The Assessor's maps and records are incorporated by reference herein and made part of this report.

RESOLUTION NO. 9512

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIAAPPROVING THE ENGINEER'S REPORT FOR ANNUAL LEVY OF ASSESSMENTS FOR THE HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1 FOR FISCAL YEAR 2016/2017

WHEREAS, this Council has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code (the "Act") and Resolution Ordering the Assessment District Formation No. 6642, adopted June 28, 2001 (the "Resolution of Formation"), to form the Heritage Springs Assessment District 2001-1 ("Assessment District"), to authorize the levy of special assessment upon the lands within the Assessment District, to acquire and construct public streets and other improvements, all as described therein; and

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA, pursuant to the provisions of Division 12 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's "Report" for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what Is now known and designated as

CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1

WHEREAS, there has now been presented to this City Council the "Report" as required by said Division 12 of the Streets and Highways Code and as previously directed by Resolution; and,

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

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

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

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

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

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

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

APPROVED and ADOPTED this 23rd day of June, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF SANTA FE SPRINGS

By: _____
MAYOR

ATTEST:

_____
CITY CLERK

RESOLUTION NO. 9513

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DECLARING ITS INTENTION TO PROVIDE FOR AN ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR CERTAIN MAINTENANCE IN AN EXISTING DISTRICT, PURSUANT TO THE PROVISIONS OF DIVISION 12 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, AND SETTING A TIME AND PLACE FOR PUBLIC HEARING THEREON

WHEREAS, this Council has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code to form the Heritage Springs Assessment District 2001-1 ("Assessment District"), in what is known and designated as:

CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1

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

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

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

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

PUBLIC INTEREST

SECTION 2. That the public interest and convenience requires, and it is the intention of this City Council, to undertake proceedings for the annual levy and collection of special assessments for the continual maintenance of certain improvements, all to serve and benefit said Assessment District as said area is shown and delineated on a map as previously approved by this City Council and on file in the Office of the City Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the "Report" of the Engineer, incorporated herein as a part hereof.

REPORT

SECTION 3. That the "Report" of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2016/2017 is hereby approved and is directed to be filed in the Office of the City Clerk.

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

DESCRIPTION OF MAINTENANCE

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

COUNTY AUDITOR

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

SPECIAL FUND

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

SPECIAL FUND
CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said special fund, from any available source, such funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF THE DISTRICT

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

PUBLIC HEARING

SECTION 9. NOTICE IS HEREBY GIVEN THAT THURSDAY, THE 14th DAY OF JULY, 2016 AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE REGULAR MEETING OF THE CITY COUNCIL, BEING THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION, ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

NOTICE

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

EFFECTIVE DATE

SECTION 11. That this Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 12. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

Noe Negrete
City Engineer
CITY OF SANTA FE SPRINGS
11710 Telegraph Road
Santa Fe Springs, CA 90670
(562) 868-0511

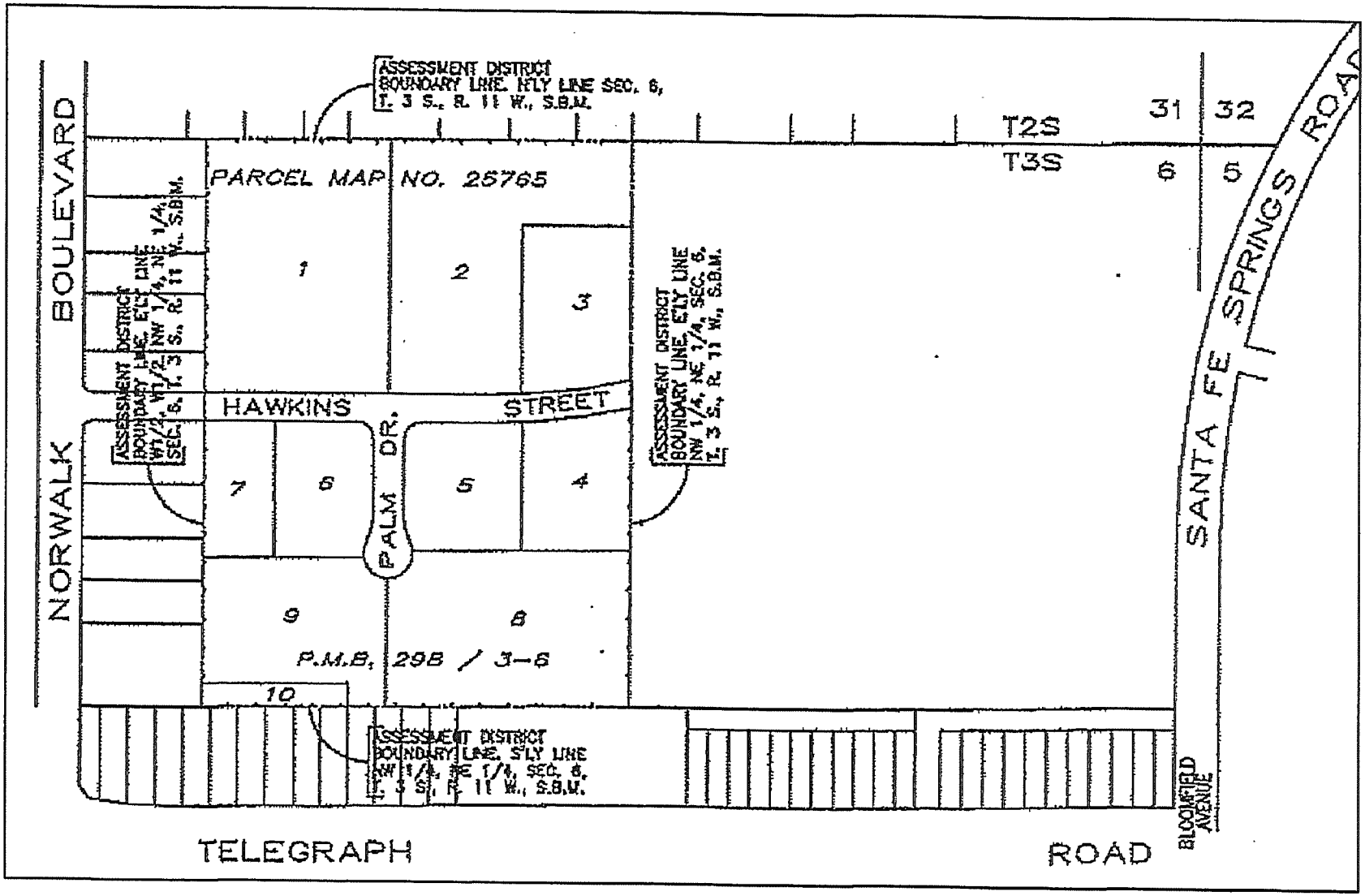
APPROVED and ADOPTED this 23rd day of June, 2016.

_____
RICHARD J. MOORE, MAYOR

ATTEST:

_____
JANET MARTINEZ, CITY CLERK

BOUNDARY MAP
HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1



NEW BUSINESS

Resolution Nos. 9514 and 9515 – Approval of Engineer's Report (FY 2016/17) in Conjunction with Annual Levy of Assessments for Street Lighting District No. 1

RECOMMENDATION

That the City Council take the following actions:

1. Adopt Resolution No. 9514, approving the Engineer's Report (FY 2016/17) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and

2. Adopt Resolution No. 9515, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Lighting District No. 1, and setting the public hearing for the Council meeting of July 14, 2016.

BACKGROUND

Santa Fe Springs Lighting District No. 1 (District) was formed May 26, 1982, pursuant to the provisions of the Landscaping and Lighting Act of 1972. A map of the District is shown on Page 16 of the Engineer's Report. The District does not include any residential properties and no residential properties, or any properties with a residential land code, are being assessed. The annual assessment rate for the District has not been increased since fiscal year 1992/1993, although the costs of providing the improvements that benefit the properties within the District continue to rise. In 2004, the City conducted an election to try to increase the annual assessment rate. However a majority protest existed and the proposed assessment increase was not imposed.

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

The Council, at their meeting of March 10, 2016 approved Resolution No. 9405 ordering the preparation of plans, specifications, cost estimate, diagram, assessment, and report pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California.

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

Report addresses compliance with the state law, describes method of apportionment and presents a proposed budget for FY 2016/17. As noted on Page 15 of the Engineer's Report, the estimated total direct and administrative costs for providing street lights is $718,700. The balance to levy is $193,195, which takes into consideration a general fund contribution of $315,303 to subsidize the District.

Lastly, in light of the ongoing deficit between the amount of the annual levy and the growing General Fund subsidy, the City Council may want to direct staff to bring back a report on the feasibility of conducting another Proposition 218 Election to possible raise the levy in the future so that the amount collected either fully or more closely recoups the actual cost to provide the service.

Thaddeus McCormack
City Manager

Attachments:

1. Engineer's Report
2. Resolution Nos. 9514 and 9515
3. Lighting District No. 1 Boundary Map

Report Submitted By: Noe Negrete, Director
Public Works

Date of Report: June 16, 2016

City of Santa Fe Springs

Lighting District No. 1

2016/2017 Engineer's Annual Levy Report

Intent Meeting: June 23, 2016
Public Hearing: July 14, 2016

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WILLDAN Financial Services

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

Santa Fe Springs Lighting District No. 1

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

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

Dated this _____ day of _____, 2016.

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

By: _____

Susana Medina, Project Manager
District Administration Services

By: _____

Richard Kopecky
R. C. E. #16742

Table of Contents

I. Overview 1

A. INTRODUCTION 1
B. COMPLIANCE WITH THE CURRENT LEGISLATION 2
II. Description of the District and Services 4

A. BOUNDARIES OF THE DISTRICT 4
B. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT 4
C. IMPROVEMENTS, PLANS AND SPECIFICATIONS 5
III. Method of Apportionment 8

A. GENERAL 8
B. BENEFIT ANALYSIS 8

Special Benefits 8
General Benefit 9

C. ASSESSMENT METHODOLOGY 10

Benefit Assessment Unit 10
Special Use Codes 12
Streets Without Lights 12

D. BENEFIT FORMULA 13
IV. District Budget 15

EXHIBIT A – DISTRICT ASSESSMENT DIAGRAM 16

EXHIBIT B – 2016/2017 ASSESSMENT COLLECTION ROLL 17

I. Overview

A. INTRODUCTION

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

This Engineer's Report (hereafter referred to as the "Report") has been prepared pursuant to the order of the City Council as required by the provisions *Chapter 3*, of the 1972 Act (*commencing with Section 22620*), which outlines the procedures for the annual levy of assessments. This Report provides an update of the District including the proposed expenses and revenues, any substantial change in the improvements or the District, and the proposed assessments to be levied on the County tax roll for Fiscal Year 2016/2017 and has been prepared pursuant to the requirements of *Article 4, Chapter 1*, of the 1972 Act (*inclusive of Sections 22565 through 22574*). In addition to the provisions of the 1972 Act, it has been determined that the existing annual assessments for this District have been previously levied in accordance with the provisions of the *California Constitution Article XIIID* which was enacted as a result of the passage of Proposition 218, approved by the California voters in November 1996.

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

In 2004, the City performed an extensive review of the District including the boundaries of the District, the properties therein, the special benefit properties received from the improvements, the general benefit the improvements may provide to properties outside the District or to the public at large, as well as the current and long-term costs and expenses associated with providing the improvements. Based on this review and evaluation, the City Council determined that it was necessary and in the best interest of the property owners within the District to conduct a property owner protest ballot proceeding for an increase to the annual assessments for Fiscal Year 2004/2005 in accordance with the

provisions of the *California Constitution Article XIIID.* Based on the ballot tabulation conducted on July 8, 2004, a majority protest existed, and the proposed assessment increase was not imposed.

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

At a noticed annual Public Hearing the City Council will consider public testimony regarding the District. The City Council will review the Engineer's Annual Report and may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council will order the levy and collection of assessments for Fiscal Year 2016/2017 pursuant to the Act. In such case, the assessment information will be submitted to the County Auditor/Controller for inclusion on the property tax roll for each parcel in Fiscal Year 2016/2017. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved by the City Council.

B. COMPLIANCE WITH THE CURRENT LEGISLATION

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

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

The District's streetlight assessments were established in Fiscal Year 1982/1983 and have not been increased since Fiscal Year 1992/1993. These assessments have funded improvements that are classified as street improvements as defined herein based on the definitions provided by the Office of the Controller for the State of California in the "Guidelines Relating to Gas Tax Expenditures" published by the

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

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

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

II. Description of the District and Services

A. BOUNDARIES OF THE DISTRICT

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

B. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

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

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

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

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

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

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

C. IMPROVEMENTS, PLANS AND SPECIFICATIONS

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

incidental expenses permitted under provisions of the 1972 Act that are necessary for the ongoing maintenance, operation and administration of the District streetlight system that provides special benefits to the parcels within the District are included in the annual assessment.

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

Approximately eleven percent (11%) of the streetlights within the District are owned and maintained by Southern California Edison Company. The remaining eighty-nine percent (89%) of the streetlights are owned by the City of Santa Fe Springs and are maintained by the City. The following table provides a summary of the streetlight inventory within the District for Fiscal Year 2016/2017:

Table 1 - Street Light Inventory for Fiscal Year 2016/2017

		Number of Lights Per Type											
				Series		Series		Series				TOTAL	
Account No/	Description	70 Watt	100 Watt	100 Watt	150 Watt	150 Watt	200 Watt	200 Watt	250 Watt	310 Watt	400 Watt	Lights	Watts
3-008-8387-95	LS-1 (Edison-owned)	-	2	-	-	-	-	-	-	-	-	2	200
3-008-8182-13	LS-1 (Edison-owned)	-	-	-	-	-	3	-	1	-	-	4	850
3-008-8182-03	LS-1 (Edison-owned)	-	12	-	22	-	16	-	-	-	-	50	7,700
3-008-8182-02	LS-1 (Edison-owned)	-	6	-	-	-	-	-	-	-	-	6	600
3-008-8181-99	LS-1 (Edison-owned)	1	163	-	1	-	1	-	-	-	5	171	18,720
3-008-8181-96	LS-1 (Edison-owned)	5	127	-	-	-	6	-	1	-		139	14,500
	LS - 1 TOTAL	***6***	***310***	***-***	***23***	***-***	***26***	***-***	***2***	***-***	***5***	***372***	***42,570***
3-008-9238-08	LS-2 (City-owned)	-	87	158	13	-	69	1	-	-	-	328	40,450
3-008-8181-98	LS-2 (City-owned)	-	-	-	126	2	85	-	37	3	-	253	46,380
3-008-8182-00	LS-2 (City-owned)	-	15	90	25	-	96	1	6	-	-	233	35,150
3-008-8182-01	LS-2 (City-owned)	-	14	-	160	-	119	-	22	9	-	324	57,490
3-008-8182-11	LS-2 (City-owned)	-	29	-	334	-	136	46	128	-	17	690	128,200
3-008-8182-14	LS-2 (City-owned)	-	12	-	279	-	356	-	88	4	15	754	143,490
3-008-8182-16	LS-2 (City-owned)	-	-	-	148	21	118	80	11	-	-	378	67,700
	LS - 2 TOTAL	***-***	***157***	***248***	***1,085***	***23***	***979***	***128***	***292***	***16***	***32***	***2,960***	***518,860***
	GRAND TOTAL	**6**	**467**	**248**	**1,108**	**23**	**1,005**	**128**	**294**	**16**	**37**	**3,332**	**561,430**

The proposed improvements for Fiscal Year 2016/2017 are substantially unchanged from the previous Fiscal Year. Streetlight Inventory Maps showing the location of the various streetlights within the District are on file in the office of the City Clerk at the City Hall of the City of Santa Fe Springs and by reference are made part of this Report.

III. Method of Apportionment

A. GENERAL

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

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

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

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

B. BENEFIT ANALYSIS

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

Special Benefits

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

The primary benefits of streetlights are for the convenience, safety and protection of people as well as the security and protection of property, property improvements

and goods. Specifically the benefits of adequate and well-maintained streetlights that benefit both the properties and property owners within the District include:

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

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

General Benefit

Although the improvements clearly provide special benefits to properties within the District, it is recognized that some of these facilities by the nature of their location may also benefit properties outside the District that are not assessed and to a lesser extent may provide some benefit to the public at large. Therefore, a portion of the cost to operate, maintain, and service the streetlight improvements within the District are identified as general benefit and not included in the annual assessments as special benefit. In a detailed evaluation of the entire streetlight system within the City of Santa Fe Springs it was determined that, over eighty percent (80%) of the cost to maintain and service the City's streetlights is attributable to the streetlights within this District. The remaining twenty percent (20%) of the City's annual costs for streetlights is associated primarily with the residential areas of the City and these streetlights are currently funded by other revenues sources. Approximately seven percent (7%) of the streetlight improvement costs within the District itself are attributable to streetlight facilities

that benefit properties outside the District as well as properties within the District. Based on this evaluation, it has been determined that twenty-seven percent (27%) of the District's annual costs budgeted for Fiscal Year 2016/2017 is considered general benefit. This is a quantifiable percentage based on the current City streetlight system and expenditures. Although not as quantifiable, it is also reasonable to assume that the District improvements also provide some general benefit to the public at large and a reasonable percentage of this benefit should not exceed three percent (3%) for a total general benefit of thirty percent (30%) of the District's costs. The cost of providing the District improvements that are considered general benefit, benefits conferred on real property or to the public at large, shall not be included in the annual assessments and shall be funded by other revenue sources available to the City. These funds are shown in the annual budget of this Report as a General Fund contribution and the amount to be levied as assessments for the District represent only the special benefit portion of the District expenses.

C. ASSESSMENT METHODOLOGY

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

Benefit Assessment Unit

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

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

Table 2 - Use Codes and Benefit Assessment Units

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

* Residential Properties are not assessed
** Minimum Assigned Benefit Factor. See Special Use Codes Section for details.

Special Use Codes

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

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

Table 3 – Special Use Code

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

Streets Without Lights

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

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

Table 4 – Special Use Code (Streets Without Lights)

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

D. BENEFIT FORMULA

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

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

People Benefit Assessment Unit + Security Benefit Assessment Unit + Intensity Benefit Assessment Unit = Parcel's Benefit Factor

Total Balance to Levy/ Aggregate of Benefit Factors = Levy per Benefit Factor (Assessment Rate)

Assessment Rate x Parcel's Benefit Factor = Parcel Levy Amount

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

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

Use Code	Description	Benefit Units	Applied Rate	Proposed Charge	Parcel Assessed
10	Vacant Commercial Land	24.00	$17.05	$409.20	24
11	Stores	76.00	$17.05	$1,295.80	19
12	Store Combinations	24.00	$17.05	$409.20	6
15**	Neighborhood Shopping Center	640.68	$17.05	$10,923.44	38
16**	Regional Shopping Center	48.00	$17.05	$818.40	6
17	Office Building	123.00	$17.05	$2,097.15	41
18	Hotels and Motels	24.00	$17.05	$409.20	3
19	Professional Buildings	15.00	$17.05	$255.75	5
21	Restaurants	140.00	$17.05	$2,387.00	28
23	Banks, Savings and loans	15.00	$17.05	$255.75	5
24	Service Shops	3.00	$17.05	$51.15	1
25	Service Stations	40.00	$17.05	$682.00	10
26	Auto/Recreation Equip Sales	186.00	$17.05	$3,171.30	31
27	Parking Lots (Commercial)	77.50	$17.05	$1,321.22	31
30	Vacant Industrial Land	171.00	$17.05	$2,915.55	171
31	Light Manufacturing	3,795.00	$17.05	$64,704.75	633
32**	Heavy Manufacturing	726.02	$17.05	$12,378.43	39
33	Warehousing	3,559.00	$17.05	$60,680.95	713
34	Food Processing Plants	78.00	$17.05	$1,329.90	13
36	Lumber Yards	9.00	$17.05	$153.45	3
37**	Mineral Processing	276.68	$17.05	$4,717.32	23
38	Parking Lots (Industrial)	52.00	$17.05	$886.60	26
39**	Open Storage	303.22	$17.05	$5,169.88	14
47	Dairies	2.00	$17.05	$34.10	2
71	Churches	2.00	$17.05	$34.10	1
72	Schools (Private)	8.00	$17.05	$136.40	4
83	Petroleum and Gas	2.00	$17.05	$34.10	1
89	Dump Sites	7.00	$17.05	$119.35	7
99**	Distribution Centers	861.02	$17.05	$14,680.34	2
	*Total	11,288.12		$192,461.78	1,900

* Total parcel count will vary as parcels are submitted under five SBE numbers.
** See Special Use Codes Section.

IV. District Budget

Table 6 – District Budget FY 2016/2017

LIGHTING BUDGET (FY 2016/2017)	District Budget
Energy Costs	$381,000
Maintenance and Labor Costs	191,800
Supplies, Materials and Equipment	25,500
Contractual Services	16,000
Overhead	95,900
Construction and Rehabilitation	0
Direct Costs (Subtotal)	**$710,200**
Miscellaneous/Special Administration Expenses	8,500
Administration Costs (Subtotal)	**$8,500**
Total Direct and Admin. Costs	**$718,700**
Reserve Fund: Collection/(Transfer)	0
General Benefit Contribution	(210,202)
General Fund Contribution * (Not General Benefit)	(315,303)
Balance to Levy	**$193,195**
Total Parcels Levied	1,913
Total Benefit Units	11,333.12
Proposed Levy per Benefit Unit	**$17.05**
Current Maximum Assessment Rate	**$17.05**

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

EXHIBIT A – DISTRICT ASSESSMENT DIAGRAM

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

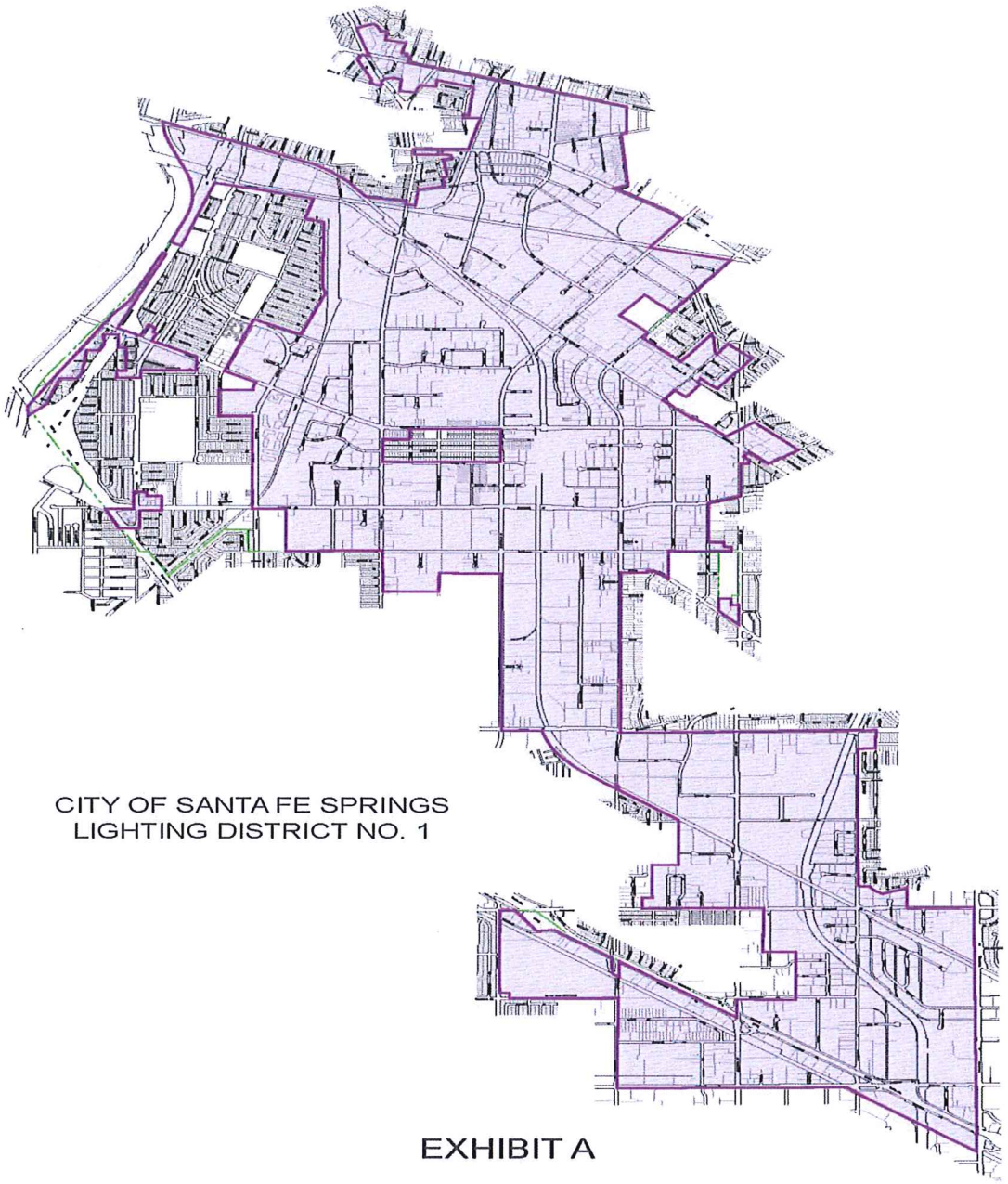


EXHIBIT A

EXHIBIT B – 2016/2017 ASSESSMENT COLLECTION ROLL

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

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

Approval of the Annual Engineer's Report (as submitted or as modified) confirms the method of apportionment and the assessment rate to be levied against each eligible parcel and thereby constitutes the approved levy and collection of assessments for Fiscal Year 2016/2017. The listing of parcels and the amount of assessment to be levied shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in Fiscal Year 2016/2017.

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

RESOLUTION NO. 9514

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

WHEREAS, the City Council of the city of Santa Fe Springs, California, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's "Report" for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what Is now known and designated as

CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1

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

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

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

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

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

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

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

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

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

APPROVED and ADOPTED this 23rd day of June, 2016.

_____
MAYOR

ATTEST:

_____
CITY CLERK

RESOLUTION NO. 9515

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

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

CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1

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

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

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

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

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

PUBLIC INTEREST

SECTION 2. That the public interest and convenience requires, and it is the intention of this City Council, to undertake proceedings for the annual levy and collection of special assessments for the continual maintenance of certain improvements, all to serve and benefit said District as said area is shown and delineated on a map as previously approved by this City Council and on file in the Office of the City Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the "Report" of the Engineer, incorporated herein as a part hereof.

REPORT

SECTION 3. That the "Report" of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2016/2017 is hereby approved and is directed to be filed in the Office of the City Clerk.

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

DESCRIPTION OF MAINTENANCE

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

COUNTY AUDITOR

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

SPECIAL FUND

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

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

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said special fund, from any available source, such funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF THE DISTRICT

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

PUBLIC PROPERTY

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

PUBLIC HEARING

SECTION 10. NOTICE IS HEREBY GIVEN THAT THURSDAY, THE 14th DAY OF JULY, 2016 AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE REGULAR MEETING OF THE CITY COUNCIL, BEING THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION, ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

NOTICE

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

EFFECTIVE DATE

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

PROCEEDINGS INQUIRIES

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

Noe Negrete
City Engineer
CITY OF SANTA FE SPRINGS
11710 Telegraph Road
Santa Fe Springs, CA 90670
(562) 868-0511

APPROVED and ADOPTED this 23rd day of June, 2016.

_____
RICHARD J. MOORE, MAYOR

ATTEST:

_____
JANET MARTINEZ, CITY CLERK

EXHIBIT A – DISTRICT ASSESSMENT DIAGRAM

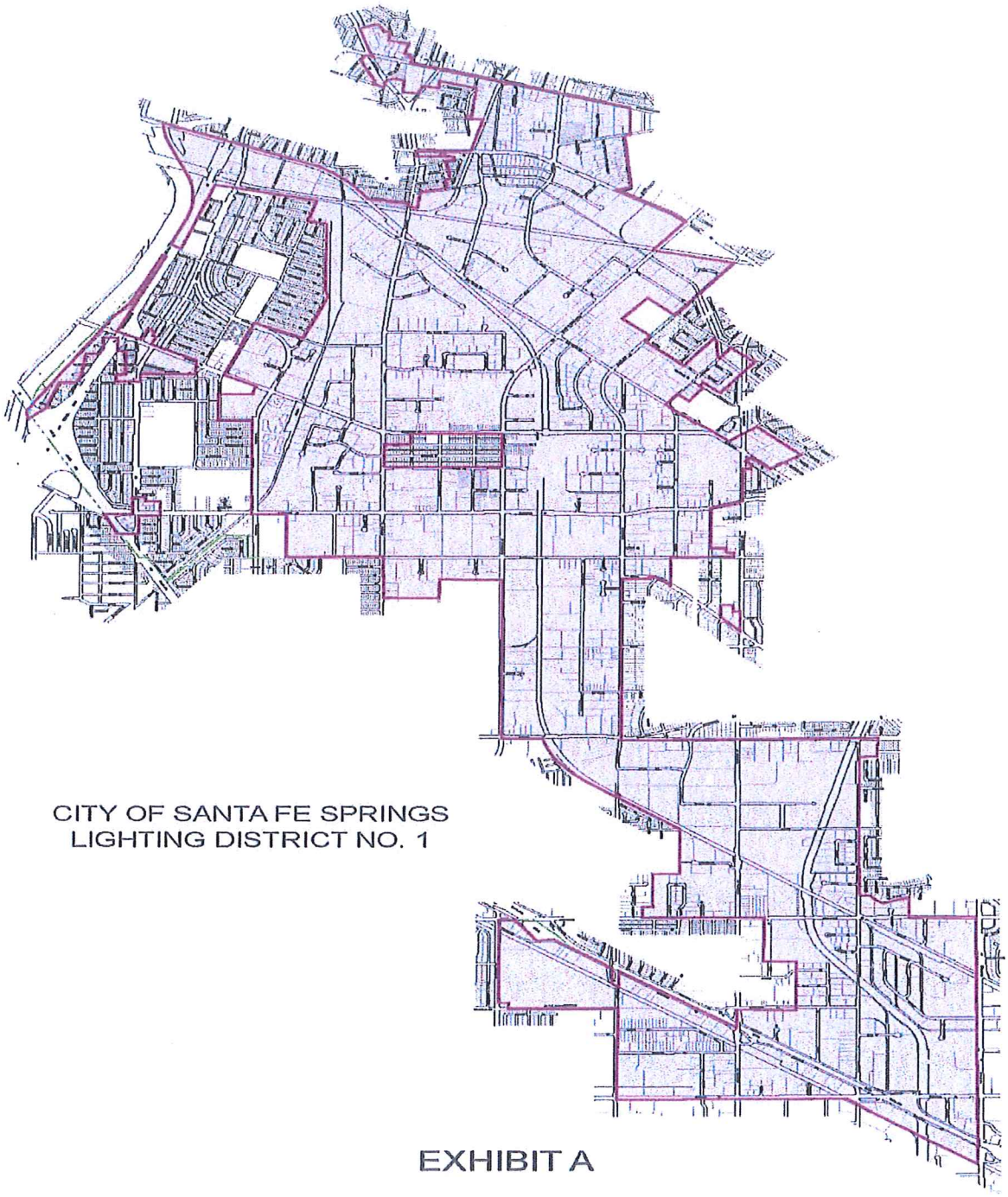


EXHIBIT A

NEW BUSINESS

Fire Station Headquarters-HVAC Improvements: Rejection of Bids and Authorization to Re-Advertise For Bids

RECOMMENDATION

That the City Council take the following actions:

1. Rejection of the bids submitted for the Fire Station Headquarters-HVAC Improvements; and

2. Authorize the City Engineer to re-advertise for bids on the subject project.

BACKGROUND

The City Council authorized the City Engineer to advertise for construction bids at its meeting of April 28, 2016 for the Fire Station Headquarters-HVAC Improvements. Construction bids were opened on June 7, 2016 and a total of two (2) bids was received as shown on attachment "A".

After reviewing the bids submitted, staff recommends the bids be rejected and that the project be re-advertised since the bids received were higher than the project budget amount of $320,000 which includes construction, engineering, inspection, overhead and contingency. The project incurred additional costs as a result of design changes, which included addition of building automation controls (web based) and the addition of roof screen walls. While this action will delay completion of the project by approximately two months, staff believes that the rejection of the bid at this time is in the best interest of the City.

Page B-3 of the Contract Specifications allows the City Council to reject all bids for incomplete bids or irregularities of any kind. Further, State law allows a city to reject all bids for any reason whatsoever.

FISCAL IMPACT

There is no fiscal impact associated with this action.

Thaddeus McCormack
City Manager

Attachment:
Attachment "A" – Bidder's List

Report Submitted By: Noe Negrete, Director
Public Works Department

Date of Report: June 16, 2016

ITEM NO. 15

ATTACHMENT "A"

LISTING OF BIDS RECEIVED FOR
FIRE STATION HEADQUARTERS-HVAC IMPROVEMENTS
JUNE 7, 2016

AGENCY	AMOUNT
Los Angeles Air Conditioning, Inc.	$339,837.00
Western Air Conditioning Co., Inc.	$382,000.00

Report Submitted By: Noe Negrete, Director
Public Works Department

Date of Report: June 16, 2016

NEW BUSINESS

Heritage Park Perimeter Fence Repair – Final Payment

RECOMMENDATION
That the City Council approve the Final Payment (less 5% Retention) to Quality Fence Co., Inc. of Paramount, California in the amount of $80,497.30 for the subject project.

BACKGROUND

The City Council, at their meeting of February 25, 2016, awarded a contract to Quality Fence Co., Inc. of Paramount, California in the amount of $137,464.00 for the above subject.

The project includes the removal, disposal and replacement of fence panels, removal, disposal and replacement of existing corroded fence posts and fence gate, removal, disposal and replacement of corroded top and bottom rails, furnish and install missing pickets, furnish and install missing decorative spears on top of pickets, and furnish and apply one coat primer and two coats paint for whole fence.

The following payment detail represent the Final Payment (less 5% Retention) due per terms of the contract for the work which has been completed and found to be satisfactory.

The final construction cost is $137,464. The final project cost including the construction, engineering, inspection, overhead and contingency is within the budgeted amount of $176,000.

FISCAL IMPACT

The Heritage Park Perimeter Fence Repair Project is fully funded through the Bond Capital Improvement Project Fund.

Thaddeus McCormack
City Manager

Attachment:
Payment Detail

Report Submitted By: Noe Negrete, Director
Department of Public Works

Date of Report: June 16, 2016

ITEM NO. 16

Payment Detail
Heritage Park Perimeter Fence Repair

Contractor: Quality Fence Co., Inc.
14929 Garfield Avenue
Paramount, CA 90723

Final Payment: $80,497.30

Item No.	Description	Contract				Completed This Period		Completed to Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
	Contract Work								
1	Remove, dispose and replace the whole fence panel with 11 - 5/8 square bar pickets and a decorative spear on top; and with 1-1/4" x 1-1/4" x 3/16 tubular steel horizontal rails (top and bottom) per "Detail - A". All steel shall be hot dipped galvanized and painted three (3) coats minimum, to match existing.	2.00	EA.	$780.00	$1,560.00	2.00	$1,560.00	2.00	$1,560.00
2	Remove, dispose and replace the whole fence panel with twelve (12) - 5/8 square bar pickets and a decorative spear on top; and with 1-1/4" x 1-1/4" x 3/16 tubular steel horizontal rails (top and bottom) per "Detail - B". All steel shall be hot dipped galvanized and painted three (3) coats minimum, to match existing.	2.00	EA.	$800.00	$1,600.00	2.00	$1,600.00	2.00	$1,600.00
3	Remove, dispose and replace the existing dilapidated fence gate with 5/8 square bar pickets and a decorative spear on top; and with 1-1/4" x 1-1/4" x 3/16 tubular steel framing complete with hinges and locking device, per "Detail - K". All steel shall be hot dipped galvanized and painted three (3) coats minimum, to match existing.	1.00	EA.	$1,000.00	$1,000.00	1.00	$1,000.00	1.00	$1,000.00
4	Remove, dispose and replace existing corroded fence post including its footing with new 1-1/2" diameter pipe schedule 40, hot dipped galvanized, painted three (3) coats minimum, with decorative ball on top, and with 1'-0" diameter x 2'-0" depth footing, per "Detail - D", to match existing.	5.00	EA.	$500.00	$2,500.00	5.00	$2,500.00	5.00	$2,500.00
5	Furnish and install new 1-1/4" x 1-1/4" x 3/16" tubular steel bottom rail on top of the existing, hot dipped galvanized, painted three (3) coats minimum, to match existing, per "Detail - E".	165.00	EA.	$208.00	$34,320.00	95.00	$19,760.00	165.00	$34,320.00
6	Remove, dispose and replace existing Top/Bottom rails with new 1-1/4" x 1-1/4" x 3/16" tubular steel, hot dipped galvanized, painted 3 coats minimum, to match existing, per "Detail - F and G".	66.00	EA.	$181.00	$11,946.00	36.00	$6,516.00	66.00	$11,946.00
7	Remove and replace portion of existing Top/Bottom rails that is corroded and dilapidated, by splicing new 1-1/4" x 1-1/4" x 3/16" tubular steel, up to three (3) picket spaces, per "Detail - H".	31.00	EA.	$200.00	$6,200.00	20.00	$4,000.00	31.00	$6,200.00
8	Remove and replace portion of existing Top/Bottom rails that is corroded and dilapidated, by splicing new 1-1/4" x 1-1/4" x 3/16" tubular steel, up to five (5) picket spaces, per "Detail - H".	16.00	EA.	$200.00	$3,200.00	8.00	$1,600.00	16.00	$3,200.00
9	Remove and replace portion of corroded/dilapidated and sheared post by splicing with new 1-1/2" diameter pipe, schedule 40, welded to 7"x 9"x 3/8" thk. Baseplate, hot galvanized and painted three (3) coats to match existing; anchored to existing footing with 4-3/8" diameter x 2-3/4" expansion bolt, per "Detail - I".	20.00	EA.	$400.00	$8,000.00	0.00	$0.00	20.00	$8,000.00

Payment Detail
Heritage Park Perimeter Fence Repair

Contractor: Quality Fence Co., Inc.
14929 Garfield Avenue
Paramount, CA 90723

Final Payment: $80,497.30

Item No.	Description	Contract				Completed This Period		Completed to Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
10	Furnish and patch portion of the post that are corroded and with holes with 2" diameter split pipe, schedule 40, hot dipped galvanized, painted three (3) coats to match existing, per "Detail - J".	65.00	EA.	$276.00	$17,940.00	0.00	$0.00	65.00	$17,940.00
11	Furnish and install missing pickets, 5/8" square bar, with decorative spear on top, hot dipped galvanized, painted three (3) coats to match existing.	6.00	EA.	$350.00	$2,100.00	6.00	$2,100.00	6.00	$2,100.00
12.	Furnish and install missing decorative spears on top of the picket, to match existing.	10.00	EA.	$100.00	$1,000.00	10.00	$1,000.00	10.00	$1,000.00
13.	Furnish and apply one (1) coat primer and two (2) coats paint to the following portion of the fence panel.								
	a.) Paint the whole pickets including top and bottom rails (Each = one whole fence panel).	20.00	EA.	$180.00	$3,600.00	20.00	$3,600.00	20.00	$3,600.00
	b.) Paint the whole post from top down to the top of footing.	35.00	EA.	$80.00	$ 2,800.00	35.00	$2,800.00	35.00	$2,800.00
	c.) Paint the post from top of footing up to 24" high.	115.00	EA.	$90.00	$ 10,350.00	115.00	$10,350.00	115.00	$10,350.00
	d.) Paint the post from top of footing up to 42" high.	42.00	EA.	$80.00	$ 3,360.00	42.00	$3,360.00	42.00	$3,360.00
	e.) Paint the top pickets, 12" high including top rails.	67.00	EA.	$60.00	$ 4,020.00	67.00	$4,020.00	67.00	$4,020.00
	f.) Paint the bottom pickets 12" high including bottom rail.	196.00	EA.	$58.00	$ 11,368.00	196.00	$11,368.00	196.00	$11,368.00
	g.) Paint the bottom pickets 24" high including bottom rails.	44.00	EA.	$70.00	$ 3,080.00	44.00	$3,080.00	44.00	$3,080.00
	h.) Paint the bottom pickets 36" high including the bottom rail.	36.00	EA.	$70.00	$ 2,520.00	36.00	$2,520.00	36.00	$2,520.00
	i.) Paint the bottom pickets 42" high including bottom rail.	5.00	EA.	$100.00	$ 500.00	5.00	$500.00	5.00	$500.00
14.	Remove and replace portion of corroded and dilapidated rolling gate frame with 2" diameter pipe schedule 40, hop dipped galvanized, and paint portion of the gate from the bottom rail up to the second rail (~3'-0" x 17'-0") three (3) coats minimum, to match existing, per "Detail - L".	1.00	EA.	$1,500.00	$ 1,500.00	0.00	$0.00	1.00	$1,500.00
15.	Remove and replace portion of corroded and dilapidated rolling gate frame with 2" diameter pipe schedule 40, hop dipped galvanized, and paint portion of the gate from the bottom rail up to the second rail (~3'-0" x 17'-0") three (3) coats minimum, to match existing, per "Detail - M".	1.00	EA.	$1,500.00	$ 1,500.00	0.00	$0.00	1.00	$1,500.00

Payment Detail
Heritage Park Perimeter Fence Repair

Contractor: Quality Fence Co., Inc.
14929 Garfield Avenue
Paramount, CA 90723

Final Payment: $80,497.30

Item No.	Description	Contract				Completed This Period		Completed to Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
16.	Remove and replace portion of corroded and dilapidated rolling gate frame with 2" diameter pipe schedule 40, hop dipped galvanized, and paint portion of the gate from the bottom rail up to the second rail (~3'-0" x 17'-0") three (3) coats minimum, to match existing, per "Detail - N".	1.00	EA.	$1,500.00	$ 1,500.00	1.00	$1,500.00	1.00	1,500.00
	Total				$137,464.00		$84,734.00		$137,464.00

Total Completed Items to Date: $137,464.00

CONTRACT PAYMENTS:

Total Items Completed to Date	$137,464.00
Less Payment No. 1	$50,093.50
Less 5% Retention	$6,873.20
Final Payment	**$80,497.30**

Invoice Date	Invoice No.	Warrant Billing Period		
		Invoice Due Date	Invoice Pay Date	Amount
4/14/2016	*P. P. No. 1*	*4/26/2016*	*5/5/2016*	$50,093.50
6/14/2016	*Final Payment*	*6/21/2016*	*6/30/2016*	$80,497.30

Finance Please Pay:	$80,497.30
Project Account:	455-397-S020-4800
Recommended by:	Robert Garcia
Approved by:	

NEW BUSINESS

Facility Use Agreement for Athletic Fields with the Santa Fe Springs 49ers Youth Football & Cheer

RECOMMENDATION

That the City Council approve the Facility Use Agreement For Athletic Fields between the City of Santa Fe Springs and Santa Fe Springs 49ers Youth Football & Cheer for the right to use the Lake Center Athletic Park for a period of time, commencing June 23, 2016 through November 30, 2016 and from July 1, 2016 through November 30, 2016.

BACKGROUND

The City of Santa Fe Springs has granted use of Lake Center Athletic Park to Santa Fe Springs 49ers Youth Football & Cheer (SFS 49ers) for six years for the purpose of serving the public interest of providing an organized youth football program. During this time, the SFS 49ers have provided a football and cheer program for various ages. The SFS 49ers have generally utilized Lake Center Athletic Park for its practices and the library/meeting room inside the Betty Wilson Center as a location for board meetings and coaches' trainings.

This Facility Use Agreement for the Athletic Fields has been developed to formalize the partnership between the City of Santa Fe Springs and the 49ers. This Agreement outlines the responsibilities of both parties and memorializes certain practices that both parties have adopted and are currently utilizing.

ANALYSIS

The agreement was drafted in cooperation with the SFS 49ers to ensure that it would be an agreement that benefitted both parties. The following highlights key parts of the agreement that is before the City Council:

- As stated above the term of this Facility Use Agreement for Athletic Fields is as follows:
  1. Lake Center Athletic Park – Commencing June 23, 2016 and terminating November 30, 2016; and re-commencing April 1, 2017 – November 20, 2017.
  2. The cheer squad will abide by the same start dates, but will utilize the Betty Wilson Center library for indoor practice until January 31st.

- The SFS 49ers will pay a flat rate of $2,000 for the use of Lake Center Athletic Park during the season.

Report Submitted By: Wayne B. Bergeron, Community Services Supervisor
Department of Community Services

Date of Report: June 16, 2016

ITEM NO. 18

- The SFS 49ers will provide a Facility Rental Application to clearly indicate when Lake Center Athletic Park will be used.

- The SFS 49ers must provide a master calendar of events, in writing, to the City's Parks & Recreation Services Division for the purposes of scheduling City facilities.

- The SFS 49ers must provide a copy of the Certificate of Insurance of $2 million of liability insurance and a copy of policy endorsement that verifies the City is named as an additional insured and indemnifies the City, its employees, and its agents.

- The SFS 49ers must provide proof of required health permits to operate and handle food from the concession stand/kitchen.

- The SFS 49ers agree to scheduled and unscheduled inspections by the City of Lake Center Athletic Park.

- This agreement may be terminated at any time by either party giving to the other party at least fifteen (15) days written notice of termination. The City may renew this agreement every two years; provided that SFS 49ers operates the facility in conformance with all regulations and this Facility Use Agreement for Athletic Fields.

The Mayor may call upon Wayne Bergeron, Community Services Supervisor, to answer any questions the Council may have regarding the proposed Facility Use Agreement for Athletic Fields with Santa Fe Springs 49ers Youth Football & Cheer.

Thaddeus McCormack
City Manager

ATTACHMENT:
Facility Use Agreement for Athletic Fields with Santa Fe Springs 49ers Youth Football & Cheer

Report Submitted By: Wayne B. Bergeron, Community Services Supervisor
Department of Community Services
Date of Report: June 16, 2016

CITY OF
SANTA FE SPRINGS

COMMUNITY SERVICES DEPARTMENT
PARKS & RECREATION SERVICES DIVISION

FACILITY USE AGREEMENT FOR ATHLETIC FIELDS

THIS AGREEMENT, made and entered into this ___ day of _____, 20___, by and between the City of Santa Fe Springs, a municipal corporation duly organized and existing under the laws of the State of California (hereinafter referred to as "AGENCY") and *Santa Fe Springs 49ers Youth Football & Cheer,* (hereinafter referred to as "ORGANIZATION").

RECITALS:

A. It is AGENCY's desire to serve the public interest of the community by providing a program of organized youth sports; and

B. The goal and purpose of ORGANIZATION is to provide a football sports program to the youth of the community;

C. In consideration of the mutual covenants and conditions contained herein, the parties do hereby agree as follows:

1. TERM OF AGREEMENT

AGENCY grants ORGANIZATION the right to use the *Lake Center Athletic Park* located at 11641 Florence Avenue, in Santa Fe Springs, including the use of the infield of the track, three baseball fields, the concession area (including snack bar & kitchen), and the library/meeting room (hereinafter "Subject Facilities"). AGENCY grants ORGANIZATION the right to use the *Lake Center Athletic Park* for a period of time and, when available, commencing in June 23, 2016 and terminating on November 30, 2016 and renewing April 1, 2017 and terminating on November 30, 2017.

Specifically, the ORGANIZATION will utilize Lake Center Athletic Park Monday – Friday from 6:00 p.m. – 8:30 p.m. for football and cheer practice from July until mid-September. From mid-September until the completion of the football season at the end of November practices will be held Tuesday–Thursday from 6:00 p.m. – 8:30 p.m.; however, cheer will use the Betty Wilson Center library/meeting space for practice Tuesday-Thursday from 6:00 p.m. – 8:30 p.m. through January. The ORGANIZATION can also utilize Lake Center Athletic Park from April through June based on availability for pre-season training workouts.

This AGREEMENT shall remain in effect through November 30, 2017, unless terminated earlier at any time by either party giving to the other party at least fifteen (15) days written notice of termination. AGENCY may renew this AGREEMENT every two years; provided

that ORGANZATION operates the facility designated below in conformance with all and regulations applicable thereto.

2. USE OF FACILITIES

ORGANIZATION's right to use the Subject Facilities will begin on the above stated date and upon submission of the following to the Agency:

A. Facility Rental Application
B. Payment in the amount of $2,000 for per season (amount does not include field usage outside of the approved dates)
C. 501(c)(3) designation from the I.R.S. or a nonprofit designation from the California Franchise Tax Board and/or the California Secretary of State.
D. Complete list of names, addresses and telephone numbers of the current Board of Directors or other responsible persons of ORGANIZATION.
E. Name and contact information of ORGANIZATION's liaison or designee who will work directly with designated City staff. All correspondence will be made through liaison. Requests made by any other member of the organization will not be honored until confirmation has been received by liaison or designee.
F. Master calendar of events to include:
    - Practice dates & times
    - Meetings dates & times
G. One copy of the Certificate of Insurance ($2 million liability) listing AGENCY as an additional insured and a copy of the policy endorsement including verbiage verifying AGENCY is named as an additional insured.

The above requested documents must be submitted at least two weeks prior to use. If the documents are not submitted, AGENCY may withhold use of the Subject Facility.

3. RESPONSIBILITY FOR ACTIVITIES

ORGANIZATION shall provide the personnel necessary to supervise and conduct the activities as set forth in this AGREEMENT at the Subject Facilities, and shall furnish and supply any and all equipment and material, which may be necessary for such activities conducted at the Subject Facilities. Athletic Field Lining and Marking must be done with prior written approval of AGENCY. Any user failing to comply with established guidelines and notification is subject to invoicing for all damages occurring to fields and termination of this AGREEMENT.

4. ORGANIZATION'S RESPONSIBILITIES

A. ORGANIZATION agrees to observe all rules and regulations as set forth in this AGREEMENT.

B. Modifications to Park Fields and Facilities: The removal, alteration, painting or addition to any facility or grounds, must be approved by AGENCY. This will include any proposed changes altering design or appearance of the

existing landscape of demised premises. No trees, shrubs, or ground covers shall be planted, trimmed or removed without written consent from AGENCY. Any requests to modify or improve park fields and facilities shall be submitted for approval to the Parks & Recreation Services Division, at least sixty (60) days prior to the date of any proposed changes.

C. ORGANIZATION agrees to erect no fences or advertising matter of any kind on AGENCY grounds without prior approval by the Parks & Recreation Services Division. Banners/advertising may only be displayed during the season; however, banners displaying registration information, may be posted prior to the beginning of the season.

D. Closure of Fields - Fields may be scheduled for closure and rehabilitation to allow for recovery due to heavy usage. The dates and times of closure to be determined by both the Community Services & Public Works Departments.

E. There will be no use of AGENCY athletic fields when facilities are unplayable due to rain or other conditions. Any user failing to comply with a decision to postpone use is subject to invoicing for all damages occurring to the field and termination of this AGREEMENT and the ability to use the Subject Facilities. ORGANIZATION (Public Works staff) will determine whether fields can be used after rain.

F. Any damages to the Subject Facilities or appurtenant AGENCY facilities caused by ORGANIZATION or its use of the Subject Facilities, will be ORGANIZATION's responsibility to replace or repair. In the event ORGANIZATION fails or refuses to replace or repair damage, AGENCY may cause such replacement and/or repair to be undertaken and ORGANIZATION agrees to reimburse AGENCY for the costs incurred to do so.

G. AGENCY will not provide keys and/or alarms to ORGANIZATION. AGENCY will assign City staff during season hours, as set forth in Item 1 of this who will supervise facilities and grant facility access to ORGANIZATION.

H. ORGANIZATION must provide proof of required health permits to operate and handle food from concession stand/kitchen.

I. ORGANIZATION is responsible for controlling their players and parents while using the Subject Facilities.

J. No power vehicles/equipment other than City operated are permitted on the fields.

K. Any violation of this AGREEMENT by ORGANIZATION and/or any league run by ORGANIZATION using the Subject Facilities, shall lose their privilege and use of the Subject Facilities.

5. LEGAL RESPONSIBILITIES

ORGANIZATION shall keep itself informed of City, State and Federal Laws, ordinances and regulations, which in any manner affect the performance of its activities pursuant to this AGREEMENT. ORGANIZATION shall at all times observe and comply with all such laws, ordinances and regulations. Neither AGENCY, nor its officers, volunteers, attorneys, agents or employees shall be liable at law or in equity as a result of ORGANIZATION's failure to comply with this section.

6. USE OF PREMISES

The Subject Facilities shall be used only for those athletic events as set forth in Paragraph 2 above. ORGANIZATION shall not permit the Subject Facilities or any part thereof to be used for:

A. The conduct of any offensive, noisy or dangerous activity.
B. The creation or maintenance of a public nuisance.
C. Anything which fails to comply with public regulations or rules of any public authority at any time, applicable to the Subject Facility; or
D. Any purpose or in any manner which will obstruct, interfere with or infringe upon the rights of the residents of adjoining properties.

Under no circumstance may the ORGANIZATION sub-lease field usage to outside travel teams or host division games outside approved calendar of events without AGENCY approval.

Subject Facilities does not include the use of the Betty Wilson Center. Use of the Betty Wilson Center requires another facility use rental application and additional fees.

7. EXCLUSIVE RIGHT

This AGREEMENT does not give the ORGANIZATION any right to the exclusive use of the Subject Facilities, restrooms, or any other public facility. ORGANIZATION agrees that the rights herein granted ***shall not*** be assigned to or transferable to any persons, teams or leagues.

8. MAINTENANCE

A. ORGANIZATION shall be responsible for all damages or injury to property or equipment caused by ORGANIZATION, its agents, employees, volunteers, participants and/or any other individual at the Subject Facilities during ORGANIZATION's use of the Subject Facilities.

B. All maintenance such as field preparation to include lining of the fields, marking of the fields and setup of temporary equipment will be performed by ORGANIZATION.

C. ORGANIZATION is responsible for the facility being free of trash and/or debris caused by group usage upon conclusion of each day's use.

D. ORGANIZATION is responsible for the daily maintenance of the storage area, office, and concession area (including snack bar & kitchen).

E. ORGANIZATION is required to report any damage to persons or property or acts of vandalism to AGENCY immediately.

F. ORGANIZATION is required to leave the concession area (including snack bar & kitchen) neat and clean upon the conclusion of the season in preparation for turnover to any other sports organization or the AGENCY.

9. INSPECTION

A. ORGANIZATION and AGENCY shall conduct a joint safety walk to inspect the Subject Facilities prior to each use by ORGANIZATION to ensure that it is free from any defects and/or hazards that may pose a danger to participants, spectators and/or any other person who is at the Subject Facilities as part of ORGANIZATION's use of the Subject Facilities. ORGANIZATION shall immediately notify AGENCY of any defect or hazard identified so that AGENCY has sufficient time to warn of the defect or hazard and/or remediate the defect or hazard prior to ORGANIZATION's use of the Subject Facilities. ORGANIZATION's agrees that should it fail to conduct any such inspection and/or fail to timely notify AGENCY of any defect or hazard identified, ORGANIZATION shall be solely responsible for any damage or injury, whether to persons or property, arising from the defect or hazard.

B. AGENCY shall have the right to enter the Subject Facilities utilized hereunder as needed. However, AGENCY's exercise of the right to enter shall not create any duty on the party of AGENCY to inspect the Subject Facilities for defects or hazards under section A herein.

10. IMPROVEMENTS

The removal, alteration, or addition to any facility or grounds must be approved and performed by AGENCY. This shall include any proposed changes that would alter the design or appearance of the existing landscape of the Subject Facilities. No trees, shrub, or ground covers shall be planted, trimmed or removed without written consent from AGENCY.

Furthermore, all requests for removal, alternation, or addition to any facility or grounds must be submitted to AGENCY for consideration and review at least (10) days prior to the date any proposed change(s) is needed.

Assistance by ORGANIZATION, its agents, employees, or its participants with any such removal, alteration, addition, or painting shall be solely at the discretion and with prior written consent of AGENCY.

Nothing in this section shall be interpreted as prohibiting the normal maintenance of the facility by ORGANIZATION as specified in section 8.

11. TITLE TO IMPROVEMENTS

All alterations and additions to the Subject Facilities or surrounding grounds shall become the property of AGENCY. Nothing contained in this paragraph shall authorize ORGANIZATION to make or place any alterations, changes or improvements on the Subject Facilities without the prior written consent of AGENCY.

12. SIGNS

No signs shall be raised on the Subject Facilities described herein unless written approval is obtained from AGENCY. Such a request for approval shall be directed to the Parks & Recreation Services Division Manager. No sponsor advertising sign shall be installed on buildings or grounds without the prior written consent of AGENCY.

13. TERMINATION OF THIS AGREEMENT

Notwithstanding the TERM, ORGANIZATION or AGENCY may, at any time, terminate this AGREEMENT by serving on the other party such written termination at least fifteen (15) days in advance of such termination.

14. NOTICE

All notices respecting this AGREEMENT shall be served by certified mail, postage prepaid, addressed as follows:

To AGENCY:

City of Santa Fe Springs
Community Services Department
Attention: Director of Community Services
9255 S. Pioneer Boulevard
Santa Fe Springs, CA 90670

To ORGANIZATION:

Santa Fe Springs 49ers Youth Football & Cheer
Attention: President
10617 Orr & Day Road
Santa Fe Springs, CA 90670

Notice shall be deemed to have been served seventy-two (72) hours after the same has been deposited in the United States Postal Service.

15. ATTORNEYS FEES

Should any litigation or other legal action be commenced between the parties hereto to interpret or enforce the provisions of this AGREEMENT, in addition to any other relief to which the party may be entitled in law or equity, the prevailing party in such litigation or legal action shall be entitled to recover costs of suit and reasonable attorney's fees.

16. GOVERNING LAW

This AGREEMENT will be governed by and constructed in accordance with the laws of the State of California.

17. ASSIGNMENT

Neither this AGREEMENT nor any duties, rights or obligations under this AGREEMENT may be assigned by ORGANIZATION, either voluntarily or by operation of law without the express written consent of AGENCY.

18. INSURANCE

ORGANIZATION shall maintain insurance in conformance with the requirements set forth below. ORGANIZATION will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth herein, ORGANIZATION agrees to amend, supplement or endorse the existing coverage to do so.

ORGANIZATION acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required ($2 million). Any insurance proceeds available to ORGANIZATION in excess of the limits and coverage identified in this AGREEMENT and which is applicable to a given loss, claim or demand, will be equally available to AGENCY.

ORGANIZATION shall provide the following types and amounts of insurance:

A. Commercial General Liability Insurance: ORGANIZATION shall maintain commercial general liability insurance including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations. The limits of ORGANIZATION's insurance shall apply to this Agreement as if set forth herein, but in no event shall provide combined single limits of coverage of not less than $2,000,000 per occurrence, $4,000,000 general aggregate. There shall be no cross liability exclusion for claims or suits by one insured against another.

ORGANIZATION and AGENCY agree to the following with respect to insurance provided by ORGANIZATION:

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Best's rating of A- or better and a minimum financial size VII.

1. ORGANIZATION agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insured AGENCY, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or similarly worded endorsement. ORGANIZATION also agrees to require all contractors, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this AGREEMENT shall prohibit ORGANIZATION, or ORGANIZATION's employees, or agents, from waiving the right of subrogation prior to a loss. ORGANIZATION agrees to waive subrogation rights against AGENCY regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.

3. All insurance coverage and limits provided by Contractor and available or applicable to this AGREEMENT are intended to apply to the full extent of the policies. Nothing contained in this AGREEMENT or any other agreement relating to AGENCY or its operations limits the application of such insurance coverage.

4. None of the coverage required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to AGENCY and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by AGENCY, as the need arises. ORGANIZATION shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect AGENCY's protection without AGENCY's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverage required and an additional insured endorsement to ORGANIZATION's general liability policy, shall be delivered to AGENCY at or prior to the execution of this AGREEMENT. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, AGENCY has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by AGENCY shall be charged to and promptly paid by ORGANIZATION or deducted from sums due ORGANIZATION, at AGENCY option.

8. Certificate(s) are to reflect that the insurer will provide 30 days' notice to AGENCY of any cancellation of coverage. ORGANIZATION agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to

mail written notice of cancellation imposes no obligation, or that any party will "attempt" (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this AGREEMENT that all insurance coverage required to be provided by ORGANIZATION or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self-insurance available to AGENCY. ORGANIZATION shall ensure that each policy of insurance required herein reflects this AGREEMENT and is written into each policy.

10. ORGANIZATION agrees to ensure that its sub consultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by ORGANIZATION, provide the same minimum insurance coverage required of ORGANIZATION. ORGANIZATION agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section.

11. ORGANIZATION agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein. If ORGANIZATION's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to AGENCY. At that time AGENCY shall review options with ORGANIZATION, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions. To the extent AGENCY agrees to any deductible or self-insured retention under any policy required under this AGREEMENT to which AGENCY is named as an additional insured, ORGANIZATION shall be required to modify the policy to permit AGENCY to satisfy the deductible or self-insured retention in the event ORGANIZATION is unable or unwilling to do so as a means to ensure AGENCY can avail itself to the coverage provided under each policy.

12. AGENCY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving ORGANIZATION ninety (90) days advance written notice of such change. If such change results in substantial additional cost to ORGANIZATION, AGENCY will negotiate additional compensation proportional to the increased benefit to AGENCY.

13. For purposes of applying insurance coverage only, this AGREEMENT will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this AGREEMENT.

14. ORGANIZATION acknowledges and agrees that any actual or alleged failure on the part of AGENCY to inform ORGANIZATION of non-compliance with any insurance requirement in no way imposes any additional obligations on AGENCY nor does it waive any rights hereunder in this or any other regard.

15. ORGANIZATION will renew the required coverage annually as long as AGENCY, or its employees or agents face an exposure from operations of any type pursuant to this AGREEMENT. This obligation applies whether or not the AGREEMENT is canceled or terminated for any reason. Termination of this obligation is not effective until AGENCY executes a written statement to that effect.

16. ORGANIZATION shall provide proof that policies of insurance required herein expiring during the term of this AGREEMENT have been renewed or replaced with other policies providing at least the same coverage and upon the same terms and conditions herein. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from ORGANIZATION's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to AGENCY within five days of the expiration of the coverage.

17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements, or as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

18. These insurance requirements are intended to be separate and distinct from any other provision in this AGREEMENT and are intended by the parties here to be interpreted as such.

19. The requirements in this Section supersede all other sections and provisions of this AGREEMENT to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

20. ORGANIZATION agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge AGENCY or ORGANIZATION for the cost of additional insurance coverage required by this AGREEMENT. Any such provisions are to be deleted with reference to AGENCY. It is not the intent of AGENCY to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against AGENCY for payment of premiums or other amounts with respect thereto.

ORGANIZATION agrees to provide immediate notice to AGENCY of any claim or loss against ORGANIZATION arising out of the work performed under this AGREEMENT. AGENCY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve AGENCY.

19. INDEMNIFICATION

ORGANIZATION shall indemnify, defend, and hold harmless AGENCY, its City Council, each member thereof, present and future, members of boards and commissions, its officers, agents, employees and volunteers from and against any and all liability, claims, allegations, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, economic loss, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. ORGANIZATION's obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of ORGANIZATION, its officers,

employees, agents, participants, representative or vendors. It is further agreed, ORGANIZATION's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent active or passive negligence on the part of AGENCY, its City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting from the sole negligence or willful misconduct of AGENCY, its officers, employees or agents relating to ORGANIZATION's use of the Subject Facility under this AGREEMENT. In the event AGENCY, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this AGREEMENT, and upon demand by AGENCY, ORGANIZATION shall have an immediate duty to defend AGENCY at ORGANIZATION's cost or at AGENCY's option, to reimburse AGENCY for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

20. INDEPENDENT CONTRACTOR

Volunteer administrators, volunteer coaches, parents, contractors, employees and/or officers and directors of ORGANIZATION shall not be deemed to be employees or agents of AGENCY as a result of the performance of this AGREEMENT.

21. ENTIRE AGREEMENT OF THE PARTIES

This AGREEMENT supersedes any and all agreements, either oral or written, between the parties hereto with respect to the use of the Subject Facility by ORGANIZATION and contains all of the covenants and conditions between the parties with respect to the use of the Subject Facility. Each party to this AGREEMENT acknowledges that no representations, inducements, promises or agreement, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this AGREEMENT has been made by the parties. Modification of this AGREEMENT can only be made in writing, signed by both parties to this AGREEMENT.

ORGANIZATION: Santa Fe Springs 49ers Youth Football & Cheer

By:_____
(Signature)

_____
(Print Name)

_____
(Title)

CITY OF SANTA FE SPRINGS
A Municipal Corporation

_____
Richard J. Moore
Mayor

ATTEST:

_____
Janet Martinez, CMC
City Clerk

APPROVED AS TO FORM:

_____
Steve Skolnik
City Attorney

NEW BUSINESS

Clarke Estate Exterior Painting – Final Payment

RECOMMENDATION
That the City Council approve the Final Payment (less 5% Retention) to AJ Fistes Corporation of Long Beach, California in the amount of $9,500 for the subject project.

BACKGROUND

The City Council, at their meeting of February 25, 2016, awarded a contract to AJ Fistes Corporation of Long Beach, California in the amount of $36,480.00 for the above subject.

The project includes the power washing, surface preparation and painting of exterior cement plaster walls, windows and doors, ceiling at the courtyard, exterior walls, doors and windows at the courtyard, trellis and all existing painted surfaces on all exterior elevations.

The following payment detail represent the Final Payment (less 5% Retention) due per terms of the contract for the work which has been completed and found to be satisfactory.

The final construction cost is $46,480. The final project cost including the construction, engineering, inspection, overhead and contingency is within the budgeted amount of $90,000.

FISCAL IMPACT

The Heritage Park Perimeter Fence Repair Project is fully funded through the Bond Capital Improvement Project Fund.

Thaddeus McCormack
City Manager

Attachment:
Payment Detail

Report Submitted By: Noe Negrete, Director
Department of Public Works

Date of Report: June 16, 2016

ITEM NO. 17

PAYMENT DETAIL:
CLARKE ESTATE EXTERIOR PAINTING

Contractor: AJ Fistes Corporation
2214 Atlantic Avenue
Long Beach, CA 90806

Final Payment: $ 9,500.00

Item No.	Description	Contract				Completed This Period		Completed To Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
Contract Work									
1	Furnish all labor, equipment and materials necessary to Paint Exterior of Clarke Estate including all exterior elevations. The work will include, power washing, concrete patch, plaster patch and repair, cutting eyebolts, paint first coat with Loxon Conditioner, and apply second coat of Sherwin Williams Conflex XL: as per Plan A6 and A7 and Specifications, complete in place.	1	L.S.	$ 22,200.00	$ 22,200.00	0%	$ -	100%	$ 22,200.00
2	Furnish all labor, equipment and materials necessary to Paint Trim of all exterior elevations, and interior courtyard. The work will include, power washing, patching, sanding, repair, apply one (1) coat primer, and two (2) coats on exterior and interior of each window, ceiling, doors, frames, jambs, leafs, seals, sashes, louvers, ash clean outs, eves, rain gutters, handrails, roof metal coping, entry doors, entry ceiling light: as per Plan A6 and A7 and Specifications, complete in place.	1	L.S.	$ 14,280.00	$ 14,280.00	0%	$ -	100%	$ 14,280.00
				Total	$ 36,480.00		$ -		$ 36,480.00

Contract Change Order (CCO)

Item No.	Description	Contract Change Order				Completed This Period		Completed to Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
1	CCO No. 1 - Paint Second Floor Clarke Estate Interior Courtyard	1	L.S.		$ 2,000.00	100%	$ 2,000.00	100%	$ 2,000.00
2	CCO No. 1 - Paint Los Nietos Ballfield Structures	1	L.S.		$ 8,000.00	100%	$ 8,000.00	100%	$ 8,000.00
					$ 10,000.00		$ 10,000.00		$ 10,000.00

CONTRACT AMOUNT INCLUDING CONTRACT CHANGE ORDERS TO DATE Total $ 46,480.00

Total Completed Items to Date: $ 46,480.00

Total Items Completed to Date	$ 46,480.00
Less Progress Payment No. 1	$ 34,656.00
Less 5% Retention	$ 2,324.00
Final Payment	**$ 9,500.00**

Invoice Date	Invoice No.	Warrant Billing Period		
		Invoice Due Date	Invoice Pay Date	Amount
04/21/2016	*PP No. 1*	*05/24/2016*	*06/02/2016*	$34,656.00
06/20/2016	*Final Payment*	*06/21/2016*	*06/30/2016*	$9,500.00

Finance Please Pay:	$ 9,500.00
Project Account:	455-397-S032-4800
Recommended by:	Robert Garcia
Approved by:	

NEW BUSINESS

Adoption of Resolution No. 9511 and the Approval of the Contract with the State Department of Education

RECOMMENDATION

That the City Council approves Resolution No. 9511 authorizing the renewal of Contract CSPP-6157 with the State Department of Education for Fiscal Year 2016/2017 for the purpose of providing child care and development services for preschool age children.

BACKGROUND

Submitted for your approval is the 2016/2017 contract renewal with the California Department of Education to provide child care and development services. This contract in the amount of $557,780 allows the city to provide child care and development services to eligible preschool age children. This contract amount serves approximately 48 part day preschool age children at the Los Nietos Child Care Center and 48 full day preschool age children at the Gus Velasco Neighborhood Center temporary buildings.

The contract MRA (Maximum Reimbursement Amount of $557,780 is subject to further adjustment contingent upon final legislation enacted in the State FY 2016/17 budget and actual enrollment earnings.

Thaddeus McCormack
City Manager

Attachment(s)
State contract (2 copies)
Federal Certification page
Resolution

Report Submitted By: Ed Ramirez Date of Report: June 14, 2016
Department of Community Services

ITEM NO. 19

CALIFORNIA DEPARTMENT OF EDUCATION
1430 N Street
Sacramento, CA 95814-5901

F.Y. 16 - 17

DATE: July 01, 2016

CONTRACT NUMBER: CSPP-6157
PROGRAM TYPE: CALIFORNIA STATE PRESCHOOL PROGRAM
PROJECT NUMBER: 19-2194-00-6

LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES

CONTRACTOR'S NAME: CITY OF SANTA FE SPRINGS

This Agreement is entered into between the State Agency and the Contractor named above. The Contractor agrees to comply with the terms and conditions of the CURRENT APPLICATION; the GENERAL TERMS AND CONDITIONS (GTC-610)*; the STATE PRESCHOOL PROGRAM REQUIREMENTS*; the FUNDING TERMS AND CONDITIONS (FT&C)* and any subsequent changes to the FT&C*, which are by this reference made a part of this Agreement. Where the GTC-610 conflicts with either the Program Requirements or the FT&C, the Program Requirements or the FT&C will prevail.

Funding of this Agreement is contingent upon appropriation and availability of sufficient funds. This Agreement may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this Agreement.

The period of performance for this Agreement is July 01, 2016 through June 30, 2017. For satisfactory performance of the required services, the Contractor shall be reimbursed in accordance with the Determination of Reimbursable Amount Section of the FT&C, at a rate not to exceed $38.27 per child per day of full-time enrollment and a Maximum Reimbursable Amount (MRA) of $557,780.00.

SERVICE REQUIREMENTS

Minimum Child Days of Enrollment (CDE) Requirement	14,575.0
Minimum Days of Operation (MDO) Requirement	249

Any provision of this Agreement found to be in violation of Federal and State statute or regulation shall be invalid, but such a finding shall not affect the remaining provisions of this Agreement.

Items shown with an Asterisk (*), are hereby incorporated by this reference and made part of this Agreement as if attached hereto. These documents can be viewed at http://www.cde.ca.gov/fg/aa/cd/ftc2016.asp.

STATE OF CALIFORNIA				**CONTRACTOR**
BY (AUTHORIZED SIGNATURE)				BY (AUTHORIZED SIGNATURE)
PRINTED NAME OF PERSON SIGNING Sueshil Chandra, Manager				PRINTED NAME AND TITLE OF PERSON SIGNING
TITLE Contracts, Purchasing and Conference Services				ADDRESS
AMOUNT ENCUMBERED BY THIS DOCUMENT $ 557,780	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs		FUND TITLE	Department of General Services use only
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT $ 0	(OPTIONAL USE) See Attached			
TOTAL AMOUNT ENCUMBERED TO DATE $ 557,780	ITEM See Attached	CHAPTER	STATUTE / FISCAL YEAR	
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702			
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.			T.B.A. NO. / B.R. NO.	
SIGNATURE OF ACCOUNTING OFFICER See Attached			DATE	

CONTRACTOR'S NAME: CITY OF SANTA FE SPRINGS

CONTRACT NUMBER: CSPP-6157

AMOUNT ENCUMBERED BY THIS DOCUMENT	PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE	
$ 50,903	Child Development Programs		Federal	
PRIOR AMOUNT ENCUMBERED	(OPTIONAL USE)0656 FC# 93.596 PC# 000321			
$ 0	13609-2194			
TOTAL AMOUNT ENCUMBERED TO DATE	ITEM 30.10.020.001	CHAPTER	STATUTE	FISCAL YEAR
$ 50,903	6100-194-0890	B/A	2016	2016-2017
	OBJECT OF EXPENDITURE (CODE AND TITLE)			
	702 SACS: Res-5025 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT	PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE	
$ 23,381	Child Development Programs		Federal	
PRIOR AMOUNT ENCUMBERED	(OPTIONAL USE)0656 FC# 93.575 PC# 000324			
$ 0	15136-2194			
TOTAL AMOUNT ENCUMBERED TO DATE	ITEM 30.10.020.001	CHAPTER	STATUTE	FISCAL YEAR
$ 23,381	6100-194-0890	B/A	2016	2016-2017
	OBJECT OF EXPENDITURE (CODE AND TITLE)			
	702 SACS: Res-5025 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT	PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE	
$ 387,486	Child Development Programs		General	
PRIOR AMOUNT ENCUMBERED	(OPTIONAL USE)0656			
$ 0	23038-2194			
TOTAL AMOUNT ENCUMBERED TO DATE	ITEM 30.10.010.	CHAPTER	STATUTE	FISCAL YEAR
$ 387,486	6100-196-0001	B/A	2016	2016-2017
	OBJECT OF EXPENDITURE (CODE AND TITLE)			
	702 SACS: Res-6105 Rev-8590			

AMOUNT ENCUMBERED BY THIS DOCUMENT	PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE	
$ 96,010	Child Development Programs		General	
PRIOR AMOUNT ENCUMBERED	(OPTIONAL USE)0656			
$ 0	23254-2194			
TOTAL AMOUNT ENCUMBERED TO DATE	ITEM 30.10.020.001	CHAPTER	STATUTE	FISCAL YEAR
$ 96,010	6100-194-0001	B/A	2016	2016-2017
	OBJECT OF EXPENDITURE (CODE AND TITLE)			
	702 SACS: Res-6105 Rev-8590			

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.	T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER	DATE	

RESOLUTION NO. 9511

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA AUTHORIZING APPROVAL OF LOCAL AGREEMENT WITH THE CALIFORNIA STATE DEPARTMENT OF EDUCATION FOR THE PURPOSE OF PROVIDING CHILD CARE AND DEVELOPMENTAL SERVICES TO PRE-SCHOOL AGE CHILDREN IN FISCAL YEAR 2016-2017

BE IT RESOLVED that the City Council of the City of Santa Fe Springs certify as to the approval of local agreement with the California State Department of Education for the purpose of providing child care and development services to Pre-school age children in Fiscal Year 2016-2017

BE IT FURTHER RESOLVED that the City Council of the City of Santa Fe Springs authorize approval of local Agreement No. CSPP-6157 and authorize the Director of the Community Services, Maricela Balderas to sign the agreement.

PASSED AND ADOPTED THIS 23RD day of June 2016.

_____
MAYOR

ATTEST:

_____
CITY CLERK

NEW BUSINESS

Resolution No. 9516 – Adoption of Annual Appropriation (GANN) Limit for Fiscal Year 2016-17

RECOMMENDATION

That the City Council adopt Resolution No. 9516 setting the appropriation limit for Fiscal Year 2016-17 (roll call vote required).

BACKGROUND

As required by Article XIII B of the State Constitution, the City Council annually revises the appropriation limit for each upcoming fiscal year. The limit establishes the maximum amount of taxes the City is allowed to collect and appropriate. We recently received information regarding the various factors that we may use to adjust the appropriations limit for Fiscal Year 2016-17.

The limit is adjusted each year based on two categories of adjustments, changes in (1) cost of living and (2) population. Within each adjustment category there are two factors from which the City can choose in calculating the new limit.

For the cost of living adjustment, the law allows a choice between the following:

- The increase in California per capita income (5.37%)
- The percentage change in the local assessment roll due to the addition of non-residential new construction (-3.32%)

For the population growth adjustment, the law allows a choice between the following:

- Los Angeles County population increase (0.85%)
- The City of Santa Fe Springs' own population growth (3.29%).

Using the most advantageous factors above (percentage change in California per capita income and the change in population of Santa Fe Springs), the City's appropriation limit for Fiscal Year 2016-17 is calculated to be $1,525,963,965. The City's Fiscal Year 2016-17 budget subject to this limit is calculated at $39,754,500.

The majority of California cities report appropriation limits well in excess of actual appropriations subject to the limit. For the City of Santa Fe Springs, the large excess of the limit over subject appropriations is primarily a result of the fact that the change in local assessment roll due to the addition of non-residential new construction ranged from 10.76% to 33.15% between fiscal years 2006-07 and 2009-10.

Report Submitted By: Travis Hickey
Director of Fiscal Services

Date of Report: June 17, 2016

ITEM NO. 20

The appropriations limit, which seeks to cap increases in government spending, was established by the passage of Proposition 4 in 1979. The limit was put in place one year following the passage of Proposition 13 in 1978, which limited cities' ability to increase property tax revenue. Proposition 218, passed in November 1996, also limited cities' ability to implement or raise general-purpose taxes, assessments, and certain property-related fees without voter approval. Although the City has the capacity to increase spending under the appropriations limit restriction, the City's budget is constrained by limits on increasing revenues.

The appropriation limit calculation and appropriations subject to the limit are detailed in Exhibit A of Resolution No.9516.

Thaddeus McCormack
City Manager

Attachment(s)
Resolution No. 9516 (including Exhibit A)
Adjustment factors - State of California and the County of Los Angeles Information

Report Submitted By: Travis Hickey
Director of Fiscal Services

Date of Report: June 16, 2016

ITEM NO. 22

RESOLUTION NO. 9516

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS ADOPTING THE ANNUAL APPROPRIATION LIMIT FOR THE FISCAL YEAR 2016-17

WHEREAS, the City Council must annually adjust the appropriation limit based on either the change in the California per capita personal income or the percentage change in local assessment roll from the preceding year due to the addition of local non-residential construction in the City and either the City's own population growth or the population growth of the entire county; and

WHEREAS, the decision as to which of the options to select must be done by a recorded vote of the City Council;

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

Section 1: In calculating the appropriation limit, the City has utilized the percentage change in California per capita personal income for fiscal year 2015-16 of 5.37%.

Section 2: In calculating the appropriation limit, the City has utilized the population growth factor for the City of Santa Fe Springs from January 1, 2015 to January 1, 2016 of 3.29%.

Section 3: The appropriation limit for Fiscal Year 2016-17 is $1,525,963,965 as calculated on Exhibit "A" attached hereto.

Section 4: The City reserves the right to change or revise any growth factors associated with the calculation of the appropriation limit in the present or future.

Section 5: The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 23rd day of June, 2016.

_____
Mayor

ATTEST:

_____
City Clerk

EXHIBIT A

CALCULATION OF APPROPRIATION LIMIT
FISCAL YEAR 2016-17

	Amount	
Fiscal Year 2015-16 Appropriation Limit	$ 1,402,024,959	
Adjustment Factor (Rounded to 4 Decimal Places)	1.0884	**(A)**
Adjustment	123,939,006	
Fiscal Year 2016-17 Appropriation Limit	**$ 1,525,963,965**	**(B)**

Adjustment Factor Calculation:	Change %	Change As a Ratio	
Adjustment for increase in non-residential new construction:	5.37%	1.0537	
Adjustment for growth in City of Santa Fe Springs population:	3.29%	1.0329	
Combined Adjustment Factor 1.0537 X 1.0329		1.0884	**(A)**

Appropriations Subject to the Limit (2016-17 Proposed Budget Figures):

Property Tax	$ 3,415,000	
Utility User's Tax	6,950,000	
Sales & Use Tax	25,914,000	
Transient Occupancy Tax	163,000	
Business Operations Tax	780,000	
Property Transfer Tax	150,000	
Barrel Tax	368,000	
Vehicle in Lieu Tax	1,719,000	
Interest (50% allocated to proceeds from taxes)	47,500	
Public Safety Augmentation Fund	148,000	
Supplemental Law Enforcement Services Fund	100,000	
Total Appropriations Subject to the Limit	39,754,500	
Appropriations Limit	1,525,963,965	**(B)**
Amount Under the Limit	**$ 1,486,209,465**	

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2016

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
The California Revenue and Taxation Code, section 2227, requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2016, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2016-17. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2016-17 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. The Revenue and Taxation Code, section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2016.**

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY COSTA
Chief Deputy Director

Attachment

May 2016

Attachment A

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2016-17 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2016-17	5.37

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2016-17 appropriation limit.

2016-17:

Per Capita Cost of Living Change = 5.37 percent
Population Change = 0.90 percent

Per Capita Cost of Living converted to a ratio: $\frac{5.37 + 100}{100} = 1.0537$

Population converted to a ratio: $\frac{0.90 + 100}{100} = 1.0090$

Calculation of factor for FY 2016-17:

$1.0537 \times 1.0090 = 1.0632$

Fiscal Year 2016-17

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2015 to January 1, 2016 and Total Population, January 1, 2016

County City	Percent Change 2015-2016	--- Population Minus Exclusions --- 1-1-15	 1-1-16	Total Population 1-1-2016
La Canada Flintridge	0.45	20,464	20,556	20,556
La Habra Heights	0.61	5,426	5,459	5,459
Lakewood	0.36	78,187	78,471	78,471
La Mirada	0.38	49,452	49,639	49,639
Lancaster	0.43	151,695	152,349	157,094
La Puente	0.37	40,373	40,521	40,521
La Verne	0.52	33,027	33,200	33,200
Lawndale	0.39	33,365	33,496	33,496
Lomita	0.29	20,232	20,290	20,290
Long Beach	0.66	481,719	484,879	484,958
Los Angeles	1.27	3,977,541	4,028,043	4,030,904
Lynwood	0.20	72,358	72,505	72,505
Malibu	0.50	12,643	12,706	12,706
Manhattan Beach	0.36	35,172	35,297	35,297
Maywood	0.44	28,094	28,219	28,219
Monrovia	0.74	37,254	37,531	37,531
Montebello	0.48	63,620	63,924	63,924
Monterey Park	0.34	61,137	61,346	61,346
Norwalk	0.27	104,278	104,562	105,292
Palmdale	0.60	159,112	160,072	160,072
Palos Verdes Estates	0.42	13,655	13,712	13,712
Paramount	0.46	56,143	56,400	56,400
Pasadena	0.89	139,781	141,023	141,023
Pico Rivera	0.39	64,020	64,272	64,272
Pomona	0.58	154,712	155,604	155,604
Rancho Palos Verdes	0.46	42,825	43,024	43,041
Redondo Beach	0.57	69,101	69,494	69,494
Rolling Hills	0.52	1,933	1,943	1,943
Rolling Hills Estates	0.27	8,006	8,028	8,028
Rosemead	0.44	54,987	55,231	55,231
San Dimas	0.32	34,035	34,144	34,144
San Fernando	0.53	24,404	24,533	24,533
San Gabriel	0.51	40,219	40,424	40,424
San Marino	0.34	13,520	13,566	13,566
Santa Clarita	1.72	215,890	219,611	219,611
Santa Fe Springs	3.29	17,827	18,414	18,459
Santa Monica	0.59	93,093	93,640	93,640
Sierra Madre	0.34	10,976	11,013	11,013
Signal Hill	0.42	11,624	11,673	11,673
South El Monte	1.01	20,605	20,814	20,814

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2016-17

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2015 to January 1, 2016 and Total Population, January 1, 2016

County City	Percent Change 2015-2016	--- Population Minus Exclusions --- 1-1-15	 1-1-16	Total Population 1-1-2016
South Gate	1.43	98,176	99,578	99,578
South Pasadena	0.38	25,929	26,028	26,028
Temple City	0.89	36,210	36,534	36,534
Torrance	0.41	146,570	147,175	147,175
Vernon	72.13	122	210	210
Walnut	0.52	29,996	30,152	30,152
West Covina	0.74	107,081	107,873	107,873
West Hollywood	0.38	35,788	35,923	35,923
Westlake Village	0.40	8,351	8,384	8,384
Whittier	0.47	87,924	88,341	88,341
Unincorporated	0.28	1,048,161	1,051,078	1,051,989
County Total	0.85	10,145,677	10,231,861	10,241,335

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

JEFFREY PRANG
Assessor

OFFICE OF THE ASSESSOR
COUNTY OF LOS ANGELES
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2770
assessor.lacounty.gov
1(888) 807-2111

ASSESSOR Los Angeles County
Valuing People and Property

June 14, 2016

Mr. Travis Hickey
Director of Fiscal Services
City of Santa Fe Springs
11710 Telegraph Rd.
Santa Fe Springs, CA 90670-3679

Dear Mr. Hickey:

Your agency, the City of Santa Fe Springs, in order to effect an adjustment of its Gann Limit, has requested that the Assessor's Office supply the percentage change in total assessed valuation for the city over that of the preceding year, due to nonresidential new construction.

For the City of Santa Fe Springs, the 2015-2016 net change in nonresidential new construction, applicable to the 2016-2017 budget, is -3.32%.

If we can be of further service, please call Kevin Quon at (213) 893-6838.

Sincerely,

Kevin Quon
Appraiser
Statistical Support

Enclosures

NEW BUSINESS

Adoption of the City's FY 2016-17 Investment Policy

RECOMMENDATION
That the City Council adopt the Investment Policy for FY 2016-17.

BACKGROUND

Prior to January 1, 2005, State statute required the City Treasurer to render to the City Council an annual Investment Policy (Policy). Although the law changed to eliminate this requirement, an annual review of the Policy for legal compliance and subsequent submittal to the City Council is a good fiscal practice.

Last year, Staff worked closely with the City Council Finance Subcommittee (consisting of Mayor Richard Moore and Councilmember Jay Sarno) and Ms. Sarah Meacham (Director with PFM Asset Management, LLC) in a comprehensive update of the Policy. Subsequently, the City Council approved the new policy on June 25, 2015.

At this time, after discussions with the City Council Investment Subcommittee and Ms. Meacham, there are no proposed changes to the Policy. There are no significant changes that warrant a recommended change in the Policy.

The current policy is modeled after the recommended language endorsed by the California Municipal Treasurer's Association (CMTA). It retains the existing overall investment objectives, in priority order, to be (1) safety (2) liquidity and (3) return on investment:

Safety — Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

Liquidity — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.

Return on Investment — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration with the investment risk constraints of safety and liquidity needs.

Thaddeus McCormack
City Manager

Report Submitted By: Jose Gomez and Travis Hickey
Finance & Administrative Services

Date of Report: June 17, 2016

ITEM NO. 21

City of Santa Fe Springs
Investment Policy
June 23, 2016

1. Policy

The intent of the Investment Policy of City of Santa Fe Springs is to define the parameters within which funds are to be managed. In methods, procedures and practices, the policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The City will invest its funds in such a manner as to comply with applicable state laws (California Government Code Section 53600, et seq. and 53630, et seq.), ensure prudent money management, provide for daily cash flow needs, and meet the City's investment objectives.

2. Scope

The Investment Policy applies to all funds and investment activities of the City except for the investment of bond proceeds, which are governed by the appropriate bond documents, and any pension or other post-employment benefit funds held in a trust that has a separate investment policy.

Except for funds in certain restricted and special funds, the City commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

3. Prudence

The standard of prudence to be used by those authorized to invest on behalf of the City will be the "prudent investor" standard and will be applied in the context of managing an overall portfolio. The "prudent investor" standard states that:

> *"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."*

4. Objectives

The primary objectives, in priority order, of the investment activities of the City are:

1. Safety — Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.
3. Return on Investment — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration with the investment risk constraints of safety and liquidity needs.

5. Delegation of Authority

The City Council's management responsibility for the investment program is hereby delegated for a one-year period to the City Treasurer. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The City Treasurer, and the Treasurer's designees, will monitor and review all investments for consistency with this Investment Policy. The City Treasurer may delegate day-to-day investment decision making and execution authority to an investment advisor. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Policy and such other written instructions as are provided.

6. Ethics and Conflict of Interest

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials will disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

7. Authorized Financial Dealers and Institutions

The City Treasurer will maintain a list of financial dealers and institutions qualified and authorized to transact business with the City.

The purchase by the City of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of Financial Industry Regulatory Authority (FINRA), or a member of a Federally regulated securities exchange, a National or State Chartered Bank a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The City Treasurer will investigate all institutions that wish to do business with the City, in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs, and agree to abide by the conditions set forth in the City's Investment Policy and any other guidelines that may be provided. This will be done annually by having the financial institutions submit in writing that they have read and will abide by the City's Investment Policy and submit its most recent audited Financial Statement within 120 days of the institution's fiscal year end.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, whenever possible.

8. Authorized and Suitable Investment

The City will limit investments in any one issuer, except U.S. Treasuries, Federal Agencies, supranationals, and pooled funds (i.e., money market funds, local government investment pools, and LAIF), to no more than 5% regardless of security type.

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only at the date of purchase. Credit criteria listed in this section refers to the credit rating category (inclusive of modifiers) at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the City Treasurer will perform a timely review and decide whether to sell or hold the investment.

1. **U.S. Treasuries.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated "A," its equivalent, or better by a nationally recognized statistical rating organization (NRSRO). Obligations eligible for investment under this subdivision with maturities under one year must be rated at least "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 4. Other State Obligations).
4. **Other State Obligations.** Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or

by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated "A," its equivalent, or better by a NRSRO. Obligations eligible for investment under this subdivision with maturities under one year must be rated at least "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 3. California State and Local Agency Obligations).

5. **Bankers' Acceptances**. Purchases of bankers' acceptances will have a maximum maturity of 180 days. No more than 40% of the City's portfolio may be invested in bankers' acceptances. Eligible bankers' acceptances must be rated at least "A-1," its equivalent, or better by a NRSRO.

6. **Commercial Paper**. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper will meet all of the following conditions in either paragraph a or paragraph b:

    a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

    b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

    Eligible commercial paper will have a maximum maturity of 270 days or less. No more than 25% of the City's portfolio may be invested in commercial paper. The City may purchase no more than 10% of the outstanding commercial paper of any single issuer.

7. **Medium-Term Notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S. Medium-term notes must be rated "A," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in medium-term notes.

8. **Bank Deposits.** FDIC-insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") and other types of bank deposits in a state or national bank, savings association or federal association, federal or state credit union in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. In accordance with California Government Code Section 53635.2, to be eligible to receive City deposits, a financial institution will have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities. The City will have a signed

agreement with any depository accepting City funds per Government Code Section 53649.

The maturity of TCDs may not exceed three years. No more than 30% of the City's portfolio may be invested in TCDs.

9. **Deposit Placement Services.** The City may invest a portion of its portfolio in deposits at a commercial bank, savings bank, savings and loan association, or credit union in the State of California (the selected depository) that uses a private sector entity that assists in the placement of deposits in the United States. The full amount of each deposit placed and the interest that may accrue on each such deposit will at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration. Additional required criteria for this investment type can be found in California Government Code Section 53601.8.

   If the City also uses a negotiable CDs, the 30% limit applies to the combined total invested in negotiable CDs and with deposit placement services. No more than 10% of the City's portfolio may be invested with any one selected depository for placement services.

   The City will monitor the financial institutions selected by deposit placement services to ensure that the City does not deposit more than the amount eligible for FDIC insurance in a single financial institution through non-negotiable CDs and deposit placement services. California Government Code Section 53601.8 expires January 1, 2017 unless legislation is enacted to extend the expiration date.

10. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Eligible negotiable CDs with maturities in excess of one year must be rated "A," its equivalent, or better by a NRSRO. Eligible negotiable CDs with maturities under one year must be rated at least "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's investment portfolio may be invested in negotiable CDs. If the City also uses a deposit placement service, the 30% limit applies to the combined total invested in negotiable CDs and with deposit placement services.

11. **State of California's Local Agency Investment Fund (LAIF).** The State Treasurer established LAIF for the benefit of local agencies. The City can invest up to the maximum amount permitted by the State Treasurer.

12. **Los Angeles County Pooled Fund.** The Los Angeles County Treasurer manages a Pooled Fund, in which the City can invest funds that are needed for short-term liquidity.

13. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies will either:

    a. Attain the highest ranking letter or numerical rating provided by not less than two of the three largest NRSRO or

b. Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of $500,000,000.

No more than 20% of the City's portfolio may be invested in money market funds.

14. **Local Government Investment Pools (LGIPs).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share will represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares will have retained an investment adviser that meets all of the following criteria:

    a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.

    b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) California Government Code Section 53601, inclusive.

    c. The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

15. **Supranationals.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision must be rated at least "AA" by a NRSRO. No more than 30% of the City's portfolio may be invested in supranationals.

16. **Asset-Backed Securities (ABS).** Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Eligible securities must be rated, by a NRSRO, as "AA" or higher, and the issuer of the security must have an "A" or higher rating for its debt as provided by a NRSRO. No more than 20% of the City's portfolio may be invested in ABS.

9. Prohibited Investments

Investments not described herein, including but not limited to stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity are prohibited for purchased by the City. The City will not leverage or borrow money for the purpose of investing.

10. Local Investment

The City will strive to make investments that benefit the local area. Placing monies in local commercial banks is one method of promoting this goal. Deposits may be placed with local commercial banks up to the amount insured by the FDIC.

11. Non Discrimination

The City has an obligation to be aware of the social and political impacts of its investments and to act responsibly in making its investment decisions. The City will not knowingly make any investments in any institution, company, corporation, subsidiary or affiliate that practices or supports directly or indirectly through its actions, discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference, or physical disability.

12. Review of Investment Portfolio

California Government Code requires compliance be measured only at the time of purchase. Balance fluctuations can cause sector and issuer percentages to rise above the limits described above and changes in the financial environment can cause ratings to fall below minimum requirements. While these situations do not constitute non-compliance, the City Treasurer will monitor for these situations and decide whether they warrant making changes to the portfolio. Instances of non-compliance will be reported to the City Council at least quarterly, if any arise.

13. Investment Pools

The City will complete due diligence for any pooled investments the City invests in. The City Treasurer will collect and evaluate the following information for each pool/fund:

- Permitted investments and objectives
- Description of interest calculations
- Method/frequency of interest distribution
- Treatment of gains and losses
- Method/frequency of audits
- Description of eligible investors
- Limits/minimum account sizes, type of assets, transaction sizes, and number of transactions
- Limits on withdrawals
- Frequency of statements and reporting of underlying investments
- Reserves or retained earnings
- Fee schedules

14. Collateralization

Collateralization is required for deposits. Deposits must be collateralized as specified under Government Code Section 53630, et seq. The City, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit

insurance. Funds may be deposited in active or inactive accounts, but may not exceed the total paid-up capital and surplus in any depository.

15. Safekeeping and Custody

All deliverable securities owned by the City, will be kept in safekeeping/custody by a third-party bank's trust department. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping/custody bank prior to the release of funds.

16. Maximum Maturities

Maturities will be based on a review of cash flow forecasts. Maturities will be scheduled to permit the City to meet all projected obligations.

The City may not invest in a security that exceeds five years from the date of purchase unless the City Council has provided at least 90 days prior approval for a specific purpose.

17. Internal Controls

The City Treasurer will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

18. Performance Standards

The City Treasurer will establish a performance benchmark consistent with the City's investment strategy and supportive of the City's investment objectives.

19. Reporting Requirements

The City Treasurer will render a quarterly report to the City Council and City Manager within 30 days following the end of the quarter covered. The report will include at least:

- List of all investments owned by the City
- List transactions as required by California Government Code 53607 when City Council has delegated authority
- Investment type
- Issuer
- Maturity date
- Total par and dollar amount invested
- Description of any funds, investments, or programs managed by an advisor or other outside party
- Market value of the investment portfolio as of the date of the report, and the source of this valuation
- Statement as to whether the City's investments comply with the Investment Policy, and if not, why not
- Statement denoting the ability of the City to meet its expenditure requirements for the next six months

20. Investment Policy Adoption

The City's Investment Policy will be adopted by resolution of the City Council. The Policy will be reviewed annually by the City Council and any modifications made thereto must be approved by the Council.

21. Glossary

See attached Appendix A.

APPENDIX A
GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the City. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per entity.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities held by an investor.

APPENDIX A

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

PRESENTATION

Introduction of New Santa Fe Springs Policing Team Members

RECOMMENDATION

The Mayor may wish to call upon Dino Torres, Director of Police Services to introduce the newest members of the Santa Fe Springs Policing Team.

Tim Jacksy, Corporal
Hector Flores, Officer
Michael Linklater, Officer

Thaddeus McCormack
City Manager

Report Submitted By: Dino Torres, Director
Department of Police Services

Date of Report: June 17, 2016

ITEM NO. 28A

PROCLAMATION
Proclaiming July 2016 as "Parks Make Life Better" Month in Santa Fe Springs

RECOMMENDATION
That the City Council proclaim July 2016 as "Parks Make Life Better" Month in Santa Fe Springs.

BACKGROUND
Since 1985, America has celebrated July as the nation's official Park and Recreation month. Cities across the country annually commemorate the month of July to kick off summer programming, and to unite communities together through many activities and special events focusing on cultural enrichment, and through programs of youth and adult sports, recreational classes, day camp programs, aquatic classes, and parks. Parks and Recreation professionals promote outdoor physical activities, and advocate for public parks and recreation programs.

This summer, the City of Santa Fe Springs will focus on the values of Parks & Recreation by providing outdoor space to play and exercise, to facilitate social connections, human development, arts, and lifelong learning.

As we observe the month of July as "Parks Make Life Better", we acknowledge the contributions of employees and volunteers throughout the country who assist public parks and recreation facilities. These dedicated supporters keep public parks clean and safe for visitors. They organize and coach youth sports teams, provide recreation and leisure activities to stimulate and create physical and emotional growth for all segments of the community, and advocate for open space preservation. They ensure that public parks and recreation facilities are safe and accessible places for all citizens to "play."

The Mayor may wish to call upon Community Services Supervisor Wayne Bergeron to assist with the presentation.

Thaddeus McCormack
City Manager

Attachment
July 2016 – "Parks Make Life Better" Proclamation

Report Submitted By: Adam Matsumoto
Department of Community Services

Date of Report: June 23, 2016

ITEM NO. 28B

WHEREAS, Parks and Recreation makes lives and communities better now and in the future; and

WHEREAS, it is established through statewide public opinion research, 98% of California households visit a local park at least once a year; two in three households visit a park once a month; 50% of households participate in an organized recreation program; and most park use is with family and friends; and

WHEREAS, residents value recreation as it provides positive alternatives for children and youth to reduce crime and mischief especially during nonschool hours; it promotes the arts, it increases social connections; aids in therapy; and promotes lifelong learning; and

WHEREAS, the residents of Santa Fe Springs including children, youth, families, adults, seniors, businesses, community organizations, and visitors benefit from the wide range of parks, open space, sports fields, facilities and programs including Santa Fe Springs, Little Lake, Lakeview, and Los Nietos Parks provided by City of Santa Fe Springs.

WHEREAS, the City of Santa Fe Springs City Council urges all its residents to recognize that parks and recreation enriches the lives of its residents and visitors as well as adding value to the community's homes and neighborhoods.

NOW, THEREFORE, be it resolve that I, Richard J. Moore, Mayor of the City of Santa Fe Springs, proclaim July 2016 as "Parks Make Life Better" Month

"Parks Make Life Better" Month

The City of Santa Fe Springs urges all its citizens to use and enjoy its parks, facilities and recreation opportunities.

Dated this 23rd day of June 2016

_____

Richard J. Moore, MAYOR

ATTEST:

_____

Janet Martinez, CITY CLERK

APPOINTMENTS TO COMMITTEES AND COMMISSIONS

Committee	Vacancies	Councilmember
Beautification	1	Rounds
Beautification	3	Sarno
Beautification	2	Trujillo
Community Program	1	Moore
Community Program	1	Rounds
Community Program	3	Sarno
Community Program	4	Trujillo
Community Program	3	Zamora
Heritage Arts	1	Zamora
Historical	3	Sarno
Historical	3	Trujillo
Historical	3	Zamora
Parks & Recreation	1	Trujillo
Parks & Recreation	2	Sarno
Senior Citizens	1	Moore
Senior Citizens	1	Rounds
Senior Citizens	2	Sarno
Senior Citizens	4	Trujillo
Senior Citizens	2	Zamora
Sister City	1	Moore
Sister City	3	Sarno
Sister City	2	Trujillo
Youth Leadership	1	Sarno
Youth Leadership	2	Zamora

Applications Received: None

Recent Actions: Shaun Rojas Appointed to the Youth Leadership Committee and Elena Lopez Armendariz appointed to the Senior Citizen Committee

Thaddeus McCormack
City Manager

Attachments:
Committee Lists
Prospective Members

Report Submitted by: Janet Martinez, CMC
City Clerk

Date of Report: June 17, 2016

ITEM NO. 29A

Prospective Members for Various Committees/Commissions

Beautification
Frankie Aguayo Jr.

Community Program
Frankie Aguayo Jr.
Frank Aguayo

Family & Human Services

Heritage Arts
Frankie Aguayo Jr.

Historical

Personnel Advisory Board

Parks & Recreation
Linda Vallejo
Frankie Aguayo Jr.
Frank Aguayo

Planning Commission
Delmy Johana Coca
Francis Carbajal
Bryan Collins

Senior Citizens Advisory

Sister City
Jeannette Wolfe
Frankie Aguayo Jr.

Traffic Commission
Delmy Johana Coca
Francis Carbajal
Bryan Collins

Youth Leadership

BEAUTIFICATION COMMITTEE

Meets the fourth Wednesday of each month, except July, Aug, Dec.
9:30 a.m., Town Center Hall
Qualifications: 18 Years of age, reside or active in the City
Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Juliet Ray	(16)
	Paula Minnehan	(16)
	Annie Petris	(17)
	Guadalupe Placensia	(17)
	Gloria Campos	(17)
Zamora	Mary Reed	(16)
	Charlotte Zevallos	(16)
	Doris Yarwood	(16)
	Vada Conrad	(17)
	Joseph Saiza	(17)
Rounds	Sadie Calderon	(16)
	Rita Argott	(16)
	Mary Arias	(17)
	Marlene Vernava	(17)
	Vacant	(17)
Sarno	**Vacant**	(16)
	Irene Pasillas	(16)
	Vacant	(16)
	May Sharp	(17)
	Vacant	(17)
Trujillo	Mary Jo Haller	(16)
	Vacant	(16)
	Margaret Bustos*	(16)
	Vacant	(17)
	A.J. Hayes*	(17)

**Indicates person currently serves on three committees*

COMMUNITY PROGRAM COMMITTEE

Meets the third Wednesday in Jan., May, and Sept., at 7:00 p.m., Town Center Hall, Meeting Room #1

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	George Felix, Jr.	(16)
	Vacant	(16)
	Mary Jo Haller	(17)
	Gabriela Garcia	(17)
	Bryan Collins	(17)
Zamora	**Vacant**	(16)
	Mary Anderson	(17)
	Dolores H. Romero*	(17)
	Vacant	(16)
	Vacant	(17)
Rounds	Mark Scoggins*	(16)
	Marlene Vernava	(16)
	Vacant	(16)
	Anthony Ambris	(17)
	Johana Coca*	(17)
Sarno	Jeanne Teran	(16)
	Miguel Estevez	(16)
	Vacant	(16)
	Vacant	(17)
	Vacant	(17)
Trujillo	Lydia Gonzales	(16)
	Vacant	(16)
	Vacant	(16)
	Vacant	(17)
	Vacant	(17)

**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 5:45 p.m., Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

Membership: 15 Residents Appointed by City Council

5 Social Service Agency Representatives Appointed by the Committee

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Arcelia Miranda	(16)
	Martha Villanueva	(17)
	Margaret Bustos*	(17)
Zamora	Lydia Gonzales	(16)
	Tina Delgado	(17)
	Gilbert Aguirre	(17)
Rounds	Annette Rodriguez	(16)
	Janie Aguirre	(17)
	Ted Radoumis	(17)
Sarno	Debbie Belmontes	(16)
	Linda Vallejo	(16)
	Hilda Zamora	(17)
Trujillo	Dolores H. Romero*	(16)
	Laurie Rios	(16)
	Bonnie Fox	(17)

Organizational Representatives: (Up to 5)

Nancy Stowe
Evelyn Castro-Guillen
Elvia Torres
(SPIRITT Family Services)

**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 Gus Velasco Neighborhood Center Room 1

Qualifications: 18 Years of age, reside or active in the City

Membership: 9 Voting Members
6 Non-Voting Members

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Laurie Rios	6/30/2016
Zamora	**Vacant**	6/30/2016
Rounds	Pauline Moore	6/30/2016
Sarno	Francis Carbajal	6/30/2016
Trujillo	Amparo Oblea	6/30/2016

Committee Representatives

Beautification Committee	Marlene Vernava*	6/30/2017
Historical Committee	Sally Gaitan	6/30/2017
Planning Commission	**Vacant**	6/30/2017
Chamber of Commerce	Debbie Baker	6/30/2017

Council/Staff Representatives

Council Liaison	
Council Alternate	Richard Moore
City Manager	Thaddeus McCormack
Director of Community Services	Maricela Balderas
Director of Planning	Wayne Morrell

**Indicates person currently serves on three committees*

HISTORICAL COMMITTEE

Meets Quarterly - The 2nd Tuesday of Jan., April, July, and Oct., at 5:30 p.m.,
Heritage Park Train Depot

Qualifications: 18 Years of age, reside or active in the City

Membership: 20

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Astrid Shesterkin	(16)
	Tony Reyes	(16)
	Amparo Oblea	(17)
	George Felix, Jr.	(17)
Zamora	**Vacant**	(16)
	Vacant	(16)
	Vacant	(17)
	Larry Oblea	(17)
Rounds	Pauline Moore	(16)
	Linda Vallejo	(16)
	Mark Scoggins*	(17)
	Janice Smith	(17)
Sarno	**Vacant**	(16)
	Vacant	(16)
	Vacant	(17)
	Sally Gaitan	(17)
Trujillo	**Vacant**	(16)
	Vacant	(16)
	Merrie Hathaway	(17)
	Vacant	(17)

**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., Town Center Hall, Meeting Room #1

Subcommittee Meets at 6:00 p.m.

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Mary Tavera	(16)
	Adrian Romero	(17)
	William Logan	(17)
	Ralph Aranda	(17)
	Kurt Hamra	(17)
Zamora	Francis Carbajal	(16)
	Bernie Landin	(16)
	Michele Carbajal	(16)
	Sally Gaitan	(17)
	Steve Gonzalez	(17)
Rounds	Kenneth Arnold	(16)
	Richard Legarreta, Sr.	(16)
	Johana Coca*	(16)
	Tim Arnold	(17)
	Mark Scoggins*	(17)
Sarno	**Vacant**	(16)
	Debbie Belmontes	(16)
	Lisa Garcia	(17)
	Vacant	(16)
	David Diaz-Infante	(17)
Trujillo	Miguel Estevez	(16)
	Andrea Lopez	(16)
	Vacant	(17)
	Anthony Ambris	(17)
	Arcelia Miranda	(17)

**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 JUNE 30 OF
Council	Angel Munoz	6/30/2017
	Ron Biggs	6/30/2017
Personnel Advisory Board	**Vacant**	6/30/2017
Firemen's Association	Jim De Silva	6/30/2017
Employees' Association	Anita Ayala	6/30/2017

PLANNING COMMISSION

Meets the second Monday of every Month at 4:30 p.m.,
Council Chambers

Qualifications: 18 Years of age, reside or active in the City

Membership: 5

APPOINTED BY	NAME
Moore	Ken Arnold
Rounds	Ralph Aranda
Sarno	John Mora
Trujillo	Frank Ybarra
Zamora	Gabriel Jimenez

SENIOR CITIZENS ADVISORY COMMITTEE

Meets the Second Tuesday of the month, except Jul., Aug., Sep., and Dec., at 9:30 a.m., Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Vacant	(16)
	Yoko Nakamura	(16)
	Paul Nakamura	(16)
	Astrid Shesterkin	(17)
	Vacant	(17)
Zamora	Rebecca Lira	(16)
	Vacant	(16)
	Vacant	(16)
	Amelia Acosta	(17)
	Elena L. Armendariz	(17)
Rounds	**Vacant**	(16)
	Bonnie Fox	(16)
	Gilbert Aguirre	(17)
	Lorena Huitron	(17)
	Janie Aguirre	(17)
Sarno	Gloria Duran*	(16)
	Vacant	(16)
	Hilda Zamora	(17)
	Vacant	(17)
	Ed Duran	(17)
Trujillo	**Vacant**	(16)
	Vacant	(16)
	Vacant	(17)
	Margaret Bustos*	(17)
	Vacant	(17)

**Indicates person currently serves on three committees*

SISTER CITY COMMITTEE

Meets the First Monday of every month, except Dec., at 6:45 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.

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Martha Villanueva	(16)
	Laurie Rios	(16)
	Mary K. Reed	(17)
	Peggy Radoumis	(17)
	Vacant	(17)
Zamora	Charlotte Zevallos	(16)
	Francis Carbajal	(16)
	Michele Carbajal	(17)
	Doris Yarwood	(17)
	Lucy Gomez	(17)
Rounds	Manny Zevallos	(16)
	Susan Johnston	(16)
	Robert Wolfe	(16)
	Ted Radoumis	(17)
	Dominique Velasco	(17)
Sarno	**Vacant**	(16)
	Vacant	(16)
	Vacant	(16)
	Vacant	(17)
	Cathy Guerrero	(17)
Trujillo	**Vacant**	(16)
	Andrea Lopez	(16)
	Dolores H. Romero*	(17)
	Marcella Obregon	(17)
	Vacant	(17)

**Indicates person currently serves on three committees*

TRAFFIC COMMISSION

Meets the Third Thursday of every month, at 6:00 p.m., Council Chambers

Membership: 5

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME
Moore	Albert J. Hayes
Rounds	Ted Radoumis
Sarno	Alma Martinez
Trujillo	Greg Berg
Zamora	Nancy Romo

YOUTH LEADERSHIP COMMITTEE

Meets the First Monday of every month, at 6:30 p.m., Gus Velasco Neighborhood Center

Qualifications: Ages 13-18, reside in Santa Fe Springs

Membership: 20

APPOINTED BY	NAME	Term Expires in Year Listed or upon Graduation
Moore	Richard Aguilar	(17)
	Evony Reyes	(16)
	Zachary Varela	(17)
	Lexi Cid	(17)
Zamora	Metztli Mercado-Garcia	(17)
	Danniela Chavez	(17)
	Vacant	()
	Vacant	()
Rounds	Gabriel Perez	(16)
	Jennisa Casillas	(17)
	Laurence Ordaz	(16)
	Sarah Garcia	()
Sarno	Anissa Rodriguez	(16)
	Vacant	()
	Vacant	()
	Alyssa Madrid	(16)
Trujillo	Paul Legarreta	(17)
	Victoria Nunez	(16)
	Richard Uribe	(16)
	Shaun Rojas	(17)